

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 78

In the Matter of
IDAHO POWER COMPANY,
2021 Integrated Resource Plan.

THE RENEWABLE ENERGY
COALITION’S OPENING
COMMENTS

I. INTRODUCTION

The Renewable Energy Coalition (the “Coalition”) respectfully submits these Opening Comments for consideration by the Oregon Public Utility Commission (the “Commission” or “OPUC”) in the matter of Idaho Power Company’s (“Idaho Power’s”) 2021 Integrated Resource Plan (“IRP”). The Coalition supports Idaho Power’s continued planning assumption that 100 percent of non-wind qualifying facilities (“QFs”) will renew after contract expiration. Further, for this filing, the Coalition is not opposed to Idaho Power’s planning assumption that 25 percent of wind QFs will renew after contract expiration, but recommends that Idaho Power should revisit this assumption in its next IRP. Therefore, the Commission should acknowledge these QF renewal planning assumptions in this IRP and direct Idaho Power to revisit the wind QF renewal assumption during the next IRP.

II. COMMENTS

A. The Commission Should Acknowledge Idaho Power’s Planning Assumption that 100 Percent of Existing Non-Wind QFs Will Renew After Contract Expiration

The Coalition supports Idaho Power’s planning assumption that 100 percent of existing non-wind QFs will renew after contract expiration.¹ By assuming that these contracts will renew, Idaho Power is deferring other resources that it would otherwise need to acquire. There is inherent value in deferring a resource acquisition. Resource deferrals are a large part of setting avoided cost prices in Oregon, which is why this issue is so important for all QFs, particularly existing QFs. Therefore, the Commission should acknowledge that there is some value to Idaho Power of this significant source of energy and acknowledge Idaho Power’s planning assumption that 100 percent of existing non-wind QFs will renew.

B. The Commission Should Acknowledge for this Filing Idaho Power’s Planning Assumption that 25 Percent of Existing Wind QFs Will Renew After Contract Expiration, but Direct Idaho Power to Revisit this Assumption for the Next IRP

For this filing, the Coalition does not oppose Idaho Power’s planning assumption that 25 percent of existing wind QFs will renew after contract expiration.² The Coalition appreciates Idaho Power taking the time and consideration to come up with an actual percentage for the renewal assumption for wind QFs. The Coalition also appreciates that Idaho Power had “informal conversations with developers of [cogeneration and small-

¹ See Idaho Power 2021 IRP at 122; See also Attachment A, Idaho Power’s Response to REC’s Information Request No. 4.

² Idaho Power 2021 IRP at 122.

power producer] wind facilities[.]”³ This is one important factor to help determine a reasonable wind QF renewal percentage.

The Coalition believes the actual renewal rate for existing wind QFs will likely be higher than 25 percent. However, the Coalition is willing to defer resolution of this issue until a future IRP because of the effort Idaho Power took to come up an actual percentage for the renewal assumptions for wind QFs, and Idaho Power’s commitment to review this issue in future IRPs.

In future IRPs, the Coalition recommends Idaho Power look into the actual useful life of utility and non-utility owned wind facilities to help determine a reasonable wind QF renewal planning assumption percentage. The useful life of wind resources can help determine if it is likely a wind QF would renew its contract. A report released in 2019, drawing from a survey of wind energy professionals, found the expected useful life of a wind facility is now projected to be around 30 years.⁴ The contract term for a non-utility owned wind QF is less than 30 years, and it may be economic for the wind facility to continue to sell power in a subsequent contract. Utility owned wind facilities continue to generate power, even after the end of their useful lives. For example, PacifiCorp has begun repowering three utility-owned wind farms in Oregon, Washington, and Wyoming

³ Attachment B, Idaho Power’s Response to Staff’s Information Request No. 34.

⁴ Ryan H. Wiser & Mark Bolinger, *Benchmarking Anticipated Wind Project Lifetimes: Results from a Survey of U.S. Wind Industry Professionals 4*, BERKELEY LAB (Sept. 2019), <https://emp.lbl.gov/publications/benchmarking-anticipated-wind-project>.

as part of Energy Vision 2020.⁵ This is just one example that could indicate a higher renewal percentage assumption for wind QFs.

Thus, the Commission should acknowledge Idaho Power's planning assumption that 25 percent of existing wind QFs will renew after contract expiration, but direct Idaho Power to revisit this assumption during its next IRP. The Coalition requests that Idaho Power consider the useful life of non-utility owned and utility wind facilities, whether those facilities generate power after their useful lives, the sophistication and experience of project developers, the opportunity to sell power to other utilities, and interconnection risks.

III. CONCLUSION

The Commission should acknowledge Idaho Power's assumptions regarding QF renewals, but direct Idaho Power to revisit its planning assumptions for wind QF renewals during the next IRP.

⁵ PacifiCorp, *PacifiCorp, Local Leaders Break Ground on Energy Vision 2020 Wind Project* (June 5, 2019) <https://www.pacificorp.com/about/newsroom/news-releases/energy-vision-2020-groundbreaking.html>.

Dated this 7th day of July 2022.

Respectfully submitted,

Sanger Law, PC

Ellie Hardwick

Ellie Hardwick
Irion A. Sanger
Sanger Law, PC
4031 SE Hawthorne Blvd. Portland,
Oregon 97214 Telephone:
503-756-7533
Fax: 503-334-2235
irion@sanger-law.com

Of Attorneys for Renewable
Energy Coalition

Attachment A

Idaho Power's Response to REC's Information Request No. 4

REC'S DATA REQUEST NO. 4:

In Idaho Power's 2019 IRP, Idaho Power assumed 100 percent of non-wind qualifying facilities (QF) renewed their contracts after expiration while 0 percent of wind QFs renewed. See In re Idaho Power 2019 IRP, Docket No. LC 74, Idaho Power's Reply Comments at 71 (May 15, 2020) ("Idaho Power assumes that all QFs with signed contracts will seek a new replacement contract when an existing contract expires and generation from the QFs is continued in the CSPP forecast, with the exception of wind."). In Idaho Power's 2021 IRP, it states "To account for likely variability in future PURPA resources, the 2021 IRP includes three contract renewal scenarios for existing PURPA resources: a 25% base case renewal rate and 0% and 100% low and high case bookends." See 2021 IRP at page 47. Later in the 2021 IRP, these renewal percentages reference a wind QF renewal sensitivity study. See 2021 IRP at 122.

- a. Are these renewal percentages for wind QFs and Idaho Power still assumes 100 percent of non-wind QFs renew or are these renewal percentages for all QFs?
- b. If these renewal percentages are for all QFs, then why did Idaho Power change its planning assumptions from the 2019 IRP to the 2021 IRP?
- c. How did Idaho Power select a 25 percent base case renewal rate?

IDAHO POWER COMPANY'S RESPONSE TO REC'S DATA REQUEST NO. 4:

- a. Yes, the renewal percentages for wind QFs vary as described and all other PURPA projects are assumed to renew.
- b. The renewal percentages apply only to wind projects.
- c. Please see the Company's response to Staff Request No. 34 for this information.

Attachment B

Idaho Power's Response to Staff's Information Request No. 34

Topic or Keyword: Portfolio Modeling**STAFF'S DATA REQUEST NO. 34:**

Referencing page 122 of the 2021 IRP where the Company states the planning assumption is that 25 percent of wind contracts will renew, please explain the basis for that assumption and why it is a more reasonable planning assumption than 50 percent.

IDAHO POWER COMPANY'S RESPONSE TO STAFF'S DATA REQUEST NO. 34:

In the 2019 IRP, it was assumed that Cogeneration and Small Power Producers ("CSPP") wind would not renew. Feedback from the Commission and Staff indicated they expected a renewal rate of more than 0 percent in the Company's 2021 IRP. Following that feedback, Idaho Power consulted with neighboring utilities including PacifiCorp ("PAC"), Avista, and Northwestern, all of which did not include renewal assumptions for CSPP wind in their planning cases. Additionally, informal conversations with developers of CSPP wind facilities do not indicate the existing projects will renew.

During the preparation of the 2021 IRP, the Company discussed the renewal sensitivities and the planning case with the IRP Advisory Council ("IRPAC"). Feedback from the IRPAC led to Idaho Power's use of a 25 percent CSPP wind renewal forecast in the planning case and sensitivities at 0 percent and 100 percent renewal (see 2021 IRP Report, Chapter 9, CSPP Wind Renewal Sensitivity Studies, page 122). The results of the sensitivities indicate that both low and high wind renewal resulted in few changes to the Preferred Portfolio. Additional detail is provided in the 2021 IRP Report, Chapter 11, CSPP Wind Renewal Low, pages 162-163 and CSPP Wind Renewal High, pages 164-165.

Idaho Power believes the 25 percent renewal assumption is more reasonable than a 50 percent assumption because discussions with CSPP facilities and neighboring utilities indicate that 0 percent renewal is the most likely scenario.