

ORDER NO. 16 360

ENTERED SEP 27 2016

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1610

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation into Qualifying Facility
Contracting and Pricing.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our September 27, 2016 Regular Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 27 day of September, 2016, at Salem, Oregon.

Lisa D. Hardie
Chair

John Savage
Commissioner

COMMISSIONER BLOOM WAS
UNAVAILABLE FOR SIGNATURE



Stephen M. Bloom
Commissioner

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.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 27, 2016**

REGULAR _____ CONSENT X EFFECTIVE DATE _____ Upon Commission Approval

DATE: September 20, 2016

TO: Public Utility Commission

FROM: Brittany Andrus *BA*

THROUGH: Jason Eisdorfer and Michael Dougherty *E* *m*

SUBJECT: IDAHO POWER COMPANY: (Docket No. UM 1610) Compliance filing to Update Schedule 85, Cogeneration and Small Power Production Standard Contract Rates.

STAFF RECOMMENDATION:

Staff recommends that the Commission issue an order approving Idaho Power Company's (Idaho Power) avoided cost prices (Schedule 85) filed on July 12, 2016, in compliance with Order No. 16-174.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power's Schedule 85 avoided cost prices for Qualifying Facilities (QF).

Applicable Orders

On May 13, 2016, the Commission issued Order No. 16-174 in Phase II of its Investigation into Qualifying Facilities Contracting and Pricing (Docket No. UM 1610). Two of the issues in this docket pertain to the calculation methodology for capacity payments to QFs during the utility's resource deficiency period. In its resolution of this issue, the Commission adopts the adjusted calculation as specified in Staff's testimony,¹ and directs utilities to "file revised avoided cost schedules that implement the resolutions made in this order."²

¹ Order No. 16-174 at 12.

² Ibid. at 31.

UM 1610
September 20, 2016
Page 2

Analysis

Staff has reviewed Idaho Power's calculations used to derive the on-peak capacity factor for both wind and solar, as well as the calculations for the value of capacity, and the resulting capacity payment adder to on-peak hours. Staff finds no inconsistencies between the avoided cost prices in this filing and the methodology directed by the Commission in Order No. 16-174.

Idaho Power does not have renewable standard avoided cost prices in Oregon because it currently has no Renewable Portfolio Standard obligation. Accordingly, the capacity calculation adjustment is applicable only to Idaho Power's nonrenewable avoided cost prices.

Conclusion

Based on its review, Staff concludes that the methodology directed by the Commission in Order No. 16-174 has been accurately applied in calculating Idaho Power avoided cost prices.

Staff appreciates Idaho Power's multiple communications with Staff regarding the inputs and the calculations for the capacity payments prior to the final compliance filing.

PROPOSED COMMISSION MOTION:

Idaho Power's Compliance Filing for Avoided Cost Rates (Schedule 85) filed by Idaho Power on July 12, 2016, in compliance with Order No. 16-174, be approved.

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