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IDAHO PUBLIC  
UTILITIES COMMISSION

**DONOVAN E. WALKER**  
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October 15, 2020

**VIA HAND DELIVERY**

Jan Noriyuki, Secretary  
11331 W. Chinden Boulevard  
Building 8, Suite 201-A  
Boise, Idaho 83714

Re: Case No. IPC-E-20-35  
Idaho Power Company's Annual Compliance Filing to Update the Load and Gas Forecast Components of the Incremental Cost Integrated Resource Plan Avoided Cost Methodology

Dear Ms. Noriyuki:

Attached for electronic filing is Idaho Power Company's Annual Compliance Filing. If you have any questions about the attached documents, please do not hesitate to contact me.

Very truly yours,

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Donovan E. Walker

DEW/cd

Enclosures

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IDAHO POWER COMPANY'S ANNUAL	)	
COMPLIANCE FILING TO UPDATE THE	)	CASE NO. IPC-E-20-35
LOAD AND GAS FORECASTS IN THE	)	
INCREMENTAL COST INTEGRATED	)	IDAHO POWER COMPANY'S
RESOURCE PLAN AVOIDED COST	)	ANNUAL COMPLIANCE FILING
MODEL.	)	
	)	

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Idaho Power Company ("Idaho Power") hereby respectfully submits to the Idaho Public Utilities Commission ("Commission") this filing in compliance with Order Nos. 32697 and 32802 to update the load forecast and natural gas forecast components of the Incremental Cost Integrated Resource Plan ("ICIRP") avoided cost methodology.

**I. INTRODUCTION**

In its final Order No. 32697, the Commission determined that the inputs to the ICIRP avoided cost methodology, utilized for all proposed Public Utility Regulatory Policies Act of 1978 ("PURPA") Qualifying Facility ("QF") projects that exceed the

published rate eligibility cap, will be updated every two years upon acknowledgement of the utility's Integrated Resource Plan ("IRP") filing, with the exception of the load forecast and the natural gas forecast—which is to be updated annually by October 15 of each year. The Commission stated:

We find that, in order to maintain the most accurate and up-to-date reflection of a utility's true avoided cost, utilities must update fuel price forecasts and load forecasts annually – between IRP filings. For the sake of consistency, these annual updates should occur simultaneously with SAR updates – on June 1 of each year. In addition, it is appropriate to consider long-term contract commitments because of the potential effect that such commitments have on a utility's load and resource balance. We find it reasonable to include long-term contract considerations in an IRP Methodology calculation at such time as the QF and utility have entered into a signed contract for the sale and purchase of QF power. We further find it appropriate to consider PURPA contracts that have terminated or expired in each utility's load and resource balance. We find it reasonable that all other variables and assumptions utilized within the IRP Methodology remain fixed between IRP filings (every two years).

Order No. 32697, p. 22. The date for the annual update was later changed from June 1 to October 15 of each year. Order No. 32802.

The load forecast, natural gas forecast, and contract information presented below in compliance with the Commission's Orders have been incorporated into Idaho Power's ICIRP avoided cost methodology. Consistent with the Commission's prior Orders, this methodology will be utilized by Idaho Power as the starting point for the negotiation of its contractual avoided cost rates as of October 15, 2020.

## **II. LOAD FORECAST**

Idaho Power's most recent load forecast from October 2020 shows, on average over the remaining period of the 2017 IRP, a decrease in its customer loads when

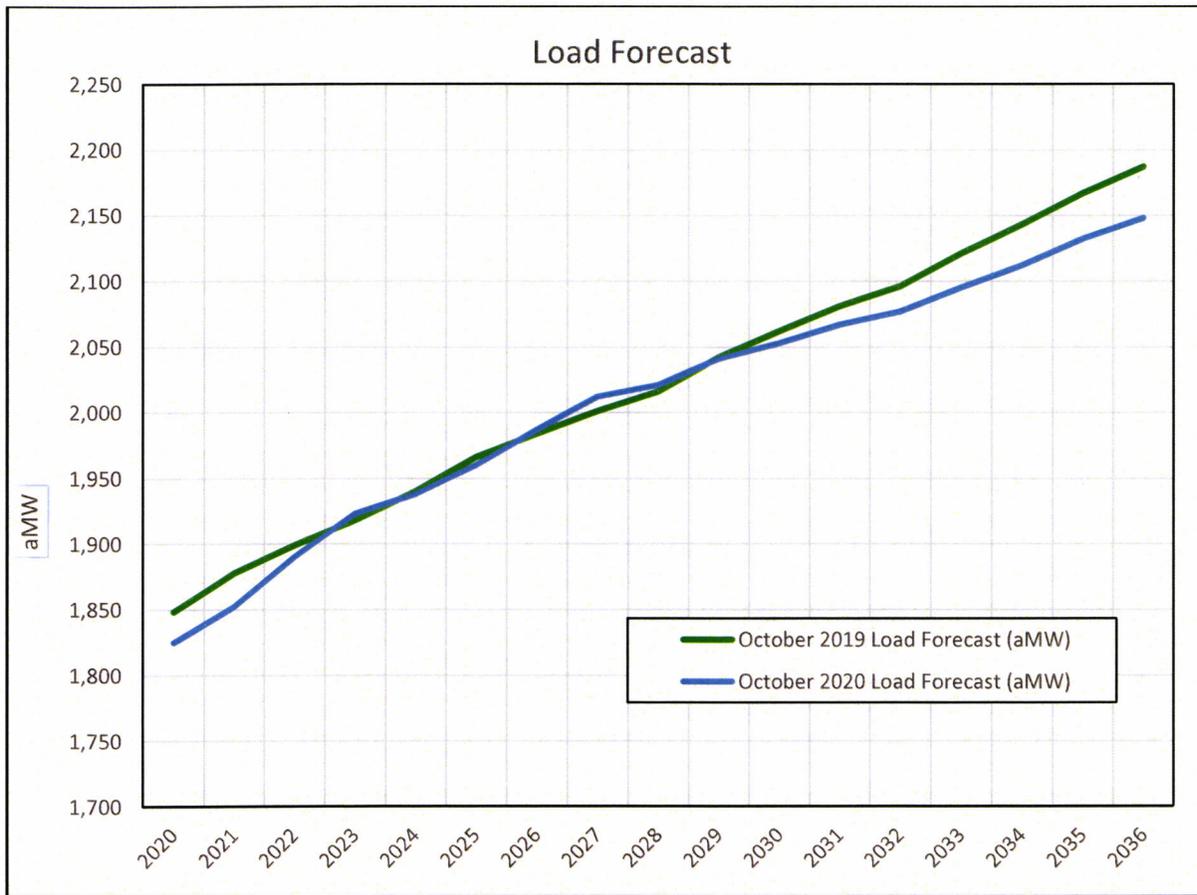
compared to the October 2019 load forecast that was provided to the Commission for the 2019 update in Case No. IPC-E-19-31 and approved by the Commission in Order No. 34510.

Table 1 and Graph 1 below show the average annual load forecast for both the previously approved October 2019 load forecast and the most recent 2020 load forecast through 2036.

**TABLE 1**

<b>Average Annual Load Forecast</b>		
<b><u>Year</u></b>	<b><u>October 2019 (aMW)</u></b>	<b><u>October 2020 (aMW)</u></b>
2020	1,848	1,825
2021	1,878	1,852
2022	1,899	1,890
2023	1,918	1,923
2024	1,940	1,938
2025	1,966	1,960
2026	1,984	1,987
2027	2,001	2,012
2028	2,016	2,021
2029	2,042	2,041
2030	2,062	2,053
2031	2,081	2,067
2032	2,096	2,077
2033	2,121	2,095
2034	2,143	2,112
2035	2,167	2,132
2036	2,187	2,148

### GRAPH 1



### III. NATURAL GAS PRICE FORECAST

As of October 15, 2020, Idaho Power will update the natural gas price forecast within the ICIRP avoided cost model to reflect the most recent EIA Natural Gas Henry Hub Spot Price: High Oil and Gas Resource and Technology forecast published on January 29, 2020. Use of this forecast indicates an overall decrease in the average annual natural gas forecast prices over the remaining period in comparison to the EIA 2019 natural gas price forecast that was used in the ICIRP avoided cost model from the previous update.

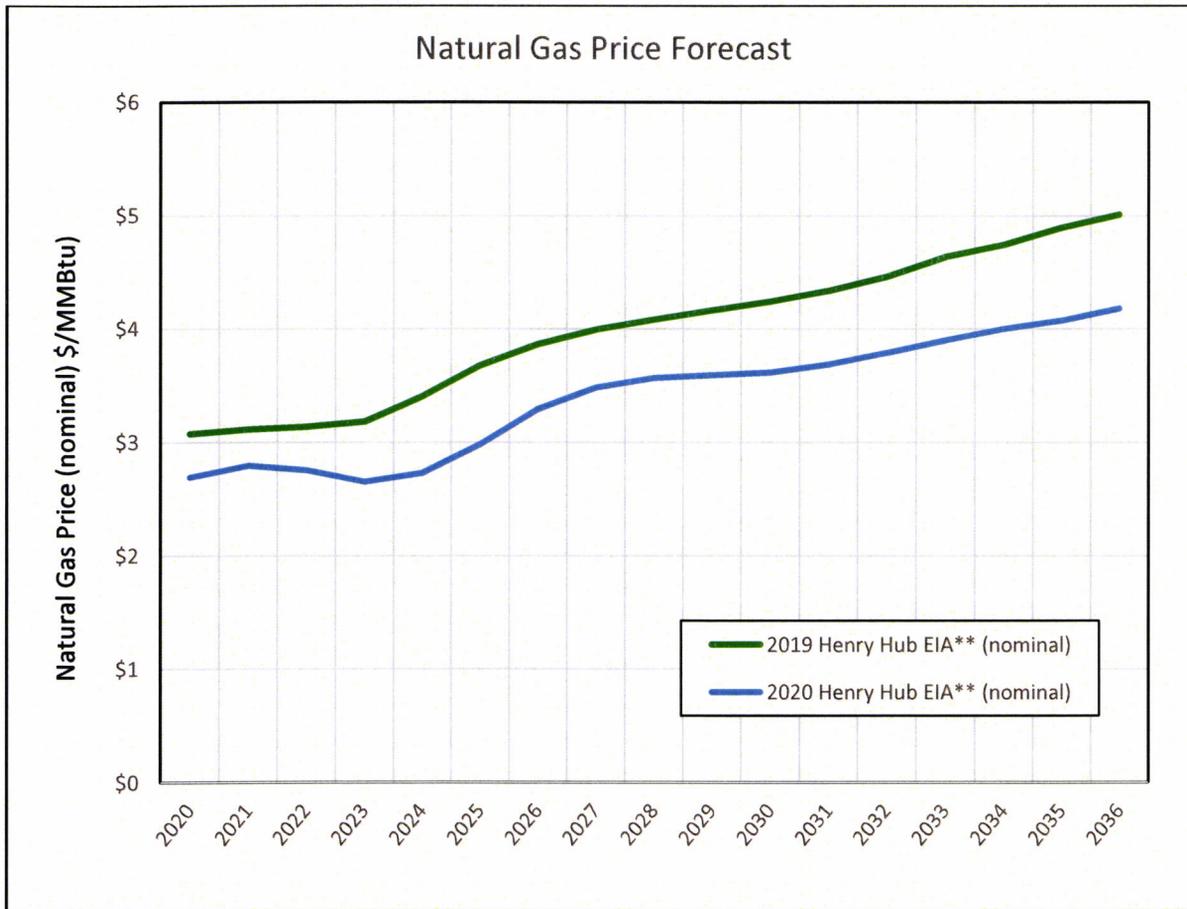
Table 2 and Graph 2 display the 2019 EIA natural gas price forecast and the current 2020 EIA natural gas price forecast.

**TABLE 2**

**EIA Natural Gas Henry Hub Spot Price: High  
Oil and Gas Resource and Technology**

<b>Year</b>	<b>October 2019 (nominal \$/MMBtu)</b>	<b>October 2020 (nominal \$/MMBtu)</b>
2020	3.07	2.69
2021	3.11	2.80
2022	3.14	2.76
2023	3.18	2.65
2024	3.40	2.73
2025	3.67	2.98
2026	3.86	3.29
2027	3.99	3.48
2028	4.08	3.56
2029	4.16	3.59
2030	4.24	3.61
2031	4.33	3.68
2032	4.46	3.78
2033	4.63	3.90
2034	4.74	3.99
2035	4.89	4.07
2036	5.01	4.18

**GRAPH 2**



Note: \*\*EIA Natural Gas Henry Hub Spot Price: High Oil and Gas Resource and Technology, adjusted for 2017 IRP Idaho City Gate delivery.

**IV. CONTRACT TERMINATIONS, EXPIRATIONS, AND ADDITIONS**

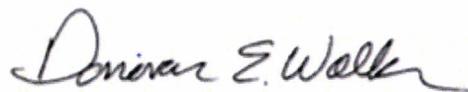
Idaho Power currently has three non-PURPA, long-term power purchase agreements with projects that are online: Elkhorn Valley Wind (101 megawatts (“MW”)), Raft River Geothermal (13 MW), and Neal Hot Springs Geothermal (22 MW). In addition, the non-PURPA long-term power purchase agreement with Jackpot Holdings, LLC (120 MW) is scheduled to be online in December 2022.

Idaho Power currently has 134 contracts with PURPA QFs with a total nameplate capacity of 1,148 MW. Included in this update for signed Energy Sales Agreements (“ESA”) are fourteen replacement ESAs for existing Idaho QF projects totaling 18.98 MW and one ESA for a new hydro Idaho QF of 0.8 MW. Additionally, one ESA for a 4.5 MW biomass QF was terminated. Please see Attachment 1 attached hereto for a list of new and terminated contracts since the last update on October 15, 2019. New ESAs, terminated or expired contracts, as well as new complete ESA applications are all included in the ICIRP model on a continuous basis.

#### **V. CONCLUSION**

Idaho Power hereby respectfully submits this updated load forecast, natural gas forecast, and contract information in compliance with the Commission’s directives in Order Nos. 32697 and 32802 and asks the Commission to accept the same for filing.

Respectfully submitted this 15<sup>th</sup> day October 2020.



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DONOVAN E. WALKER  
Attorney for Idaho Power Company

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-20-35**

**IDAHO POWER COMPANY**

**ATTACHMENT 1**

**Projects On-Line**

<u>Resource Type</u>	<u>Project Name</u>	<u>State</u>	<u>Replacement Contract Date</u>	<u>Project Size (MW)</u>
Hydro	Little Wood Rvr Res	ID	10/15/2019	2.85
Hydro	Low Line Canal	ID	11/1/2019	8.20
Hydro	Jim Knight Hydro	ID	11/22/2019	0.48
Hydro	Sagebrush Hydro	ID	11/22/2019	0.58
CoGen	Pico Energy, LLC	ID	12/13/2019	2.13
Hydro	Marco Ranches	ID	1/31/2020	1.20
Hydro	Lateral #10	ID	2/6/2020	2.06
Hydro	Pristine Springs #1	ID	2/6/2020	0.13
Hydro	Pristine Springs #3	ID	2/6/2020	0.20
Hydro	LeMoyne Hydro	ID	3/2/2020	0.08
Hydro	White Water Ranch	ID	3/2/2020	0.16
Hydro	Hailey CSPP	ID	3/16/2020	0.04
Hydro	Briggs Creek Hydro	ID	4/17/2020	0.60
Hydro	Mud Creek White	ID	8/31/2020	0.29
<b>TOTAL</b>				<b>18.98</b>

**Projects Not On-Line**

<u>Resource Type</u>	<u>Project Name</u>	<u>State</u>	<u>Replacement Contract Date</u>	<u>Project Size (MW)</u>
Hydro	Coleman Hydro	ID	6/19/2020	0.80
<b>TOTAL</b>				<b>0.80</b>

**Terminated Energy Sales Agreements**

<u>Resource Type</u>	<u>Project Name</u>	<u>State</u>	<u>Contract Termination Date</u>	<u>Project Size (MW)</u>
Biomass	Double A Digester	ID	11/19/2019	4.50
<b>TOTAL</b>				<b>4.50</b>