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**IDAHO PUBLIC UTILITIES COMMISSION**

**For Immediate Release**

**Case No. IPC-E-04-5**

**March 19, 2004**

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**Website: [www.puc.state.id.us](http://www.puc.state.id.us)**

**Idaho Power proposes to buy energy from Emmett biomass project**

Boise – Idaho Power Co. is seeking approval to buy energy from a 17.5-megawatt generating facility that will produce power from wood waste and other renewable materials at the old Boise Cascade Plant near Emmett.

The utility is seeking Idaho Public Utilities Commission approval of a 20-year contract with Renewable Energy of Idaho, which plans to design, construct and operate the biomass facility.

For the first 10 megawatts, Idaho Power will pay Renewable Energy the rate established by the Idaho Public Utilities Commission for all renewable projects that qualify under the federal Public Utilities Regulatory Policies Act or PURPA. Passed during the energy crisis in the late 1970s, PURPA requires utilities to buy energy from qualifying small power producers that generate power from sources other than fossil fuels. The Public Utilities Commission publishes the rate the utilities must pay small power producers, a rate based on the cost the utility avoids by not generating the power itself. Idaho Power proposes to pay Renewable Energy a rate that is 20 percent higher than the published PURPA rate for energy delivered during peak-use months of the year, which include July, August, November and December.

Because 10 MW is the largest size project that can qualify for the published avoided cost rate, Idaho Power and Renewable Energy have negotiated a rate for energy beyond 10 MW that is based on a market price.

The company is also asking for a commission finding that all payments for purchases of energy under this agreement be treated as expenses for ratemaking purposes.

The commission has determined that a public hearing may not be necessary and that this case can be processed through written comments. The deadline for comments is April 7.

Persons wishing to submit comments can do so via e-mail by accessing the commission's homepage at [www.puc.state.id.us](http://www.puc.state.id.us) and clicking on "Comments & Questions." Fill in the case number (IPC-E-04-5) 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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