

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

Docket No. UM 2255

In the Matter of

IDAHO POWER CORPORATION

2026 All Source Request for Proposals (RFP)

Staff Comments

The following are initial comments from the Oregon Public Utility Commission Staff (Staff) on Idaho Power Company (Idaho Power, IPC, or Company) Request for Acknowledgment of the Final Shortlist (FSL) in IPC's 2026 All-Source Request for Proposals (Request for Acknowledgement).

Idaho Power filed its Request for Acknowledgment on December 4, 2023. The Independent Evaluator's (IE) Closing Report was included as an attachment to the filing.

Staff's comments generally focus on the alignment of procurement volumes and resource types with Integrated Resource Plans (IRPs); IE identified advantages and risks of benchmark bids; specific questions about bids that were included or excluded from the FSL; and post FSL contract negotiations.

### The Procurement Drivers and Size

In its Request for Acknowledgement filing, IPC describes that it is seeking acknowledgment of the 2026 RFP FSL to meet the energy and capacity needs identified in the acknowledged 2021 Integrated Resource Plan (2021 IRP).<sup>1</sup> However, it goes on to explain that its procurement needs are also "defined in the Company's recent filing of the 2023 Integrated Resource Plan (2023 IRP)<sup>2</sup> on September 29, 2023" and that its analysis considers the costs and risks associated with "different procurement scenarios including the procurement of resources in excess of the need identified in the acknowledged 2021 IRP and filed 2023 IRP."<sup>3</sup>

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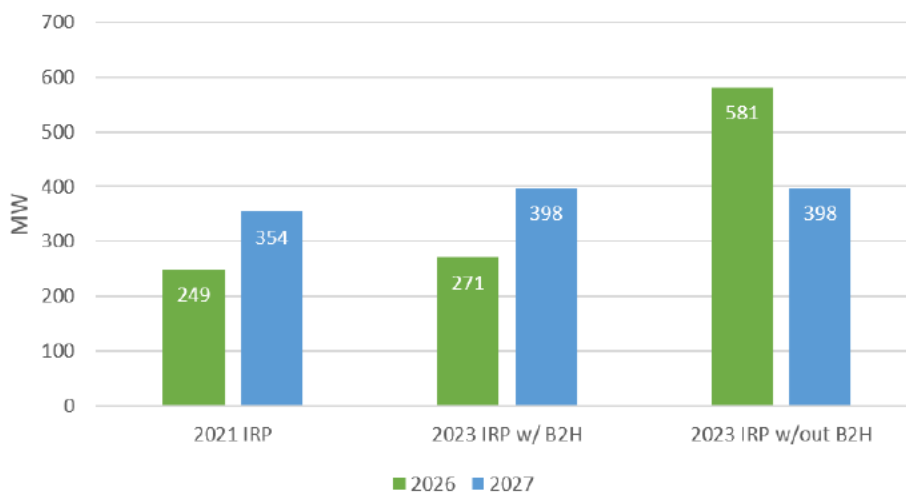
<sup>1</sup> See Idaho Power Request for Acknowledgment, December 4, 2023, Page 1.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

The Company explains that, after two previous procurement efforts, its remaining incremental capacity need from the 2021 IRP was 249 Megawatts (MW) in 2026 and 354 MW in 2027.<sup>4</sup> As the Company developed its RFP application, it described seeing load growth activity suggesting a higher need than that identified in the 2021 IRP. The Company’s 2023 IRP filing, filed approximately eight months after the acknowledgement of its 2021 IRP, showed additional incremental capacity needs of 22 MW in 2026 and 44 MW in 2027, assuming the Boardman to Hemingway (B2H) transmission line would be online by July 2026, along with other transmission capacity.<sup>5</sup> However, were B2H not come online until November 2026, a scenario in its 2023 IRP showed that incremental capacity needs in 2026 would increase to 332 MW, while 2027 would remain at 44 MW, but the general capacity need would continue to “grow into the future.”

Figure 1: Summary of IPC’s Needed Annual Capacity Additions



At the time of the filing of this RFP the Company explains it “initially” sought bids for a combination of capacity and energy resources to provide a minimum of approximately 350 MW of peak capacity and up to 1,100 MW of variable energy resources, and that products to meet the needs included both resource-based products, and “firm energy (WSPP Schedule C or equivalent) that meets the eligibility requirements of the Western Resource Adequacy Program.” IPC explains that it expects to be able to leverage transmission paths that it holds, or expects to hold, “to delivery various products, including capacity from B2H.”<sup>6</sup>

### Identified Need

Staff has had many conversations with the Company to clarify what need can be demonstrated in an acknowledged IRP, and the evidence available to support need not yet present in an acknowledged IRP. Staff is motivated to work with stakeholders and the Company to find ways to ensure RFPs represent a need that is both up to date and reflective of stakeholder and Staff

<sup>4</sup> See OPUC Docket LC 78 – Idaho Power 2021 IRP (Table 10.7), Page 142.

<sup>5</sup> See Idaho Power Request for Acknowledgement, December 4, 2023, Page 4.

<sup>6</sup> See Idaho Power Request for Acknowledgement, December 4, 2023, Page 7.

vetting, and ultimately Commission acknowledgement. Staff continues its review of key 2023 IRP load growth inputs and assumptions. While these inputs and assumptions were arrived at through the Company's IRP Advisory Council (IRPAC) process, they are currently under review in OPUC Docket No. LC 84 and are not part of an acknowledged IRP.

In LC 84, and as shown in Figure 1 below, Idaho Power presents that its load forecast between the 2021 and 2023 IRPs has changed significantly. Were this the only change, understanding need could be straightforward. However, many other key inputs and reliability assumptions have also changed as shown in Table 1 and Table 2, making it difficult for Staff to track documentation supporting identified need.

Figure 2: Load forecast changes between 2021 and 2023 IRP<sup>7</sup>

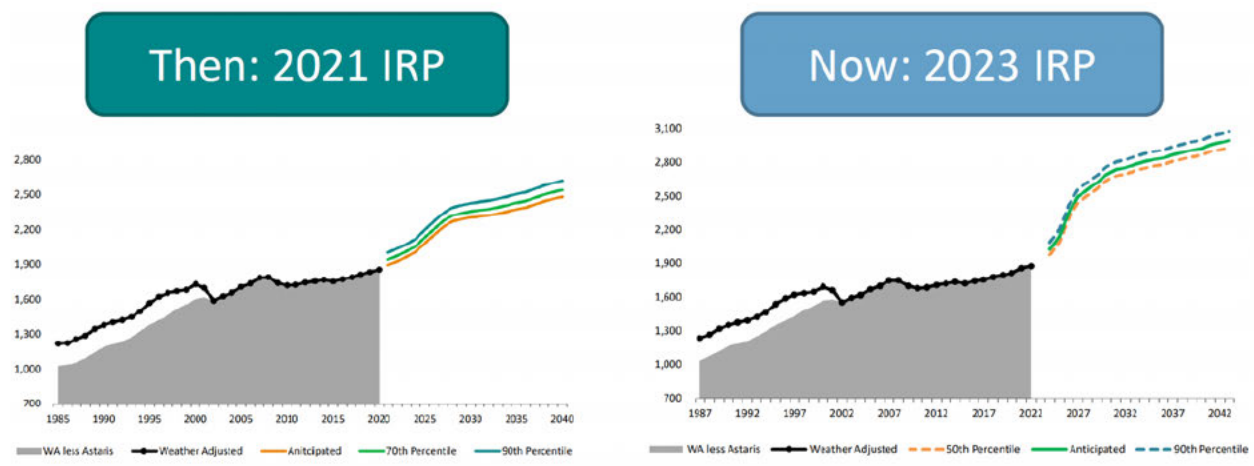


Table 1: 2023 IRP Input Key Changes

Input	2021 IRP	2023 IRP
<b>WRAP</b>	None	14 MW starting in 2027
<b>Gateway West Transmission Phases</b>	Not included	Identified as necessary for system reliability and to enable incremental renewables
<b>B2H</b>	500 MW 200 MW summer/winter	500 MW Summer only
<b>Demand Response</b>	100 MW of DR selected	Additional 160 MW of DR selected
<b>EE</b>	440 MW of cost-effective EE selected	360 MW of EE selected
<b>Winter Transmission Capacity (Idaho to Northwest)</b>	330 MW	Winter ramps down to 100 MW between 2028-2030
<b>Bridger Conversions</b>	Units 1&2 in 2024	Units 1&2 in 2024, units 3&4 in 2030

<sup>7</sup> See Idaho Power's 2023 IRP Overview Presentation for the October 31, 2023, Public Meeting in LC 84, Page 4.

<b>Valmy Conversions</b>	No options	Units 1&2 in 2026
<b>New Firm Capacity</b>	No new firm capacity generation resources	2 Hydrogen peakers selected in 2038 to replace Bridger NG.
<b>Curtable Renewables</b>	Not curtailed	Curtailed - Modeled at REC price
<b>Solar and Storage</b>	Paired	Unpaired

Table 2: 2023 IRP Reliability Changes

	Item	2021 IRP	2023 IRP
<b>Reliability</b>	LOLE Threshold	0.05 day/year	0.1 day/year
	Peak Load	50th Percentile	70th Percentile
<b>RCAT</b>	ELCC	Fixed ELCC based on average of first 5 projects	Seasonal saturation curves implemented
	PRM	Static	Seasonal, variable
<b>CBM</b>	Capacity Benefit Margin	330 MW All-year	200 MW summer

The Commission approved the issuance of this RFP, inclusive of the volumes identified need.<sup>8</sup> Additionally, the CBRs contemplated consideration of needs not associated with an acknowledged IRP, and notes that the RFPs can show “subsequently identified need or change in circumstances with good cause shown.”<sup>9</sup> Regardless, Staff plans to explore the changes between the 2021 and 2023 IRPs, and their impact on the identified need. Staff may ultimately recommend changes that could impact its recommendations regarding identified need, notwithstanding its recommendation to approve issuance of this RFP.

### Procurement Size

Staff also has questions about the Company’s description of the identified need as a “minimum” and similarly notes that if the Company intends to procure a higher volume of resources than those identified that it will need to demonstrate good cause for the higher volume. The FSL, with a total nameplate capacity of 2,980 MWs, is more than double the RFP volumes (up to 1,100 MW variable and at least 350 MW peak capacity). Staff understands the approach of including more projects on a FSL than is required to guard against attrition that can occur in the negotiation phase. However, Staff would like to understand whether the Company is currently anticipating procuring close to the forecasted volumes, and if not, what factors will inform the Company’s decision as to whether it intends to procure more.

***Request 1: In Reply Comments the Company should clarify its intended procurement volumes and describe what factors it will consider when determining whether to procure more resources than those identified in this RFP.***

<sup>8</sup> See Docket No. UM 2255, Order No. 23-260.

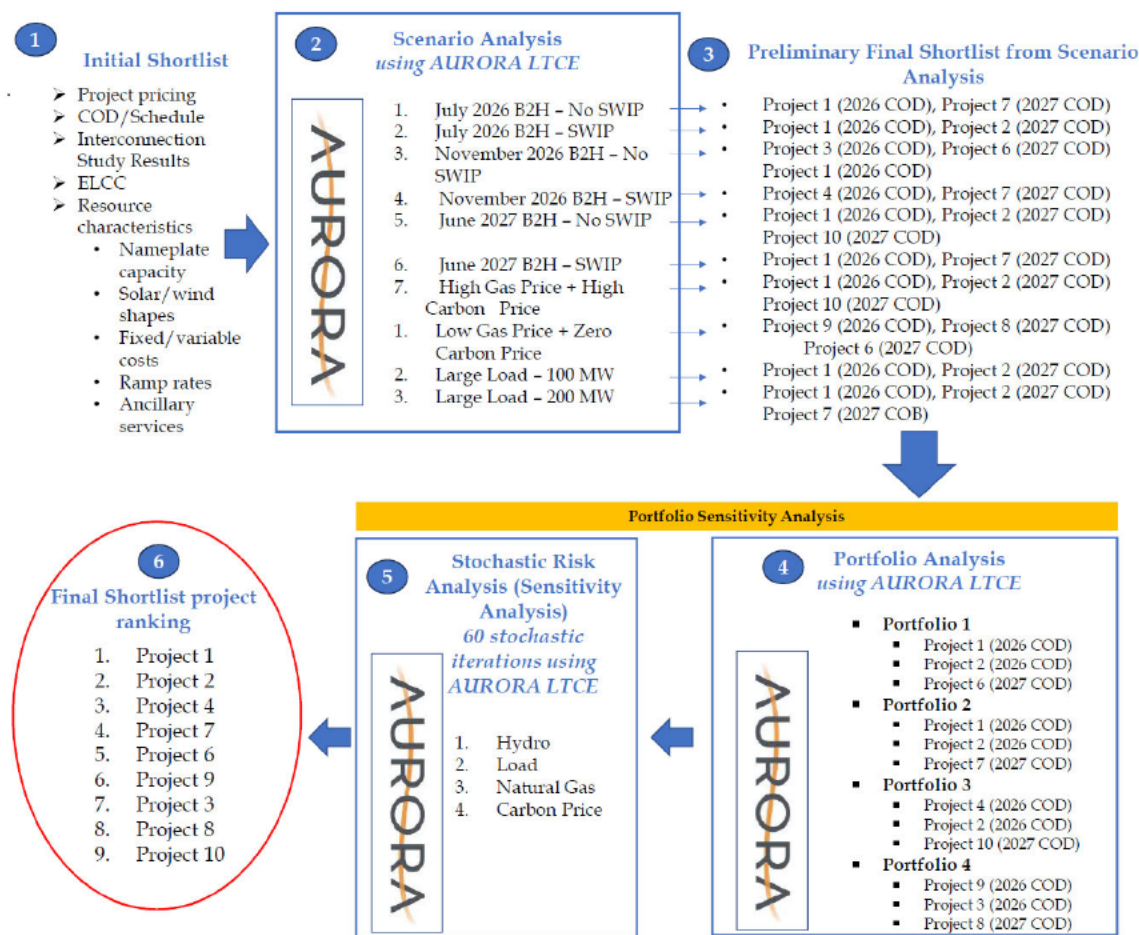
<sup>9</sup> See OAR 860-089-0250(3)(g).

## Idaho Power Final Shortlist

Idaho Power developed its ranked FSL process using six steps: 1) development of the initial shortlist (ISL) based on project pricing and various resource attributes; 2) using Aurora’s Long Term Capacity Expansion (LTCE) model and the 2023 IRP scenarios to conduct scenario analysis on the ISL; 3) generation of a Preliminary FSL with the bids selected by the model under different futures and identifying those bids that performed well across many futures; 4) conducting portfolio analysis on the Preliminary FSL to develop portfolios of bids; 5) conducting stochastic risk analysis as a sensitivity analysis on the portfolios to understand the cost risk under different hydro, load, natural gas, and carbon price conditions, and subsequently ranking the portfolios based on mean NPV; and 6) ranking bids based on the frequency with which they were present in high ranking NPV portfolios from the sensitivity analysis. Figure 2 shows the FSL determination process as described by IPC and shared in the IE Closing Report.<sup>10</sup>

Figure 3: IPC’s FSL Determination Process – Figure 25 in the IE Closing Report

Figure 25. IPC’s process for determining the Preliminary Final Shortlist and Final Shortlist



<sup>10</sup> LEI Closing Report 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, December 1, 2023, Page 44.

Staff is appreciative of the work of both the Company and the IE in the development and review of each step of this process. Both Staff and the IE are generally comfortable with the overall process that was used to produce and conduct a sensitivity analysis on the FSL. Staff will not go into detail about how the various bids performed throughout the process, as that is provided in detail in the IE Closing Report attached to the FSL filing. However, Staff has questions about the application of the new Effective Load Carrying Capability (ELCC) approach in the development of the ISL, which are addressed further in the Section on the Price and non-Price Scoring, below.

Regarding the selection and attrition of bids across the steps in the process, Staff has concerns and questions about one project that was not included in the ISL (see Bid Eligibility – Non-Conforming Bids), a number of projects that were removed from the FSL (see Preliminary FSL Selection Bid Removals), and the rationale behind the inclusion of two benchmark projects on the FSL, given their performance in the scenario analysis (see Scenarios).

### Benchmark Bid Advantages and Unique Risk

The IE identified three unique risks of the proposed benchmark bids, in particular, risks of potential cost overruns, fix O&M costs (FOM) and potential additional capital costs.

#### Cost Overruns

The IE notes that the Hemingway Storage 3 and Boise Bench projects included pricing information for BESS equipment based on an expired quote. IPC did not revise its price offer for the BESS equipment, which may have since gone up, especially given significant volatility of the battery-storage market and the lithium carbonate index. This presents a risk that construction costs provided in the submitted proposal could increase.<sup>11</sup>

While Staff agrees this is a risk, it sees it as a risk faced by all bids, not just benchmark bids. However, Staff sees a risk of preferential treatment in the contract negotiation process in which the utility may exhibit a higher tolerance for price increase in benchmark bids than third party bids. Staff sees an opportunity to mitigate this risk by retaining IE oversight of contract negotiations (see request in Contract Negotiations)

#### FOM Costs

The IE describes the estimated FOM costs for the Hemingway Storage 3 and Boise Bench projects as lower than the FOM costs provided in the documents that the IE reviewed from reputable sources as well as the 2021 IPC IRP.<sup>12,13</sup> These costs include basic services only and exclude optional costs such as (i) installation costs for capacity augmentation, (ii) extended

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<sup>11</sup> LEI Closing Report 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, December 1, 2023, Page 13.

<sup>12</sup> Ibid.

<sup>13</sup> The IE looked at the following sources: (i) National Renewable Energy Laboratory Annual Technology Baseline 2022 v3, 2023 Lazard Levelized Cost of Energy+, and the Energy Information Administration Annual Energy Outlook.



warranty (beyond year five), (iii) extended warranty for the Power System Controller, and (iv) capacity performance guarantees. While this could introduce a risk of higher final FOM, in communications with the IE, Staff understands that BESS FOM were applied the same across benchmark and third-party bids. Regarding FOM costs for BTAs, like Jackalope Wind, the Company's explains in response to NIPPC DR 15 "[b]ids that included an asset purchase or ownership for Idaho Power incorporated consistent FOM costs as described throughout the evaluation process and corroborated with the independent evaluator. Cost overruns are inherently the responsibility of the developer in a build-transfer agreement which limits the risk to Idaho Power by not accepting ownership until mechanical completion."<sup>14</sup> Staff understands that the treatment of FOM costs was consistent across benchmark and third-party bids and are otherwise mitigated in build-transfer agreements.

#### Additional Capital Costs

Capital costs provided in the BESS proposals do not appear to include decommissioning costs, which are an integral part of the project's financial analysis and overall lifecycle considerations. Capital budgets should reflect decommissioning costs to ensure necessary funds are set aside to cover the eventual removal and mitigate the environmental impact of the facility at the end of its useful life. Staff agrees that this is a risk and seeks clarification from the Company as to how decommission costs were handled for all bids.

***Request 2: In Reply Comments, IPC should clarify how decommissioning costs were evaluated for all bids.***

#### Initial Shortlist

The Initial Shortlist (ISL) was the result of (1) bid eligibility screening results, (2) the non-pricing and pricing scores and subsequent ranking by technology type, and (3) the "identification of the lowest cost bids."<sup>15</sup> IPC's RFP explains that "the highest ranking and relatively lowest cost bids within each technology category will become the Initial Shortlist."<sup>16</sup>

LEI affirmed that IPC's approach was reasonable, and that the process was executed in a "fair and impartial manner." LEI noted that while its "independent non-price scoring exhibited a slight deviation from IPC non-pricing scores, this discrepancy did not alter the rank order of the highest-ranking bids."<sup>17</sup>

#### Bid Eligibility – Non-Conforming Bids

IPC identified 64 bids from five companies as non-conforming and provided an opportunity to cure the deficiencies. The IE generally supported this assessment on non-conformance with the

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<sup>14</sup> IPC response to NIPPC DR #15.

<sup>15</sup> Idaho Power Company, 2026 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources, June 8, 2023, Page 23.

<sup>16</sup> Idaho Power Company, 2026 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources, June 8, 2023, Page 27.

<sup>17</sup> LEI Closing Report 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, December 1, 2023, Page 43.

exception of [BEGIN CONFIDENTIAL]

[END CONFIDENTIAL].<sup>18</sup>

[BEGIN CONFIDENTIAL]

[END CONFIDENTIAL].<sup>19</sup>

The IE maintained its position in the Closing Report. In responding to its opportunity to cure the bid, [BEGIN CONFIDENTIAL]

[END CONFIDENTIAL].

It appears to Staff that the removal of these projects was not done so based on the RFP evaluation criteria. Staff is seeking additional support or rationale for the Company's decision, especially insofar as that support aligns with the RFP.

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<sup>18</sup> LEI Closing Report 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, December 1, 2023, Page 19.

<sup>19</sup> LEI Closing Report 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, December 1, 2023, Page 43.

<sup>20</sup> [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] to IPC, July 24, 2023, Page 1.

<sup>21</sup> [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] to IPC on July 28, 2023.

<sup>22</sup> London Economics International LLC, Review of Eligibility and Initial Shortlist – 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, August 2, 2023, Page 33.

<sup>23</sup> Ibid.

<sup>24</sup> Email from Ma. Cherrylin Trinidad, LEI Project Manager, to Eric Hackett, IPC Senior Manager, Projects, and Design on July 31, 2023.



**Request 3: Staff recommends [BEGIN CONFIDENTIAL] ██████████ [END CONFIDENTIAL] projects be included, per the IE recommendations, unless Idaho Power can demonstrate additional support and rationale for the project's removal In Reply Comments**

Price and non-Price Scoring

IPC’s application of price and non-price scoring aligned with the RFP, and non-price scores generated by the IE differed only slightly from those of IPC, and not such that they changed the order of top-ranking bids. Additionally, Staff notes that the IE Closing Report presented information suggesting that the non-price score reflected contract risk as reflected in contract redlines. IPC and the IE confirmed in IPC DR #18 that contract redlines did not impact the non-price scoring, as directed by the Commission in SMM Condition 2, which stated that Idaho Power shall amend “its Non-Price Scoring Matrix to remove any scoring penalties applied to bidders that provide redlines to form contracts or other elements of the RFP and its exhibits.”<sup>25</sup>

Staff’s comments in this section focus on questions it has about the application of ELCC in ISL scoring.

*Capacity value/benefit*

IPC calculated the capacity value/benefit using the ELCC reliability metric to assess the contribution to peak of resources selected in the ISL. However, it is not clear to Staff whether the Company’s 2021 IRP ELCC methodology was applied, or its updated methodology from its 2023 IRP. The IE’s May 16, 2023, Report indicates that the ELCC methodology IPC used was the same as the one it used in its 2021 IRP.<sup>26</sup> As

Figure 4: ELCC Results, ISL vs. IRPs from IE Closing Report Figure 27

	AS RFP (summer ELCC)*	2021 IRP (approved)	2023 IRP (under review)
Natural gas	90.9%	n/a	n/a
Geothermal	90.5%	n/a	n/a
Stand-alone solar	9.7% on avg	10.2% on avg	27.7%
	5.0% to 24.5%		
BESS (4hrs)	59.5% on avg	87.5% on avg	38.5%
	47.0% to 85.2%		
BESS (8hrs)	n/a	97% on avg	79.2%
Wind	15.7% on avg	11.2 on avg	Idaho: 15.5%
	11.8% to 18%		Wyoming: 20.8%
Solar + BESS (4hrs)	62.9% on avg	97% on avg	61.2% to 85.1%
	28.2% to 91.3%		
Solar + Wind + BESS (4hrs)	81.6% on avg	n/a	n/a
	80.0% to 83.1%		

Notes: n/a = not available

Source: IPC, 2021 IRP and 2023 IRP.

shown in Figure 4, the IE Closing Report shows the difference in values used in the 2021 IRP, in the 2023 IRP, and in the RFP ISL process. Staff understands this may in part reflect how ELCC is intended to be responsive to the existing mix of resources, but because of differences between how the 2021 and 2023 IRPs handle ELCC, Staff is seeking additional clarification.

<sup>25</sup> See UM 2255, Order No. 23-260, Page 2.

<sup>26</sup> Observations on Idaho Power Company’s Updated Draft 2026 All Source Request for Proposals for Peak Capacity and Energy Resources: Second Independent Evaluator Assessment Report, May 16, 2023, Page 21.

Other key non-project specific assumptions used in AURORA include load forecasts, supply (new entry, retirements, and transmission capacity), fuel and carbon prices, and planned key scenarios.<sup>27</sup> As mentioned above, these IRP assumptions are new to the 2023 IRP and appear to staff to be major drivers of resource decisions.

***Request 4: In Reply Comments IPC should clarify the ELCC methodology used in the ISL and FSL modeling and explain whether ELCC changes in the 2023 IRP are reflected in the RFP modeling.***

***Request 5: In Reply Comments, Staff asks that the Company provide a list of sources for each of the Aurora inputs and assumptions, for both the ISL and the FSL, if different, identifying the IRP to which they are aligned.***

### Preliminary Final Shortlist

IPC used Aurora to conduct a scenario analysis on the ISL, using scenarios developed as part of the 2023 IRP process, and adding two additional load scenarios, as requested by Staff. The outcome of the scenario analysis was the identification of bids that performed well and were selected by Aurora under the various futures. These made up the Preliminary Final Shortlist, which was what was used to create portfolios and conduct sensitivity analysis.

### Scenario Analysis

The Company ran the ISL through ten scenarios used captured various transmission outcomes (e.g. online date for B2H and the inclusion of SWIP-N); gas and carbon price scenarios; and large load changes. Table 3 below from the IE Closing Report summarizes the scenarios and indicates which bids were selected in each scenario.

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<sup>27</sup> LEI Closing Report 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, December 1, 2023, Page 46.

Table 3: Scenario Analysis Results - Reproduced from Figure 31 from IE Closing Report

Scenario	Description	Scenario results [BEGIN CONFIDENTIAL]
<b>1</b> July 2026 B2H with SWIP-N	<ul style="list-style-type: none"> <li>July 2026 online date for B2H</li> <li>January 2027 online date for SWIP-N</li> <li>SWIP-N provides 500 MW during winter months beginning January 2027 and 50 MW during summer starting in 2029 and 100 MW starting in 2023</li> </ul>	<ul style="list-style-type: none"> <li>2026 – 275 MW Market Contract: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> <li>2027 - 123 MW Solar: [REDACTED]</li> </ul>
<b>2</b> November 2026 B2H with SWIP-N	<ul style="list-style-type: none"> <li>November 2026 online date for B2H</li> <li>January 2027 online date for SWIP-N</li> <li>SWIP-N provides 500 MW during winter months beginning January 2027 and 50 MW during summer starting in 2029 and 100 MW starting in 2023</li> </ul>	<ul style="list-style-type: none"> <li>2026 – 125 MW Market Contract: [REDACTED]</li> <li>2026 - 175 MW Market Contract: [REDACTED]</li> <li>2026 - 150 MW BESS: [REDACTED]</li> <li>2026 – 200 MW Solar: [REDACTED]</li> <li>2026 - 200 MW Solar + 50 MW BESS: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> </ul>
<b>3</b> June 2027 B2H with SWIP-N	<ul style="list-style-type: none"> <li>June 2027 online date for B2H</li> <li>January 2027 online date for SWIP-N</li> <li>SWIP-N provides 500 MW during winter months beginning January 2027 and 50 MW during summer starting in 2029 and 100 MW starting in 2023</li> </ul>	<ul style="list-style-type: none"> <li>2026 – 250 MW Market Contract: [REDACTED]</li> <li>2026 - 25 MW Market Contract: [REDACTED]</li> <li>2026 - 150 MW BESS: [REDACTED]</li> <li>2026 – 200 MW Solar + 100 MW BESS: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> <li>2027 - 330 MW Solar: [REDACTED]</li> </ul>
<b>4</b> July 2026 B2H without SWIP-N	<ul style="list-style-type: none"> <li>July 2026 online date for B2H</li> </ul>	<ul style="list-style-type: none"> <li>2026 – 250 MW Market Contract: [REDACTED]</li> <li>2026 - 200 MW Solar: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> </ul>
<b>5</b> November 2026 B2H without SWIP-N	<ul style="list-style-type: none"> <li>November 2026 online date for B2H</li> </ul>	<ul style="list-style-type: none"> <li>2026 – 250 MW Market Contract: [REDACTED]</li> <li>2026 - 25 MW Market Contract: [REDACTED]</li> <li>2026 - 150 MW BESS: [REDACTED]</li> <li>2026 - 200 MW Solar + 100 MW BESS: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> </ul>
<b>6</b> June 2027 B2H without SWIP-N	<ul style="list-style-type: none"> <li>June 2027 online date for B2H</li> </ul>	<ul style="list-style-type: none"> <li>2026 – 200 MW Market Contract: [REDACTED]</li> <li>2026 - 75 MW Market Contract: [REDACTED]</li> <li>2026 - 150 MW BESS: [REDACTED]</li> <li>2026 – 200 MW Solar + 100 MW BESS: [REDACTED]</li> <li>2026 - 10 MW Geothermal: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> </ul>

Scenario	Description	Scenario results [BEGIN CONFIDENTIAL]
<b>7</b> <b>High Gas High Carbon</b>	<ul style="list-style-type: none"> <li>July 2026 online date for B2H</li> <li>SWIP-N not included</li> <li>Natural gas price and carbon adder price forecast according to:               <ul style="list-style-type: none"> <li>EIA Low Oil and Gas Supply (2023 Annual Energy Outlook)</li> <li>Social Cost of Carbon, Methane, and Nitrous Oxide, Interim Estimates under Executive Order 13990</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>2026 – 225 MW Market Contract: [REDACTED]</li> <li>2026 - 200 MW Solar: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> </ul>
<b>8</b> <b>Low Gas Zero Carbon</b>	<ul style="list-style-type: none"> <li>July 2026 online date for B2H</li> <li>SWIP-N not included</li> <li>Natural gas price and carbon adder price forecast according to:               <ul style="list-style-type: none"> <li>EIA High Oil and Gas Supply (2023 Annual Energy Outlook)</li> <li>Consistent Zero Dollars per Ton</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>2026 – 225 MW Market Contract: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> </ul>
<b>9</b> <b>100 MW Large Load</b>	<ul style="list-style-type: none"> <li>November 2026 online date for B2H</li> <li>SWIP-N not included</li> <li>Load forecast is increased above the base load forecast</li> </ul>	<ul style="list-style-type: none"> <li>2026 – 150 MW Market Contract: [REDACTED]</li> <li>2026 - 150 MW Market Contract: [REDACTED]</li> <li>2026 - 150 MW BESS: [REDACTED]</li> <li>2026 - 200 MW Solar + 50 MW BESS: [REDACTED]</li> <li>2026 - 100 MW Solar + 100 MW BESS: [REDACTED]</li> <li>2026 – 10 MW Geothermal: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> </ul>
<b>10</b> <b>200 MW Large Load</b>	<ul style="list-style-type: none"> <li>November 2026 online date for B2H</li> <li>SWIP-N not included</li> <li>Load forecast is increased above the base load forecast</li> </ul>	<ul style="list-style-type: none"> <li>2026 – 300 MW Market Contract: [REDACTED]</li> <li>2026 - 150 MW BESS: [REDACTED]</li> <li>2026 - 100 MW BESS: [REDACTED]</li> <li>2026 - 50 MW BESS: [REDACTED]</li> <li>2026 - 200 MW Solar + 50 MW BESS: [REDACTED]</li> <li>2026 – 10 MW Geothermal: [REDACTED]</li> <li>2027 - 350 MW Wind + 250 MW Solar: [REDACTED]</li> <li>2027 - 600 MW Wind: [REDACTED] [END CONFIDENTIAL]</li> </ul>

Staff seeks to understand more about the Company’s learnings about why certain projects performed better under different futures, and what that tells it about the attributes those projects appear to bring to its system. Staff notes that some of the projects appear to be more resilient to different futures than others and that some projects, which were selected in only one or even no scenarios, were then ultimately included in the FSL due to the NPV of the portfolios in which they were included.

Staff does not have questions about the market bid products performance in the scenario analysis. However, Table 3 below shows the non-market bids the model selected in each of the various scenarios and the ultimate FSL ranking. Bids 2,3, 7, 10, and 11 were later removed and are discussed further below in the section on Preliminary FSL Selection Bid Removals.

Table 4: Scenario Analysis Bid Selections

	Bids [BEGIN CONFIDENTIAL]	1) July 2026 B2H w SWIP-N	2) November 2026 B2H w. SWIP-N	3) June 2027 B2H w. SWIP-N	4) July 2026 B2H w/o SWIP-N	5) November 2026 B2H w/o SWIP-N	6) June 2027 B2H w/o SWIP-N	7) High Gas High Carbon	8) Low Gas Zero Carbon	9) 100 MW Large Load	10) 200 MW Large Load	count	FSL Rank
1	2027 - 350 MW Wind + 250 MW Solar: [REDACTED]	x	x	x	x	x	x	x	x	x	x	10	8
2*	2026 - 150 MW BESS: [REDACTED]		x	x		x	x			x		5	NA
3*	2026 - 10 MW Geothermal: [REDACTED]						x			x	x	3	NA
4	2026 - 200 MW Solar + 100 MW BESS: [REDACTED]			x		x	x					3	2
5	2026 - 200 MW Solar + 50 MW BESS: [REDACTED]		x							x	x	3	6
6	2026 - 200 MW Solar: [REDACTED]		x		x		x					3	3
7*	2026 - 100 MW BESS: [REDACTED]										x	1	NA
8	2026 - 100 MW Solar + 100 MW BESS: [REDACTED]									x		1	5
9	2026 - 150 MW BESS: [REDACTED]										x	1	4
10*	2026 - 50 MW BESS: [REDACTED]										x	1	NA
11*	2027 - 123 MW Solar: [REDACTED]	x										1	NA
12	2027 - 330 MW Solar: [REDACTED]			x								1	9
13	2027 - 600 MW Wind: [REDACTED]										x	1	7
14	2027 - 350 MW Wind: [REDACTED] [END CONFIDENTIAL]											0	8

Regarding the general bid performance in the different scenarios, Staff would like the Company to describe its learnings about the bid selections for each scenario. For example, what is Staff to understand about the high gas/high carbon vs low gas/no carbon scenarios, which had very similar bid selections and which differ from the other scenarios primarily in their lack of selection of storage?





Order 2023,<sup>29</sup> these four projects would be included in the transition cluster study process that Idaho Power is required to implement for all early-stage generation projects in the interconnection queue. The transition cluster is a 360-day study starting on March 1, 2024; therefore, IPC does not anticipate having results including interconnection network upgrade costs until the end of the first quarter of 2025.”

Staff understands that NIPPC has outstanding questions about the timing of IPC filings related to the advancement of the interconnection process and whether that impacted any projects’ ability to receive interconnection milestones necessary for consideration. Staff appreciates NIPPC’s questions on this issue, looks forward to Idaho Power’s response, and may work with the IE to develop additional questions on this topic.

The fifth project removed was removed because it was not currently in the generation interconnection queue and thus presented significant uncertainty regarding deliverability and potential network upgrade costs. Although the initial scores given by the IE and IPC confirmed its low GIA factor rating, the project’s ISL score was high enough for inclusion in the ISL. Nonetheless, the IE concurred with IPC’s assessment of the uncertainties associated with the project’s deliverability and potential network upgrade costs.<sup>30</sup>

### Portfolio Sensitivity Analysis

Using the “November 2026 B2H w/o SWIP N” as the basis for FSL portfolio sensitivity modeling, IPC performed a portfolio sensitivity analysis on the Preliminary Final Shortlisted to understand the range of NPV portfolio costs over a range of stochastic shocks and consequently the range of difference in portfolios costs. The portfolio sensitivity analysis used was consistent with the stochastic risk analysis methodology used in IPC’s 2023 IRP as informed by its 2023 IRPAC meetings.<sup>31</sup>

The shortlist portfolio sensitivity process used the Aurora LTCE model to ultimately create eleven unique portfolios based on the following criteria:

- Selected resources must meet identified energy and capacity needs once optimized by the Aurora LTCE model;
- Every final shortlisted bid must be represented in at least one portfolio. To this end, building a portfolio generally started with first “force-selecting”<sup>32</sup> a resource; Aurora

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<sup>29</sup> FERC approved Order 2023 in July 2023 (Docket No. RM 22-14-000: Order No. 2023). The order initiates the “first ready, first-served cluster study process,” which replaces the current process whereby interconnection requests are reviewed individually on a “first-come, first-served” basis. Transmission providers are now required to study yearly interconnection requests for multiple generating facilities in a group (cluster) and grant interconnection requests based on projects’ achieved milestones rather than order of submission.

<sup>30</sup> LEI Closing Report 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, December 1, 2023, Pages 53 and 54.

<sup>31</sup> This process is described in more detail in the IE Closing Report Section 8.2.

<sup>32</sup> The 200 MW solar + 100 MW BESS: **[BEGIN CONFIDENTIAL]** [REDACTED] **[END CONFIDENTIAL]** resource was the only physical project not force-selected in the model, mainly because the project is already present in seven of the portfolios (selected via Aurora).

then identified the optimal additional resources that would allow the portfolio to address all the energy and capacity needs;

- For each portfolio considered, the Aurora LCTE model was allowed to select from the two types of market contract bids included in the Preliminary FSL.

The list of portfolios created for the sensitivity analysis can be found in Figure 32 of the IE Closing Report.<sup>33</sup> The IE, after further clarification from the Company, provided additional detail about how the portfolios were created:

- **Portfolio #1:** Forced selection of project [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Model optimizes around forced selection; can select whatever other projects are optimal in 2026/2027.
- **Portfolio #2:** Forced selection of project [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Model optimizes around forced selection; can select whatever other projects are optimal in 2026/2027.
- **Portfolio #3:** Forced selection of project [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Model optimizes around forced selection; can select whatever other projects are optimal in 2026/2027.
- **Portfolio #4:** Forced no project selections in 2027 Model optimizes around no project selections in 2027; can select whatever other projects are optimal in 2026. Intended to help assess how no resource procurement in 2027 affects portfolio NPV cost.
- **Portfolio #5:** Forced selection of project [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Model optimizes around forced selection; can select whatever other projects are optimal in 2026/2027.
- **Portfolio #6:** Forced no project selections in 2027 Model optimizes around no project selections in 2027; can select whatever other projects are optimal in 2026, besides [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Intended to help assess how no resource procurement in 2027 affects portfolio NPV cost. Alternative portfolio to portfolio #4.
- **Portfolio #7:** Forced selection of project [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Model optimizes around forced selection; can select whatever other projects are optimal in 2026/2027.
- **Portfolio #8:** Forced selection of project [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Model optimizes around forced selection; can select whatever other projects are optimal in 2026/2027.
- **Portfolio #9:** Forced selection of project [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Model optimizes around forced selection; can select whatever other projects are optimal in 2026/2027.
- **Portfolio #10:** Forced selection of two projects in 2027 Model optimizes around forced selection; can select whatever other projects are optimal in 2026/2027. Intended to help

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<sup>33</sup> LEI Closing Report 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, December 1, 2023, Page 57.

assess how additional resource procurement in 2027, beyond identified capacity shortfalls, affects portfolio NPV cost.

- **Portfolio #11:** Forced selection of project [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Model optimizes around forced selection; can select whatever other projects are optimal in 2026/2027.

IPC then used four key drivers of variability in year-to-year power-supply costs as stochastic shocks: 1) natural gas prices, 2) customer load, 3) hydroelectric generation, and 4) carbon prices. The stochastic analysis employed aligns with what the Company did in its 2023 IRP, and the details of the analysis can be found in Section 8.2 of the IE Closing Report.

Next, IPC employed the Mean NPV as the primary ranking criterion, which prioritized portfolios with consistently lower NPV costs, implying that the portfolio is less susceptible to unfavorable cost fluctuations compared to its counterparts. The results of the portfolio NPV Cost Rank are below:

Table 5: Figure 38 - Portfolio Rankings - from IE Closing Report

Portfolio NPV Cost Rank	Portfolio #	Mean Portfolio NPV Cost (\$000)
1	10	\$ 8,985,760
2	1	\$ 9,108,973
3	8	\$ 9,134,625
4	2	\$ 9,208,501
5	9	\$ 9,235,826
6	7	\$ 9,239,015
7	5	\$ 9,242,040
8	3	\$ 9,247,998
9	11	\$ 9,346,137
10	4	\$ 9,358,291
11	6	\$ 9,388,999

Staff’s questions regarding the sensitivities and resulting portfolio ranking tie back to the issues it raised in the section above on Scenario Analysis. Namely, beyond the NPV of the portfolios, how might the Company reflect insights from bid performance in the scenario analysis with the performance of the highest ranking NPV cost portfolios. For example, [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] shows up in the top three ranking portfolios – based on NPV but is only selected in the scenario with a 200 MW Large Load. And [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] shows up in one of the top-ranking portfolios (8) based on NPV but is also only selected in the scenario with a 200 MW Large Load.

Staff does not have additional questions or concerns about the sensitivity analysis, beyond those raised in the section above on Scenario Analysis.

## FSL

IPC identified bids that were consistently selected in high-ranking portfolios to determine the bid ranking for the FSL. While not explicitly noted in the tables provided by the Company or the IE, Staff understands this list of projects to be in order of preference, with the highest preference bids on top.

Delivery Year	Project	Project owner	Technology and capacity	Bid Structure	Bid type
2026	[REDACTED]	[REDACTED]	Up to 300 MW	PPA	Market purchase
2026	[REDACTED]	[REDACTED]	200 MW Solar + 100 MW BESS	BSA / PPA	Resource-based
2026	[REDACTED]	[REDACTED]	200 MW Solar	PPA	Resource-based
2026	[REDACTED]	[REDACTED]	150 MW BESS	Utility Build	Resource-based
2026	[REDACTED]	[REDACTED]	100 MW Solar + 100 MW BESS	BSA / PPA	Resource-based
2026	[REDACTED]	[REDACTED]	200 MW Solar + 50 MW BESS	BSA / PPA	Resource-based
2027	[REDACTED]	[REDACTED]	600 MW Wind	Utility Build / PPA	Resource-based
2027	[REDACTED]	[REDACTED]	350 MW Wind + 250 MW Solar	PPA	Resource-based
2027	[REDACTED]	[REDACTED]	350 MW Wind	PPA	Resource-based
2027	[REDACTED]	[REDACTED]	330 MW Solar	PPA	Resource-based

## Contract Negotiations

In its FSL filing, IPC explains that it will pursue contract negotiations with all projects on the FSL and, as contract discussions progress, will “prioritize negotiation efforts with the bids that ranked highest on the FSL first. As time allows or as circumstances change with the higher-ranked projects, IPC will then proceed with negotiations with lower-ranked projects.”<sup>34</sup> The Company explains that various project details may be subject to change during contract negotiations. These could include components of the transaction that may not have been addressed in the bid proposals or that vary from what was proposed because of the negotiation process, changed circumstances, and/or economic opportunities. IPC states it will “work with bidders and projects on the final shortlist throughout negotiations to determine the most cost-effective, reliable, and prudent transactions given the circumstances at the time.”<sup>35</sup>

<sup>34</sup> See Idaho Power Request for Acknowledgement, December 4, 2023, Page 23.

<sup>35</sup> Ibid.

The IE noted concern about the potential for reduced transparency and efficiency in the process when engaging all project owners concurrently and states that “negotiating contracts with all project owners simultaneously, rather than following the project ranking order, renders the entire portfolio sensitivity analysis moot.”<sup>36</sup> The IE recommends a more phased approach wherein IPC engages project owners starting from the highest to the lowest ranked projects, proceeding down the list as contract negotiations conclude unsuccessfully. The IE notes this method is more focused and efficient while providing flexibility to adapt to changing circumstances.

Regarding engagement with all FSL bidders at once, Staff interpreted IPC’s description of the engagement more as notification and process initiation and understands IPC as prioritizing negotiation with higher ranking bids before lower ranking bids and does not share the IE’s concerns.

Regarding changes made during negotiations, Staff understands that contract negotiations can result in changes to bids. However, Staff and stakeholders have issued concerns in other RFP dockets with how contract negotiations can be leveraged by the utility to 1) provide more lenient terms to utility owned bids that could result in increased costs and risks to ratepayers, and/or 2) to screen out third-party bids through the use contract terms that are generally not well received by third-party bidders. As such, decisions made as part of the contract negotiation process could result in increased costs to ratepayers and anti-competitive behavior on the part of the utility. In UM 2166 and UM 2274, Staff recommended that the utility retain the IE to oversee and report on contract negotiations to provide transparency to this aspect of procurement and protect against ratepayer cost and anti-competitiveness risks.<sup>37</sup>

Staff recommends IE oversight of contract negotiations in this procurement effort as well and requests the Company review the IE contract for necessary amendments to accommodate contract negotiation oversight and report to Staff additional costs anticipated with this extension and any potential barriers.

***Request 7: Staff requests the Company review the IE contract for necessary amendments to accommodate contract negotiation oversight and in Reply Comments, report to Staff additional costs anticipated with this extension and any potential barriers.***

#### Alternative Contract Arrangements

IPC explains that in the negotiation process it may consider “alternative contract arrangements (for example, Power Purchase Agreements vs. Build-Transfer Agreements), contract term lengths (for example, five vs 10 years or 20 vs 25 years), or other variations proposed by the shortlisted projects, to come to the most cost-effective and reliable final transaction.”<sup>38</sup> Staff

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<sup>36</sup> LEI Closing Report 2026 All Source Request for Proposals for Peak Capacity and Energy Resources, December 1, 2023, Page 64.

<sup>37</sup> See UM 2166 Order No. 22-315, Page 4 and UM 2274 Staff Report for the January 4, 2023, Special Public Meeting, Page 43.

<sup>38</sup> See Idaho Power Request for Acknowledgement, December 4, 2023, Page 24.

understands that NIPPC has issued discovery on this approach, which is not something Staff has seen in past procurement efforts. Staff looks forward to hearing more from Stakeholders about their concerns about this aspect of contract negotiations. Staff expects this issue to be included among those monitored and reported on in the IE’s oversight of contract negotiations, including identification impacts to customers and /or competitiveness.

#### Procurement Size

The FSL includes more than double the volume of resources the Company noted as its ‘minimum’ identified need and the Company does not specify in its FSL filing how many of the projects on the FSL it intends to pursue. As mentioned at the beginning of these Comments, Staff is unclear about the total volume of projects the Company anticipates selected from this FSL and seeks clarification from the Company. In the context of FSL contract negotiations, Staff would like to understand whether once IPC secures the needed resources (1,100 MW of variable capacity) through negotiations, it will cease remaining contract negotiations, or whether, and under what circumstances, might it continue to pursue resources beyond the identified need.

#### Summary of Requests

Request 1: In Reply Comments the Company should clarify its intended procurement volumes and describe what factors it will consider when determining whether to procure more resources than those identified in this RFP.

Request 2: In Reply Comments, IPC should clarify how decommissioning costs were evaluated for all bids.

Request 3: Staff recommends [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] projects be included, per the IE recommendations, unless Idaho Power can demonstrate additional support and rationale for the project’s removal In Reply Comments

Request 4: In Reply Comments IPC should clarify the ELCC methodology used in the ISL and FSL modeling and explain whether ELCC changes in the 2023 IRP are reflected in the RFP modeling.

Request 5: In Reply Comments, Staff asks that the Company provide a list of sources for each of the Aurora inputs and assumptions, for both the ISL and the FSL, if different, identifying the IRP to which they are aligned.

Request 6: In Reply Comments, IPC should describe what it learned about the bids based on their selection in different scenarios and how this learning informs its decisions about bids ultimately on the FSL. Additionally, the Company should provide further justification or risk considerations for the following bids: [BEGIN CONFIDENTIAL]

[REDACTED] [END CONFIDENTIAL].

Request 7: Staff requests the Company review the IE contract for necessary amendments to accommodate contract negotiation oversight and in Reply Comments, report to Staff additional costs anticipated with this extension and any potential barriers.

This concludes Staff Comments.

/s/ Kim Herb  
Utility Strategy & Planning Manager  
Oregon Public Utility Commission



CERTIFICATE OF SERVICE

UM 2255

I certify that I have, this day, served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-001-0180 to the following parties or attorneys of parties.

Dated this 20<sup>th</sup> day of December, 2023 at Salem, Oregon

*Kay Barnes*

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