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June 8, 2022

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301

Re: Docket UM 1730
Idaho Power Company's 2017 Annual May Update of Avoided Cost Rates
Schedule 85, Cogeneration and Small Power Production Standard Contract
Rates

Attention Filing Center:

Attached for filing, please find an electronic copy of Idaho Power Company's 2022 Update to Avoided Cost Prices Presentation previewed at the June 7, 2022 Workshop.

If you have any questions, please do not hesitate to contact me or Regulatory Consultant, Mark Annis at (208) 388-5208.

Very truly yours,

A handwritten signature in black ink that reads "Donovan E. Walker".

Donovan E. Walker

DEW/cd
Enclosures

UM 1730 Update to Avoided Cost Prices



June 7, 2022, Workshop

UM 1730 Update to Avoided Cost Prices

- Order Nos. 11-505 and 14-058.
- In Order No. 14-058, the Commission directed electric utilities to update their avoided cost prices on May 1 every year.
- Pursuant to OAR 860-029-0085(4)(a), the annual update is limited to four factors:
 1. Updated natural gas prices;
 2. On- and off-peak forward-looking electricity market prices;
 3. Changes to the status of the Production Tax Credit (PTC); and
 4. Any other action or change in an acknowledged Integrated Resource Plan (IRP) update relevant to the calculation of avoided costs.

2022 UM 1730 Update to Avoided Cost Prices

Idaho Power's 2022 filing updates 3 inputs to the calculation of avoided cost price schedules

1. Natural Gas Forward Prices
2. Electricity Forward Prices
3. Resource Sufficiency/Deficiency date*

The remaining inputs are based on the Company's last acknowledged IRP (the 2019 2nd Amended)

2022 UM 1730 Update to Avoided Cost Prices

This year's avoided cost update results in increased prices (in most cases)

- In early years, 2022 filing reflects capacity payments beginning in 2023, where in 2021's filing avoided cost prices were based on energy market forecast through 2027
- In later years, 2022 filing reflects slightly higher gas price forecasts

Resource Type	15-year Levelized Price-Proposed	15-year Levelized Price-Current	Change
Baseload	\$43.87	\$37.62	\$6.25
Solar	\$39.46	\$33.61	\$5.84
Wind	\$34.73	\$32.05	\$2.68

Natural Gas Forward Price

Idaho Power uses its IRP Methodology

- Platts' Henry Hub long-term forecast, after applying a basis differential and transportation costs from Sumas, Washington

Year	Filing	Filing Date	Forecast Date
2022	UM 1730(7)	4/30/2022	3/2022
2021	UM 1730(6)	4/30/2021	3/2021
2020	UM 1730(5)	5/1/2020	4/2020
2019	UM 2001	3/12/2019	12/2018

Electricity Price Forecast

- Idaho Power uses forward monthly market quotes at mid-Columbia from Inter-Continental Exchange (ICE)

Year	Filing	Filing Date	Forecast Date
2022	UM 1730(7)	4/30/2022	4/2022
2021	UM 1730(6)	4/30/2021	4/2021
2020	UM 1730(5)	5/1/2020	4/2020
2019	UM 2001	3/12/2019	2/2019

Resource Sufficiency

- Idaho Power 2021 IRP filed December 30, 2021 (LC 78)
 - Identified resource deficiency in July 2023
- UM 2210 – Idaho Power’s application for a waiver from Oregon’s competitive bidding rules
 - Discussion at Public Meeting March 8, 2022
 - Idaho Power indicated to the Commission that it would use 2023 in its avoided cost filing