

water

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**Idaho Power
Company
2013 Integrated
Resource Plan
Advisory
Committee**

October 11, 2012

View IRPAC
materials at:

http://www.idahopower.com/AboutUs/PlanningForFuture/irp/2013/IRPAC_Materials.cfm

Upcoming Events

November 15: IRP
Advisory Committee,
Boise, IPC headquarters
10 a.m.

November 30:
(rescheduled)
Design Workshop
Boise, IPC headquarters
Time TBA

WATER SUPPLY: Idaho Power is a hydroelectric utility. As such, it needs a reliable water supply to generate electricity, integrate renewable resources (especially wind), and meet Endangered Species Act (ESA) obligations.

WATER SUPPLY FORECAST: The water supply forecast is a significant factor in its IRP process. The utility needs assurance that there will be water in the system to meet its generation needs and other requirements. To that end, the utility supports a number of activities to ensure adequate spring and river flows, develop tools to accurately predict and maintain flows and aquifer levels, and improve water management practices in the Snake and other river basins. Its activities range from managed recharge to weather modification, modeling, and demand reduction. Since the utility cannot predict flows, it must forecast probabilities for water supply.

AQUIFER TRENDS: Based on its own recently-completed modeling, Idaho Power is concerned that aquifer levels on the Eastern Snake Plain Aquifer may continue to decline for possibly another 20 years. The model has not been peer reviewed, but the potential for further aquifer decline, combined with weather or climate change scenarios that could result in lower stream flows, is a concern for the utility. They need water in their system whether it comes from curtailment, weather, recharge, modified cropping patterns, or changes in reservoir storage practices. They are concerned that, if their projections are accurate, the State will be in violation of the Swan Falls Agreement's minimum flows at Murphy by 2027.

FLUCTUATING WATER LEVELS: Fluctuating water levels could result in increased reliance on thermal baseload resources. Water conservation is valuable so long as it is balanced to avoid unintended consequences to incidental and/or managed recharge. Seasonal fluctuations in natural flow and reservoir storage must be offset by flood control requirements, light, heavy and peak demand, and the utility's ability to market surplus electricity. All these factors impact Idaho Power's ability to maintain reliability, affordability and flexibility in balancing customer demand with its current resource mix.

ECONOMIC FACTORS: Economic factors are also a factor in the IRP process. Idaho Power is projecting that economic recovery is underway based on growth from population, jobs and new building activities. However, the company expects its system load and peak to remain lower than in the past. While more new customers are being added than in recent years, there also appears to be a decline in residential use per customer. Lower retail sales and flat irrigation sales are forecast in the near-term. No new specialty contracts are being considered and two have been removed. System peak growth is forecast at 40 MW per year.

DEMAND SIDE MANAGEMENT: The company expects that the value of every demand side management program in its portfolio will be reduced in this IRP. It is updating O&M and capacity costs to confirm the cost-effectiveness of each program. Each program will be reviewed and analyzed as the company determines the optimal amount of demand response that it needs.

The materials presented at this meeting may be viewed on Idaho Power's website at http://www.idahopower.com/AboutUs/PlanningForFuture/irp/2013/IRPAC_Materials.cfm