

BEFORE THE PUBLIC UTILITY COMMISSION

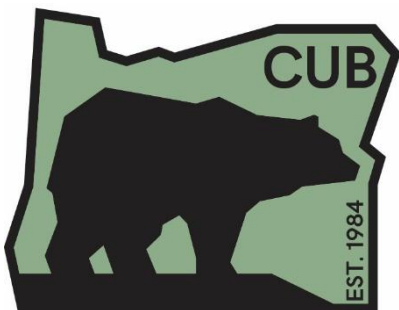
OF OREGON

LC 74

In the Matter of)
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IDAHO POWER COMPANY,)
)
2019 Integrated Resource Plan.)
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**FINAL COMMENTS OF THE
OREGON CITIZENS' UTILITY BOARD**

January 8, 2021



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OF OREGON**

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IDAHO POWER COMPANY,)	FINAL COMMENTS OF THE
)	OREGON CITIZENS' UTILITY
2019 Second Amended Integrated Resource)	BOARD
Plan.)	

I. INTRODUCTION

The Oregon Citizens' Utility Board (CUB) hereby submits its Final Comments on Idaho Power Company's (Idaho Power or the Company) 2019 Second Amended Integrated Resource plan (IRP or Plan) filed on October 2, 2020.

CUB appreciates Idaho Power's effort to improve its resource portfolio analyses and provide updated and corrected results in this version. CUB filed opening comments on April 2, 2020 on Idaho Power's first amended IRP, filed January 31, 2020. This most recent version of the IRP is based on a comprehensive review of the earlier one. There are a few modifications in the portfolio analysis outcomes and the resulting action plan. CUB recognizes a few notable changes that resulted from the updated analysis including a) exiting from the Company's Valmy Coal Plant Unit 2 earlier than what was planned in the previous version of the IRP, and b) an increase in the amount of demand response resources in the preferred portfolio over the plan period.

Below are CUB's comments on Idaho Power's selected action items from the 2019 Second Amended IRP.

II. DISCUSSION

1. *Exit date for Valmy Unit 2 accelerated to the end of 2022*

Idaho Power's updated portfolio analysis moved the exit date of its Valmy Plant Unit 2 to year-end 2022 which is three years earlier than that determined by the previous analysis. CUB appreciates the analytical adjustments that led to the accelerated exit date for this coal plant and is confident that further cost and reliability analyses that the Company plans to conduct would keep this outcome unaltered. CUB recommends that the Commission acknowledges this action item.

2. *Demand response.*

Idaho Power's most recent Preferred Portfolio includes an additional 15MW of demand response resources compared to the previous version of the IRP, bringing the total amount to 45MW. This change resulted from a modeling adjustment in which "demand response was modeled as a resource to offset peak load as opposed to as a lender of last resort once the Company's reserves were in deficit. According to Idaho Power, the new modeling approach is more consistent with the way the Company's DR programs work in practice.

CUB appreciates and supports the change in modeling of DR. Idaho Power's analysis shows that, as renewable resources decline in peak contribution in the outer years of the planning period, expanding DR resources along with a transmission capacity adjustment of approximately 50MW resulted in a lower reserve requirement. This reinforces the importance of DR as a cost-effective resource that could serve peak loads.

The increase in DR resources in the Preferred Portfolio also indicates that appropriate modeling approach plays a significant role in determining the net benefit or cost of a specific

resource. Using DR as a summer peak load resource as opposed to a lender of last resort has accurately captured its benefit to Idaho Power's system. This should motivate Idaho Power to model demand response also as a resource to meet winter peak loads and explore winter demand response programs including direct load control of electric HVAC systems and water heating. As discussed in our opening comments, DR also has the potential to provide ancillary services, an option not quite explored in the Pacific Northwest. This may be worth pursuing as Idaho Power plans to exit from thermal generation and integrate more variable energy resources into its system.

CUB also notes that, while there has been an increase in the amount of DR resources in the preferred portfolio, these resources do not appear in the plan for almost a decade. The long-term plan shows the addition of 5MW of DR resources starting 2030 and continuing through 2038.

Idaho Power, in its Reply Comments, stated that the Company has sufficient information on demand response programs through participating in various DR committees and projects and would be ready when a near term need for DR programs is identified.

CUB is nonetheless concerned that, unless the Company starts planning ahead for these programs, they may not be available when needed. Among other things, designing a DR program is a multistep process involving designing effective pilots, evaluating and learning, and then expanding it to a full-size program. CUB recommends that Idaho Power develop draft plans for potential DR programs and include these in its future DSM report or as a part of its VER Integration Study.

3. Exit Boardman December 31, 2020

CUB fully supports the Company's decision to exit from the Boardman coal plant. However, CUB believes that, since this is a completed action, it should not be acknowledged by the Commission as a part of this IRP.

III. CONCLUSION

CUB appreciates the opportunity to participate in Idaho Power's 2019 IRP Process. The Company has made an effort to review and improve upon its analysis in its Second Amended IRP. Idaho Power's long-term resource plan reflects the Company's transition towards a clean energy future.

CUB hopes to see the Company incorporating Oregon's EO 20-04 in its portfolio analysis for its 2021 IRP. CUB believes that analysis around meeting GHG targets as set in the EO, expanded use of social cost of carbon in the IRP, potential increase in VERs in the preferred portfolio and uncertainty around the future of the role of natural gas would create the need to further examine the role of DR as summer and winter peak load as well as ancillary service resource.

CUB would like to recommend the Commission to acknowledge Idaho Power's Action Plan, with the exception of the exit from Boardman by December 31, 2020, as this action has already been taken by the Company.

Dated this 8th day of January, 2021

Respectfully submitted,



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