

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
LC 78**

In the Matter of

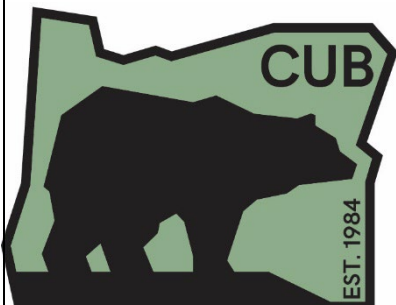
IDAHO POWER COMPANY,

2021 Integrated Resource Plan.

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**FINAL COMMENTS OF THE  
OREGON CITIZENS' UTILITY BOARD**

September 8, 2022



## LC 78

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## I. INTRODUCTION

CUB's Final Comments are presented in two parts. Section 2 responds to selected portions of Idaho Power's Reply Comments in which the Company responded to CUB's Opening Comments. Section 3 provides CUB's recommendations to the Commission regarding acknowledgement of the Company's near-term Action Plan.

## II. CUB'S RESPONSE TO IDAHO POWER'S REPLY COMMENTS

## 1. *Transmission*

CUB appreciates Idaho Power's detailed response to CUB's concerns expressed in the opening comments. As identified in Opening Comments, CUB's primary concerns were:

- a. *Transmission capacity assumption*** – Inadequate firm transmission availability led to reduced market purchases and opened new capacity needs on Idaho Power’s system. Idaho Power’s current assumption for firm transmission capacity is approximately 200 MW less compared to the 2019 IRP level. This has contributed to near-term capacity needs that were absent in the 2019 IRP. To CUB, this represented a significant change in a relatively short period of time. CUB is concerned that reduced transmission capacity would potentially lead to an increased rollout of more costly supply-side resources. More importantly, if firm transmission capacity continues to decline, it introduces new risks for utility customers. As Idaho Power stated in its 2021 IRP:<sup>1</sup>

Idaho Power relies on regional power markets to supply a significant portion of energy and capacity needs during certain times of the year. Idaho Power is especially dependent on the regional power market purchases during peak-load periods.

CUB recommends Idaho Power to incorporate these risk analyses in its IRP modeling going forward and explore demand management measures that could potentially offset capacity needs arising from unavailability of market purchases due to reduced firm transmission capacity. Additionally, although Idaho Power suggests that participation in WRAP will do little to mitigate its transmission needs, CUB looks forward to learning how WRAP participation alters transmission assumptions for Idaho Power.

- b. *Transmission in Preferred Portfolio*** - CUB appreciates that the Company acknowledges the importance of transmission in the integration of variable energy

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<sup>1</sup> 2021 IRP, Chapter 4, p.49.

resources (VERs), which are showing up in significant volumes in the Company's preferred portfolio. Idaho Power describes Gateway West as providing multiple benefits including meeting transmission needs associated with VERs.<sup>2</sup> Although Gateway does not show up in the preferred portfolio given current cost assumptions, several other scenarios, for instance, high gas high carbon, climate change, 100% clean by 2035 and 100% clean by 2045 show Gateway West 1 coming online in 2027.<sup>3</sup> CUB would be interested in updates on the Gateway West project in future IRPs in the wake of rapid shifts in policy environments and increases in climate-related risks. CUB would like to see more clarity on the Company's estimated costs and time for the construction of this project once it is triggered by transmission capacity needs. Increased VERs on the system will likely trigger the need for additional transmission capacity. CUB looks forward to the Company's response to this issue in its next IRP, presumably at a time with an increased level of VERs on its system.

*CUB's Recommendations:*

1. Incorporate risk analyses related to firm transmission capacity for market purchases
2. Explore demand management resources that could potentially offset capacity needs arising from unavailability of firm transmission capacity
3. Keep exploring how participating in WRAP may alter transmission capacity assumptions after the program and participants gains operational experience.
4. Provide updated ranges of cost and time estimates for the construction of specific segments of Gateway West that show up in alternative portfolios.

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<sup>2</sup> 2021 IRP – Chapter 7, p.86.

<sup>3</sup> 2021 IRP – Appendix C.

## ***2. Load Forecasting***

CUB appreciates Idaho Power’s response to CUB’s concern that using a complex neural network model that lacks visibility and creates difficulties for stakeholders to effectively engage. As Idaho Power states, the neural network model helps it better understand “the class contributors to the overall system peak.” That sounds useful for system planning, however, creating a black box still prevents stakeholders from taking a closer look at the model and associated results. CUB urges the Company to include a section on the neural network model in the Technical Appendix including model inputs, output, and an explanation of how the Company has used the results in its portfolio analysis, along with comparisons with other model alternatives that show that neural network is the best approach to estimate class contribution to system peak.

### ***CUB’s Recommendations:***

- 1.** Increase load forecasting and associated load shaping model visibility
- 2.** Provide information on neural network model inputs, output, and how the Company has used the results in its portfolio analysis, and comparisons with other model alternatives that show that neural network is the best approach to estimate class contribution to system peak.

## **III. ACTION PLAN ACKNOWLEDGEMENT**

CUB presents its recommendations for the following Action Plan items as presented in Chapter 11, p.166 of Idaho power’s 2021 IRP.

1. *Addition of 120MW of solar PV capacity in 2022 (Jackpot Solar)*

CUB stands by its earlier recommendation of non-acknowledgement for this action item based on the argument of Commission precedent on rejecting action items that have already been executed. Specifically, CUB had argued that:

...acknowledgement in the IRP should be reserved for planning portfolios. If the Commission were to acknowledge an action item for an investment that is already “substantially complete”, it would potentially be judging the prudence of the action. However, the prudence of any investment can only be fairly reviewed in a rate proceeding. CUB agrees with the Commission’s guidance that a utility request for acknowledgement should be made “before the decision is made and before the project is substantially completed.”<sup>4</sup>

CUB had requested updates from Idaho Power regarding the Jackpot Solar project (CUB IR 1) to learn if anything had changed that would make this action item eligible for acknowledgement. Idaho Power responded saying,

“There are no construction, cost, or other relevant issues on which to update, as Idaho Power expects Jackpot Solar to be in service by year-end 2022.”

Therefore, CUB finds no reason to deflect from its earlier position that this project be removed from the action plan and be more appropriately examined in a rate case procedure. The Company has failed to justify keeping an executed contract in its IRP for Commission Acknowledgement.

*CUB’s Recommendation*

The Commission should not acknowledge the 120MW Jackpot Solar action item.

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<sup>4</sup> LC 74 – CUB Opening Comments, p.4.  
<https://edocs.puc.state.or.us/efdocs/HAC/lc74hac122810.pdf>.

## ***2. Conversion of Jim Bridger 1 and 2 to natural gas by summer 2024 (exit by 2034)***

CUB notes that recent Commission Order No. 22-178 on PacifiCorp's 2021 IRP acknowledges Jim Bridger (JB) Units 1 and 2 conversions to natural gas but directs PAC to provide a long-term fueling plan for JB in 2023 IRP. Staff had also asked PAC to explore green hydrogen fueling for JB.<sup>5</sup> CUB supports including similar conditions in the Order for Idaho Power where applicable.

Should fueling options change for PacifiCorp, Idaho Power might need to remodel conversions and exits of JB 1 and 2 in its IRP portfolio analysis.

### ***CUB's Recommendation:***

Acknowledge Jim Bridger 1 and 2 conversion and exit action item with conditions to be consistent with PacifiCorp 2021 IRP Order.

## ***3. Additional solar to support large load customer energy needs***

CUB verified from Idaho Power that large load customer needs amount to 785MW and would be phased in between 2025 - 2028.<sup>6</sup> These estimates are based on current analysis and may change in future. The action item as stated does not specify the size or timing of this resource acquisition. CUB is hesitant to recommend acknowledgement of a resource acquisition action that lacks clarity on size and timing.

### ***CUB's Recommendation:***

Acknowledge modified resource action that specifies the size and timing related to the acquisition of additional solar resources for large customer energy need.

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<sup>5</sup> LC 77 – Order No. 22-178, p.7-8. <https://apps.puc.state.or.us/orders/2022ords/22-178.pdf>

<sup>6</sup> Idaho Power's Response to CUB IR 2

#### IV. CONCLUSION

CUB appreciates the opportunity to participate in Idaho Power's 2021 IRP process. CUB commends the Company's work towards improved modeling methods in this IRP. CUB is encouraged by the inclusion of significant renewable resources in the Preferred Portfolio. CUB also notes the prevalence of uncertainty in various areas of the plan including transmission availability, large customer needs, and so on. CUB looks forward to better understanding of costs and risks associated with these uncertainties in future IRPs.

Dated this 8th day of September 2022.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sudeshna Pal".

Sudeshna Pal, Economist  
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