

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )**  
**OF IDAHO POWER COMPANY FOR )** **CASE NO. IPC-E-05-18**  
**APPROVAL OF A FIRM ENERGY SALES )**  
**AGREEMENT FOR THE SALE AND )**  
**PURCHASE OF ELECTRIC ENERGY )** **ORDER NO. 29813**  
**BETWEEN IDAHO POWER COMPANY )**  
**AND BURLEY BUTTE WIND PARK, LLC. )**  
**)**

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On May 13, 2005, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a 20-year Firm Energy Sales Agreement (Agreement) between Idaho Power and Burley Butte Wind Park, LLC (Burley Butte) dated May 5, 2005. Under the Agreement, Burley Butte will sell and Idaho Power will purchase electric energy generated by the Burley Butte project located near Burley, Idaho in an area more particularly described as Section 6, Township 11 South, Range 22 East, Boise-Meridian, Cassia County, Idaho. The project consists of seven (7) 1.5 MW GE wind turbines. The nameplate rating of the project is 10.5 MW. Under normal and/or average conditions the project will not exceed 10 aMW on a monthly basis. If energy in excess of this amount (Inadvertent Energy) is accidentally generated, Idaho Power will accept Inadvertent Energy that does not exceed the 10.5 MW maximum capacity amount but will not purchase or pay for it. Agreement ¶ 7.3.2.

The Burley Butte project will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). Burley Butte has selected October 30, 2005 as the scheduled first energy date and December 1, 2005 as the scheduled operation date.

As represented by Idaho Power, the Agreement with Burley Butte comports with the terms and conditions of Commission Order No. 29632 (*U.S. Geothermal et. al v. Idaho Power*) and avoided cost Order No. 29646.

As reflected in Section 24 of the Agreement, the Agreement will not become effective until the Commission has approved all the Agreement's terms and conditions and declares that all payments that Idaho Power makes to Burley Butte for purchases of energy will be allowed as

prudently incurred expenses for ratemaking purposes. The proposed effective date of the Agreement is May 5, 2005.

On June 2, 2005, the Commission issued Notices of Application and Modified Procedure in Case No. IPC-E-05-18. The deadline for filing written comments was Friday, June 24, 2005. Commission Staff was the only party to file comments. Staff notes that the Burley Butte project is similar in design to five wind projects approved by the Commission for development in the Hagerman area. Staff recommends approval of the Agreement with the Company recommended effective date of May 5, 2005.

### **Commission Findings**

The Commission has reviewed the filings of record in Case No. IPC-E-05-18, including the underlying Agreement and the comments and recommendations of Commission Staff. Idaho Power has presented a Firm Energy Sales Agreement with Burley Butte for Commission consideration and approval. The Agreement is for a 10.5 MW wind project located near Burley, Idaho. As represented and pursuant to contract, under normal and/or average conditions the project will not exceed 10 aMW on a monthly basis. We thus find that the project is qualified to receive the published avoided costs rates approved by the Commission.

The Commission finds that the Agreement submitted in this case contains acceptable contract provisions and includes the non-levelized published rates approved by the Commission in Order No. 29646. We find it reasonable that the submitted Agreement be approved without further notice or procedure. IDAPA 31.01.01.204. We further find it reasonable to allow payments made under the Agreement as prudently incurred expenses for ratemaking purposes.

### **CONCLUSIONS OF LAW**

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, an electric utility, pursuant to the authority and power granted it under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA).

The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

**ORDER**

In consideration of the foregoing, IT IS HEREBY ORDERED and the Commission does hereby approve the May 5, 2005 Firm Energy Sales Agreement between Idaho Power Company and Burley Butte Wind Park, LLC.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30<sup>th</sup> day of June 2005.



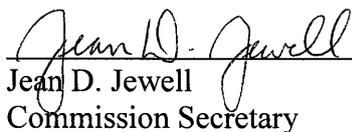
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PAUL KJELLANDER, PRESIDENT



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MARSHA H. SMITH, COMMISSIONER

Out of the Office on this Date  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:



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Jean D. Jewell  
Commission Secretary

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