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June 24, 2022

VIA ELECTRONIC FILING

Attention: Filing Center
Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

Re: Docket UM 1730(7) – In the Matter of IDAHO POWER COMPANY, Application to Update Schedule 85 Qualifying Facility Information.

Attention Filing Center:

Attached for filing in the above-captioned docket are Idaho Power Company's Reply Comments.

Please contact this office with any questions.

Sincerely,

Suzanne Prinsen
Legal Assistant

Attachments

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1730(7)

In the Matter of

IDAHO POWER COMPANY

Application to Update Schedule 85
Qualifying Facility Information

**IDAHO POWER COMPANY'S
REPLY COMMENTS**

1 Idaho Power Company (“Idaho Power” or “Company”) respectfully submits the
2 following comments to the Public Utility Commission of Oregon (“Commission”) in
3 response to the Public Utility Commission of Oregon Staff’s (“Staff”) June 14, 2022, Public
4 Meeting Memorandum (“Public Meeting Memorandum”) and the June 23, 2022,
5 comments filed by the Community Renewable Energy Association (“CREA”) and the
6 Renewable Energy Coalition (“REC”) (together, the “QF Parties”).

7 Staff recommends approving Idaho Power’s avoided cost update subject to moving
8 the start of deficiency period pricing from January 1, 2023, to January 1, 2024. As Staff
9 noted in its recommendation,¹ Idaho Power’s filing included an update to its resource
10 sufficiency period based on a commitment made to the Commission in docket UM 2210.
11 In that case, the Company committed to updating its resource sufficiency period to reflect
12 its updated load and resource balance showing a resource need beginning in 2023.
13 Despite this commitment, Idaho Power does not object to Staff’s recommendation to

¹ Public Meeting Memorandum at 2.

1 move the start of the deficiency period to 2024 and supports approval of the updated
2 pricing based on a 2024 sufficiency start date.

3 The QF Parties do not oppose Idaho Power’s pricing as filed but submitted
4 comments recommending changes to the methodology used to determine standard
5 avoided cost prices. The QF Parties’ comments regarding the Commission’s avoided
6 cost methodology are outside the scope of an annual update, which is intended to be a
7 straightforward and mechanical price update to reflect current market conditions.²
8 Because the comments are not relevant to this case, Idaho Power will not provide a
9 substantive response, except to note that it is not “absurd”³ that the Company’s avoided
10 costs are lower than current market prices. If the Company can generate power using its
11 own resources at a lower cost than market, then the costs avoided by a Qualifying Facility
12 (“QF”) transaction are the costs to generate, not the costs to purchase in the market.
13 There is nothing absurd or illogical about this scenario.

14 The QF Parties also suggest that Idaho Power’s natural gas price forecast is
15 outdated because they claim a publicly available forecast from the Energy Information
16 Administration (“EIA”) was released “roughly one month after Idaho Power’s internally
17 procured forecast.”⁴ This is untrue. According to the QF Parties, the EIA forecast was
18 released on March 3, 2022.⁵ The Company’s forecast was issued on March 8, 2022—
19 after the EIA forecast. The Company’s forecast is therefore more recent than the EIA
20 forecast and “reflective of the more current market data.”⁶

² See OAR 860-029-0080(7)(a) and OAR 860-029-0085(4)(a).

³ QF Parties’ Comments at 3.

⁴ QF Parties’ Comments at 5-6.

⁵ QF Parties’ Comments at 5.

⁶ QF Parties’ Comments at 6.

1 The Company agrees that the existing methodology should be revisited and
2 understands that docket UM 2000 is the appropriate forum for doing so. The Company
3 looks forward to the Commission initiating that docket so that the avoided cost
4 methodologies can be revised and updated.

Respectfully submitted this 24th day of June 2022.

McDOWELL RACKNER GIBSON PC



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IDAHO POWER COMPANY

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