

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE COMMISSION'S)
REVIEW OF PURPA QF CONTRACT) CASE NO. GNR-E-11-03
PROVISIONS INCLUDING THE)
SURROGATE AVOIDED RESOURCE (SAR))
AND INTEGRATED RESOURCE) ORDER NO. 32871
PLANNING (IRP) METHODOLOGIES FOR)
CALCULATING AVOIDED COST RATES.)

On December 18, 2012, the Commission issued final Order No. 32697 deciding various issues related to avoided cost rate methodologies and other issues regarding Public Utility Regulatory Policies Act (PURPA) contracts. On January 8, 2013, Idaho Power Company, Renewable Northwest Project, Renewable Energy Coalition, Idaho Conservation League and J.R. Simplot/Clearwater Paper filed timely requests for reconsideration and clarification. On May 6, 2013, the Commission issued its final Order on reconsideration. Order No. 32802. No persons or parties appealed the Commission's final Order on reconsideration. See *Idaho Code* § 61-627.

On May 22, 2013, Avista filed a Request for Clarification pursuant to IPUC Rules of Procedure 53 and 325. Avista requests the Commission clarify its position that a renewed or extended power purchase agreement entered into pursuant to PURPA will include immediate payments to the QF for capacity only if the QF was being paid for capacity at the end of the term of the Agreement that is being renewed or extended.

By this Order, we grant clarification and reiterate our previously stated findings and conclusions.

FINDINGS AND CONCLUSIONS

In Order No. 32697, this Commission found it reasonable for utilities to only begin payments to QFs for capacity at such time that the utility becomes capacity deficient. When considering capacity payments to existing QFs seeking renewal or extension of an Agreement we stated,

It is logical that, if a QF project is being paid for capacity at the end of the contract term and the parties are seeking renewal/extension of the contract, the renewal/extension would include immediate payment of capacity. An existing QF's capacity would have already been included in the utility's load and

resource balance and could not be considered surplus power. Therefore, we find it reasonable to allow QFs entering into contract extensions or renewals to be paid capacity for the full term of the extension or renewal.

Order No. 32697 at 21-22. On clarification, we further stated that, “when an existing QF under a current contract desires to continue to sell energy to the same utility after expiration of the current contract, and the parties enter into a new contract for the sale and purchase of energy, the QF is entitled to be paid capacity for the full term of the new agreement.” Order No. 32737 at 5. Based on the totality of our prior reasoning and directives it is self-evident that, unless capacity payments were being made to a QF at the expiration of a PURPA Agreement, capacity payments would not be immediately payable upon renewal or extension of an Agreement. In other words, we find that the renewal or extension of an Agreement with a QF will only include immediate payment for capacity if the QF seeking renewal or extension was being paid for capacity at the end of the prior Agreement.

ORDER

IT IS HEREBY ORDERED that Avista’s Request for Clarification is granted. A QF renewing or extending an existing PURPA Agreement will only receive immediate payments for capacity under the terms of the renewed/extended Agreement if the QF was being paid for capacity at the cessation of the prior Agreement.

THIS IS AN ORDER ISSUED TO CLARIFY COMMISSION FINAL ORDER NOS. 32697 and 32737. Pursuant to Rule 325 of the Commission’s Rules of Procedure, IDAPA 31.01.01.325, Avista’s petition for clarification did not suspend or toll the time to petition for reconsideration or appeal a final order. See *Idaho Code* §§ 61-626 and 61-627.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th
day of August 2013.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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