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Attorneys for Petitioner J.R. Simplot Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF PETITION OF)	
IDAHYDRO, SHOROCK HYDRO, INC.,)	Case No. IPC-E-18-07
J.R. SIMPLOT COMPANY, AND)	
RENEWABLE ENERGY COALITION FOR)	J.R. SIMPLOT COMPANY'S
MODIFICATION OF THE 90/110)	RESPONSES TO FIRST
PERFORMANCE BAND AND)	PRODUCTION REQUEST OF THE
CALCULATION OF OPERATION AND)	COMMISSION STAFF TO J.R.
MAINTENANCE CHARGES FOR PURPA)	SIMPLOT COMPANY
QUALIFYING FACILITIES)	

The J.R. Simplot Company, by and through its counsel of record, Gregory M. Adams and Peter J. Richardson of Richardson Adams, PLLC, hereby answers and responds to the Idaho Public Utilities Commission ("IPUC") Staff's *First Production Request of the Commission Staff to J.R. Simplot Company*, dated June 7, 2018, as follows:

REQUEST NO. 1: The footnote on Page 5 of the Petition lists five circumstances under which the 90/110 rule was adopted. Does the Petitioner agree with any or all of these statements? Please explain.

RESPONSE TO REQUEST NO. 1:

The five changes of circumstance referenced in the footnote at the bottom of page 5 of the Petition are directly quoted from the Commission's order adopting the 90/110 pricing convention. That order states, by way of introduction to the listed five changes of circumstance,

The Company contends that it is seeking to improve the firmness or predictability of QF energy deliveries because conditions have materially changed. Tr. at 312.
The Changed circumstances include:

The five referenced changes were alleged to have occurred over fourteen years ago. Whether they were accurate then is beyond the direct knowledge of the J.R. Simplot Company. Today, however, the five changed circumstances appear to be out of date and possibly inaccurate.

For example, the first changed circumstance identified fourteen years ago was that "Wholesale firm energy purchases from creditworthy counterparties are now generally accepted as a prudent and cost-effective way of meeting a portion of a utility's resource needs." The assertion regarding wholesale energy purchases was generic in its reference to "a utility's" needs. However, as for Idaho Power's current situation it does not appear to be accurate or relevant. According to Idaho Power's most recent IRP "Idaho Power currently has no long-term wholesale energy contracts (no long-term wholesale sales contracts and no long-term purchase contracts)." Idaho Power 2017 IRP at p. 33.

The second point made fourteen years ago was that Idaho Power "has changed from an energy-constrained company to a capacity constrained company." Again, whether this statement was accurate a decade and a half ago is beyond the direct knowledge of the J.R. Simplot Company. However, as for Idaho Power's current situation, it does not appear to be accurate or relevant. According to Idaho Power's most recent IRP, it is neither capacity nor energy constrained until the mid-2020s at which time it is both energy and capacity constrained at

approximately the same time. Idaho Power 2017 IRP at Appendix C, Technical Report.

The third point is somewhat of a tautology. J.R. Simplot Company does agree that transmission constraints would require accurate anticipation of “needs for firm energy imports.” However, whether Idaho Power is required to “more precisely anticipate its needs for firm energy imports” is unclear at this time.

The fourth point made fourteen years ago is that wind and solar generating technologies requires a new approach to the company’s PURPA contracting procedures. This statement appears irrelevant today because Idaho Power’s PURPA wind resources and a large percentage of its solar resources have been excused from the 90/110 band. Additionally, the impact of wind and solar QFs is not justification for imposing the 90/110 band on non-wind and non-solar QFs, such as the Petitioners in this proceeding.

J.R. Simplot Company fails to see the relevance of the fifth point dealing with the use of market purchases as hedges to manage risk as impacting the importance of resource availability given that the company is resource surplus through the mid-2020s.

REQUEST NO. 2: Please provide any data and evidence that supports the three circumstances listed on page 6, paragraph number 13, of the Petition.

RESPONSE TO REQUEST NO. 2:

The first referenced circumstance provides that “The variability of hydro QFs in the aggregate is within the range of the variability exhibited by IPCo hydropower facilities.” To be specific, the hydro QFs referenced are those hydro QF’s on Idaho Power’s system. Because all of the referenced hydro QFs are located in the same drainage on the same river system as are all of Idaho Power’s hydro projects, it seems obvious that streamflow variability in that basin would have similar variability impacts to all hydro projects regardless of ownership. However, it should be noted that many of the hydro QFs have water rights and physical diversions that actually take water out of the main river system for use in canals and conduits. QF hydro projects on those canals and conduits are likely to be less variable than main stem river hydro projects – which comprise the majority of Idaho Power’s hydro projects.

The second and third circumstances are supported by Idaho Power’s own data from its web site indicating a flat, predictable production profile for all of its QF purchases relative to its overall load and resource stack.

See: <https://www.idahopower.com/energy/delivering-power/generation-and-demand>

REQUEST No. 3: Please categorize the root causes that prevent QF projects from meeting the 90/110 requirement and provide project examples that fall under each category.

RESPONSE TO REQUEST NO. 3

The drivers causing QF projects to fail to meet the 90/110 band include all of the vagaries of energy supply and project operations. Examples include, but are not necessarily limited to, such issues as unexpected operations and maintenance issues, unanticipated weather changes (hot, cold, sunny, cloudy, windy, calm, dry, humid, etc. etc. etc.), unanticipated mechanical issues, unanticipated production changes, and interconnection or other curtailment orders from Idaho Power.

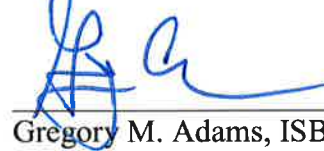
REQUEST No. 4: Please list the projects that are or should be able to consistently comply with the 90/110 contract provisions. For each project, please provide a detailed explanation why these projects are more predictable and more able to comply with 90/110 requirement.

RESPONSE TO REQUEST NO. 4:

The J. R. Simplot Company has not compiled such a list.

Dated: June 28, 2018.

RICHARDSON ADAMS, P.L.L.C.



Gregory M. Adams, ISB No. 7454
Attorneys for Petitioner J.R. Simplot
Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 28th day of June 2018, a true and correct copy of the within and foregoing J.R. SIMPLOT COMPANY'S RESPONSES TO FIRST PRODUCTION REQUEST OF THE COMMISSION STAFF to the J.R. Simplot Company in Case No. IPC-E-18-07 were delivered via electronic mail to the following:

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