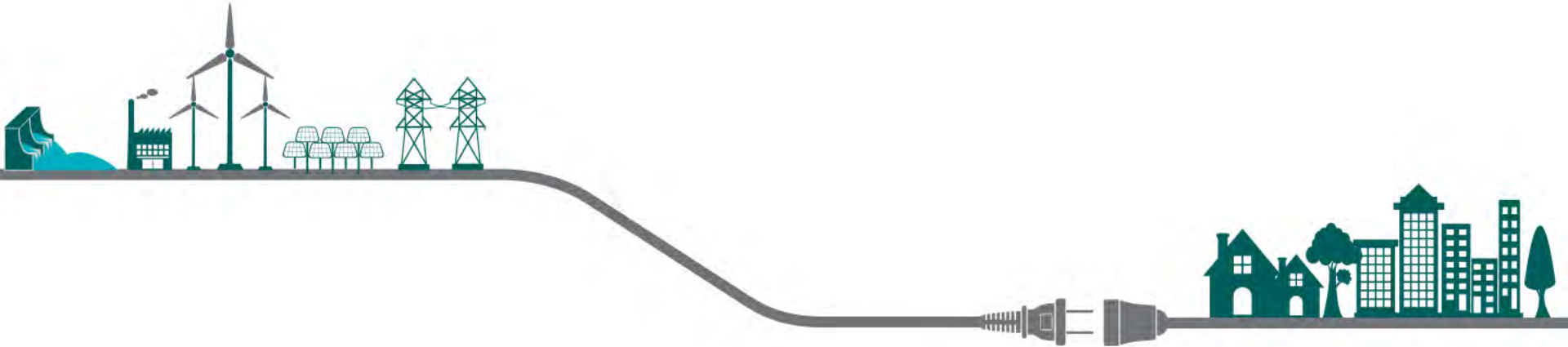


Valmy Special Study Outline



February 9, 2021

Curtis Westhoff
System Consulting Engineer

North Valmy Generating Station

- Location: Battle Mountain, Nevada
- Owners: Idaho Power & NV Energy
50% co-owners
- Operator: NV Energy
- Two units
- Idaho Power exited Unit 1 in 2019



Valmy No. 2 Special Study



- Background – Second amended 2019 IRP identified potential economic benefit (\$3M NPV) for exiting Valmy Unit 2 in 2022 rather than 2025.
- Study Purpose – Conduct focused, near-term economic and system reliability analysis on timing of exit from Valmy Unit 2.
 - 15-month advance notice required to plant operator for an early exit

Reliability vs. Economics

Reliability



Economics



Study Outline



- Reliability Analysis
 - Updated planning margin analysis
- Economic Analysis
 - Updated AURORA runs
 - Risk analysis
 - Near-term resource comparisons
 - Forward market prices
 - Historical market prices

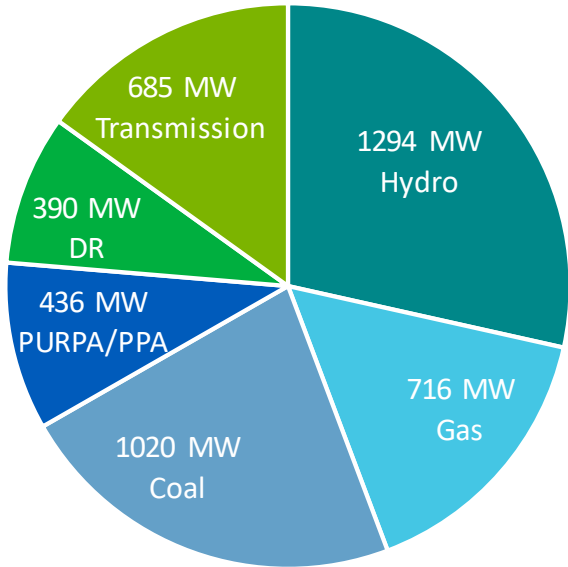
Planning Margin Hurdle

- 50th percentile peak hourly load + 15%
- Planning margin target unchanged from 2019 IRP study

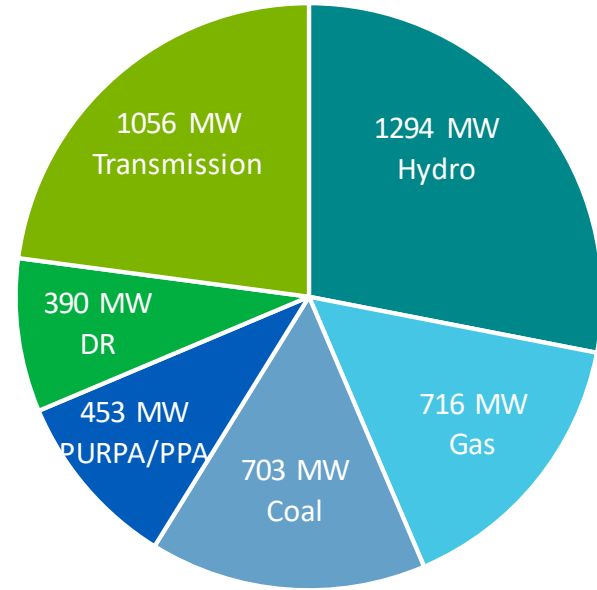


Our Rapid Transition

2019 Capacity (MW)

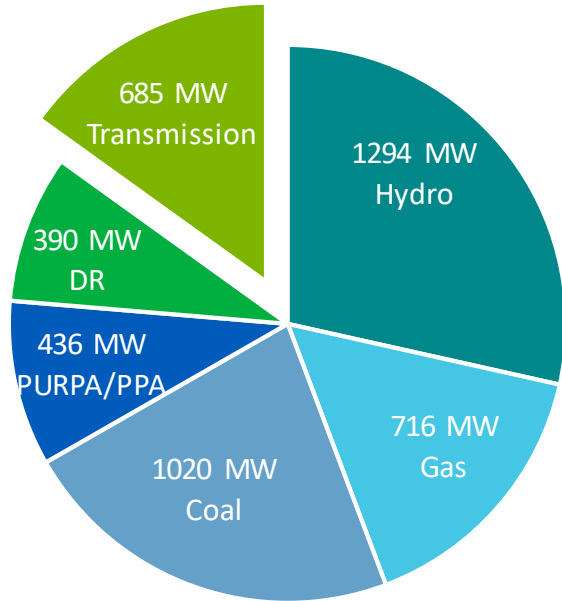


2023 Capacity (MW)

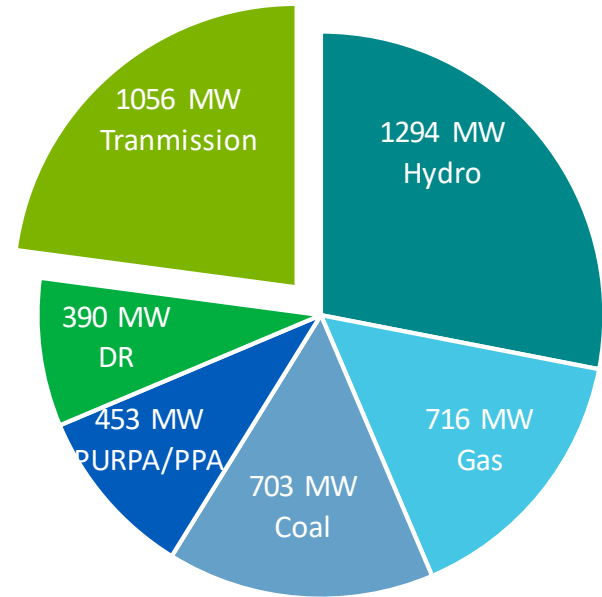


Our Rapid Transition

2019 Capacity (MW)



2023 Capacity (MW)



Planning Margin Analysis



- Analysis Time Period — 2021–2025
- Assumptions
 - Bridger Unit exit(2022)
 - Valmy Unit 2 exit(2022-2025)
 - Updated Transmission Availability Information

2023 — Filling ~800 MW Need

Resource	Capacity (MW)
Transmission	1,056*
Bridger Unit	177
Valmy Unit 2	133
New Demand Response	XXX
New Resource	XXX

* Under Review

Study will Review/Update Transmission Assumptions

Northwest	294 MW
CBM (Northwest)	330 MW
Montana	71 MW
Southern Market	360 MW

Transmission Availability to Southern Market Hubs

	Transmission assumption to southern markets	Firm posted available transmission capacity on neighboring providers	Existing reservation
Valmy 1 Unit Exit	229 MW	0 MW	50 MW*
Valmy 2 Unit Exit	360 MW	0 MW	50 MW*

- A Request for Proposal may be issued to determine actual availability and deliverability of peak energy from the south.

** Existing firm Idaho Power reservation across PacifiCorp East System*

Economics



Market Price Analysis

Valmy vs. Market
Comparison

Valmy Dispatch Costs

Unit Minimums and Maximums

Historical Operation



Forward Market Price Forecasts

Transmission Wheeling Rates

Historical Market Prices

Study Process Review

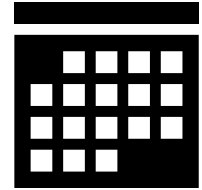
Reliability/ Need



Economics/Risk



Exit Date



Next Steps



- Please send study comments or suggestions using the online form at idahopower.com/irp or via email to irp@idahopower.com.
- Preliminary study results will be presented at the March or April IRPAC Meeting.

Questions or Comments?

