

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 74

In the Matter of
IDAHO POWER COMPANY,
2019 Integrated Resource Plan.

RENEWABLE ENERGY
COALITION'S COMMENTS ON
STAFF REPORT

I. INTRODUCTION

The Renewable Energy Coalition (the "Coalition") respectfully submits these Comments regarding the Oregon Public Utility Commission (the "Commission") Staff Report in the matter of Idaho Power Company's ("Idaho Power's") 2019 Integrated Resource Plan ("IRP"). The Coalition:

1. Supports Idaho Power's conclusion and the Staff Report affirmation that Idaho Power assume that non-wind QFs renew their contracts;
2. Supports the Idaho Power commitment and Staff Report recommendation that Idaho Power "perform sensitivity analysis in its next IRP pertaining to wind replacement assumptions to evaluate the impacts on resource planning;"
3. Opposes Idaho Power's decision and the Staff Report recommendation that Idaho Power continue to inaccurately forecast non-wind QF renewals, and recommends that the Commission require Idaho Power to make a reasonable and accurate forecast; and
4. Opposes the Staff Report recommendation that the capacity value associated with renewing QFs be considered at some indefinite period of time in 2022 or later.

II. COMMENTS

A. **The Commission Should Affirm that QF Renewals Provide Some Capacity Value to Idaho Power's System**

Idaho Power accurately assumes that its non-wind QFs will renew their contracts, and the Staff Report recommends acknowledging Idaho Power's QF renewal assumptions. The Coalition supports this recommendation.

The Staff Report, however, does not explicitly recognize that Idaho Power's 134 QFs with a total capacity of 1,149 MW provide Idaho Power capacity value to its system (when, by contrast, the Idaho Public Utilities Commission does). As explained in earlier comments, the Coalition recommends that the Commission explicitly recognize that the renewal of these contracts provides Idaho Power with capacity value.

B. **The Commission Should Direct Idaho Power to Provide a More Detailed QF Forecast in its Next IRP**

The Staff Report concludes that "Idaho Power's assumption that no wind QFs [will] renew their contracts ... is pragmatic[,]” but notes that this assumption “is not necessarily consistent with Idaho Power's own assumption that it will repower its wind resources.”¹ Instead of asking Idaho Power to provide an accurate estimate of how many wind QFs will renew their contracts, Staff supports Idaho Power's proposal “to perform[a] sensitivity analysis in its next IRP pertaining to wind replacement assumptions to evaluate the impacts on resource planning.” A sensitivity analysis can help understand the magnitude of an issue (i.e., the impact of whether wind QFs renew), but it does nothing to explain or evaluate the reasonableness of the underlying assumptions.

¹ Staff Report at 45.

The Coalition supports Staff's recommendation that a sensitivity analysis be performed, but the Coalition does not agree that it alone is sufficient. The Coalition recommends that the Commission direct Idaho Power to make an accurate forecast in addition to performing a sensitivity analysis. Idaho Power currently has 627 MW of wind QFs under contract that are not included in the forecast. By contrast, for its own generation, Idaho Power assumes that it will repower wind resources. Idaho Power has not explained this discrepancy regarding why Idaho Power can continue to use and operate *all* of its wind facilities, but QFs will be unable to do the same for *any* of their facilities at the end of their current contract terms. As explained in its earlier comments, the Coalition recommends that Idaho Power be directed to provide a greater level of detailed explanation in future IRPs to better aid stakeholder understanding.

C. The Commission Should Strive to Resolve the Capacity Payment Issue by the End of 2021

The Coalition's Final Comments were filed on January 8, 2021, and they stated that the Coalition was willing to address the QF capacity payment issue in a generic docket applicable to all utilities. However, that was based on the hope that the issue could be addressed within the year 2021. On January 15, 2021, Staff provided its plan for addressing PURPA-related matters, and it does not specifically include in 2021 the issues of how to appropriately value the capacity provided by renewing QFs and how to pay QFs for this capacity value.² Staff is recommending that an order in UM 2032 be issued in June 2021, but it is not clear whether that will address renewing QF capacity

² *In Re Comm'n Investigation into Treatment of Network Upgrade Costs for QFs*, Docket No. UM 2032, PURPA docket announcements at 1.

value.³ The LC 74 Staff Report appears to suggest that renewing QF capacity value will not be addressed in UM 2032 or in 2021, but instead states that “[t]his issue will be addressed in the Commission’s general investigation into the avoided cost methodology in Docket No. UM 2000.”⁴

In the end, the Coalition is not certain if, when, and where the Coalition’s long-standing concern and the Commission’s 2016 direction⁵ that the Oregon utilities (including Idaho Power) work with stakeholders to appropriately value capacity for renewing QFs will be resolved. The Coalition cannot sufficiently express its level of frustration regarding this issue. Not only does the Commission allow the utilities to refuse to comply with its previous direction to appropriately value renewing QFs, but there is currently not even any clarity on when and where the issue will be addressed.⁶

The Coalition recommends that the Commission order Idaho Power to address this issue in its next IRP—unless the Commission has already resolved the issue in a separate docket by that time. If the Commission addresses renewing QF capacity value in another docket in 2021, then that can provide appropriate guidance. However, if the

³ Docket No. UM 2032, PURPA docket announcements at 1.

⁴ Staff Report at 45.

⁵ *In re Comm’n Investigation into QF Contracting and Pricing*, Docket No. UM 1610, Order No. 16-174 at 19 (May 13, 2016).

⁶ In 2016 the Commission provided clarity on when and where the issue should be addressed and concluded that each utility should work with parties in their *next* IRP (i.e., in 2017 or 2018) to determine the capacity value if a utility assumes that existing QFs renew their contracts. Docket No. UM 1610, Order No. 16-174 at 19 (May 13, 2016). The lack of clarity has occurred because the utilities ignored or willfully disregarded the Commission’s direction, and the Commission has never held them accountable or clarified when it will require the utilities to comply with its prior order.

issue is not addressed in any generic PURPA dockets in 2021, then at least Idaho Power can conduct its analysis in its upcoming IRP.

III. CONCLUSION

The Commission should affirm that renewing QFs provide value to Idaho Power, direct Idaho Power to appropriately forecast QF renewals and to explain its forecast in its next IRP, and should strive to resolve the QF capacity payment issue prior to Idaho Power filing its next IRP (and if it is not promptly resolved, then Idaho Power should provide an analysis of the capacity benefits associated with QFs in its next IRP).

Dated this 19th day of March 2021.

Respectfully submitted,

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