

ORDER NO. 24-199

ENTERED Jun 27 2024

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1730(11)

In the Matter of

IDAHO POWER COMPANY,

2024 Annual May Update of Avoided Cost  
Rates - Schedule 85, Cogenerator and  
Small Power Production Standard Contract  
Rates.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

At its public meeting on June 25, 2024, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



**Alison Lackey**

Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA6

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: June 25, 2024**

REGULAR  CONSENT  EFFECTIVE DATE June 26, 2024

DATE: June 17, 2024

TO: Public Utility Commission

FROM: Ryan Bain

THROUGH: Caroline Moore and Scott Gibbens **SIGNED**

SUBJECT: IDAHO POWER COMPANY:  
(Docket No. UM 1730(11))  
Update to Standard Avoided Cost Schedule for Qualifying Facilities.

**STAFF RECOMMENDATION:**

Approve Idaho Power Company's (Idaho Power or Company) annual May 1 update to its Schedule 85, Cogeneration and Small Power Production Standard Contract Rates.

**DISCUSSION:**

Issue

Whether the Commission should approve Idaho Power's annual May 1 update of its Schedule 85, Cogeneration and Small Power Production Standard Contract Rates.

Applicable Orders and Rules

ORS 757.205(1) provides that "every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it."

Docket No. UM 1730(11)  
June 17, 2024  
Page 2

ORS 758.525(1) provides that “at least once every two years each electric utility shall prepare, publish and file with the Public Utility Commission a schedule of avoided costs equaling the utility’s forecasted incremental cost of electric resources over at least the next 20 years. Prices contained in the schedules filed by public utilities shall be reviewed and approved by the commission.”

OAR 860-029-0080(7)(a) specifies that on May 1 of each year, a public utility must file with the Commission updates to the avoided cost information filed under section (2) of this rule to be effective within 60 days of filing to reflect:

- (A) Updated natural gas prices;
- (B) On- and off-peak forward-looking electricity market prices;
- (C) Changes to the status of the Production Tax Credit [PTC]; and
- (D) Any other action of change in an acknowledged IRP update relevant to the calculation of avoided costs.

## Analysis

### *Background*

On April 30, 2024, in compliance with the above stated order, rules, and statutes, Idaho Power filed its revised Schedule 85, Cogeneration and Small Power Production Standard Contract Rates, Sheet Nos. 85-8 through 85-11. This filing includes updated Natural Gas Forward Prices. There were no changes to the status of the Production Tax Credit, and given that the Company’s deficiency period began January 1, 2024, no updates to electric forward market prices are included.

### *Filing Overview*

Staff has reviewed the Company’s application and workpapers and finds that they are in compliance with the Commission approved methodology for Idaho Power’s avoided cost rates. Staff finds that overall, the rates were properly calculated and recommends that the rates be allowed to go into effect. Staff’s review included verifying the accuracy of updated inputs, and scrutiny of the workpaper calculations for accurate references and output. Staff set a deadline for comments submitted on this filing to be included in this memorandum, and as of the date of submission of this memo no stakeholder has filed any objection to the inputs Idaho Power used to calculate the avoided cost prices or the calculations themselves.

### *Natural Gas Forward Prices*

Idaho Power filed their annual update utilizing the Long-Term Henry Hub and Sumas Basis Annuals Forecast from the independent-third party S&P Global Platt’s Long-term Forecast, published March 6, 2024.

Docket No. UM 1730(11)  
 June 17, 2024  
 Page 3

Staff reviewed the updated forward gas inputs during its review and believes the vintage used is appropriate and commensurate with previous filings and Commission precedent. In the updated forecast, prices have generally fallen by an average of 4.9 percent over the 2024-2047 forecast horizon.

### *Price Comparison*

The Company's proposed standard fixed levelized avoided costs for a 15-year contract (2024 through 2038), as shown in Table 1, saw a \$0.68 decrease for all resource types. This reduction is the result of the decrease in the forward market natural gas prices.

*Table 1: 15-Year Levelized Price Comparison (2024-2038)*

Resource Type	Proposed Rates (\$/MWh)	Current Rates (\$/MWh)	Difference (\$/MWh)
Baseload	\$56.65	\$57.33	(\$0.68)
Wind	\$49.42	\$50.10	(\$0.68)
Solar	\$44.41	\$45.09	(\$0.68)
Solar + Storage	\$71.78	\$72.46	(\$0.68)

### Conclusion

Staff believes Idaho Power followed the requirements for updating its avoided cost rates, implementing methodology appropriately and using appropriate updated inputs, consistent with its obligations under Oregon statutes ORS 757.205 and ORS 758.525. Staff finds that the filed rates are fair, just, and reasonable.

### **PROPOSED COMMISSION MOTION:**

Approve Idaho Power Company's update of Schedule 85, Cogeneration and Small Power Production Standard Contract Rates.

CA6 - UM 1730(11)