
IDAHO PUBLIC UTILITIES COMMISSION

For Immediate Release

Case No. IPC-E-04-1

March 4, 2004

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Website: www.puc.state.id.us

Idaho Power seeks first-ever wind contract

Boise – Idaho Power Co. is seeking authority to enter into an energy sales agreement with United Materials of Great Falls, a 9-megawatt wind generating facility near Great Falls, Mont.

If approved by the Idaho Public Utilities Commission, the 20-year contract would be the first wind energy agreement to be executed by Idaho Power.

Under the agreement, Idaho Power would pay United Materials a seasonal rate that is comparable to what the utility pays all small-power producers who generate renewable energy. The output of wind energy can only be estimated. If the wind generation exceeds 110 percent of a month's estimated kilowatt-hours of generation, Idaho Power has agreed to pay United Materials a market-based price for that surplus. If the energy generated is less than 90 percent of the month's estimate, a "shortfall energy payment" would be offset against United Materials' total payment. However, that would happen only if the market price Idaho Power had to pay to make up for the shortfall is greater than what Idaho Power would have paid United Materials under the agreement. If the market price Idaho Power pays to make up for the shortfall is less than the agreement's energy price, no shortfall energy payment is calculated.

The power generated at United Materials of Great Falls is outside Idaho Power's service territory. Northwestern Energy, which operates in Montana, has agreed to schedule all energy deliveries from United Materials to Idaho Power over its transmission lines.

Idaho Power is requesting a commission finding that all payments for purchases of energy under the United Materials of Great Falls agreement are allowed as a prudently incurred investment with costs that can be recovered from customers.

The commission is taking comments on this matter through March 12.

Persons wishing to submit comments can do so via e-mail by accessing the commission's homepage at www.puc.state.id.us and clicking on "Comments & Questions." Fill in the case number (IPC-E-04-1) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

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