

IDAHO PUBLIC UTILITIES COMMISSION

Case No. IPC-E-04-19, Order No. 29630

November 12, 2004

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Website: www.puc.state.id.us

Commission approves Idaho Power wind contract

Boise – The Idaho Public Utilities Commission today accepted a 20-year sales agreement between Idaho Power and Montana-based Fossil Wind Gulch Park, LLC.

Fossil Gulch intends to construct and maintain seven 1.5-megawatt wind turbines about 3 ½ miles west of Hagerman. Idaho Power would purchase the power under the commission's established rates for PURPA projects.

PURPA, the Public Utilities Regulatory Policies Act, was passed by Congress during the energy crisis of the late 1970s. Its purpose is to encourage development of renewable energy technologies as alternatives to burning fossil fuels or constructing new power plants. The federal act requires that electric utilities offer to buy power produced by qualifying small power producers or cogenerators. The rate to be paid to project developers, called an "avoided cost rate," is to be equal to the cost the electric utility avoids if it would have had to generate the power itself or purchase it from another source.

The commission ordered that the current PURPA rate of about 5.5 cents per kWh be adopted, even though the rate is soon expected to increase to about 6 cents. "Although the avoided cost rates are likely to change in the near future, we find it reasonable to approve the agreement's terms based upon the published rates that we in place at the time the agreement was negotiated in good faith," the commission said.

The commission also said that all payments for prudent energy purchases made under the agreement can be allowed as prudently incurred expenses for later recovery from customers.

A full text of the commission's order, along with other documents related to this case, are available on the commission's Web site at www.puc.state.id.us. Click on "File Room" and then on "Electric Cases" and scroll down to Case No. IPC-E-04-19.

Interested parties may petition the commission for reconsideration by no later than Dec. 3. Petitions for reconsideration must set forth specifically why the petitioner contends that the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.