

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1730(12)

In the Matter of

IDAHO POWER COMPANY,

Integrated Resource Plan
Acknowledgement Avoided Cost Update,
Schedule 85, Cogeneration and Small
Power Production Standard Contract Rates.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on October 15, 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. RA1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 15, 2024**

REGULAR X CONSENT EFFECTIVE DATE N/A

DATE: October 10, 2024

TO: Public Utility Commission

FROM: Ryan Bain

THROUGH: Caroline Moore, Scott Gibbens, and Curtis Dlouhy **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. UM 1730(12))
Post 2023 Integrated Resource Plan Acknowledgement
Update to Standard Avoided Cost Schedule for Qualifying Facilities.

STAFF RECOMMENDATION:

Suspend Idaho Power Company's (Idaho Power or Company) post 2023 IRP acknowledgment update to its Schedule 85, Cogeneration and Small Power Production Standard Contract Rates for investigation.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve Idaho Power's post 2023 IRP acknowledgment update of its Schedule 85, Cogeneration and Small Power Production Standard Contract Rates.

Applicable Rule or Law

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."

Docket No. UM 1730(12)
October 10, 2024
Page 2

OAR 860-029-0085(1) specifies that each public utility must file with the Commission standard avoided cost rates within 30 days of a Commission decision regarding acknowledgement of the public utility's IRP to be effective 30 days after filing unless otherwise determined by the Commission.

OAR 860-029-0085(3) provides the standard avoided cost rates filed by a public utility under sections (1) of this rule are subject to review and approval as well as modification by the Commission. The Commission may suspend the standard avoided cost rates during review. In any such review, the public utility has the burden of supporting and justifying its standard avoided cost rates. The standard avoided cost rates will be effective 30 days after filing unless otherwise determined by the Commission.

OAR 860-029-0005(4) provides that the Commission may waive any of the Division 29 rules for good cause shown upon request or its own motion.

Analysis

Background

On August 26, 2024, the Commission acknowledged Idaho Power Company's 2023 IRP in Order No. 24-285 (IRP Order) at its public meeting.

On September 25, 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, Electric Forward Prices, an updated Deficiency start date, and updated proxy and avoided resource costs and characteristics. There were no changes to the status of the Production Tax Credit, solar and wind integration, nor changes to Solar plus Storage Premium Peak Hours.

Staff Concerns

The acknowledgement of the Company's 2023 IRP in LC 84 established an updated deficiency period start date of July 2026.¹ Avoided cost prices during the sufficiency period should be market based, and Staff's review of the Company's workpapers finds that the filed rates do not reflect this. After finding this error, Staff reached out to the Company to see if the Company could file updated tariffs to reflect the correct sufficiency period. Unfortunately, Staff was not able to review an updated filing with enough lead time in order to conduct analysis ahead of this public meeting. As such, further investigation is necessary before Staff can make a recommendation on whether the filed rates are in compliance with the Commission approved methodology for Idaho Power's avoided cost rates. Suspension of the filing will provide for additional

¹ See LC 84 – Idaho Power's 2023 IRP at page 174.

Docket No. UM 1730(12)
October 10, 2024
Page 3

stakeholder input and review, allow time for Staff's concerns to be addressed, and allow for a more robust process. Staff does not envision the need for a lengthy investigation or delay in updates to avoided cost prices and believes that further stakeholder engagement and issue resolution can be completed in a timely manner. Staff believes that this item could be brought back before the Commission with a final resolution at the November 14, 2024, public meeting.

Conclusion

Consistent with ORS 860-029-0005(4), Staff recommends that the Commission suspend the Company's filing for further investigation.

PROPOSED COMMISSION MOTION:

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

RA1 - UM 1730(12)