

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

FROM: SCOTT WOODBURY

DATE: JUNE 24, 2005

**SUBJECT: CASE NOS. IPC-E-05-17; IPC-E-05-18 (IDAHO POWER)
FIRM ENERGY SALES AGREEMENTS – GOLDEN
VALLEY (05-17); BURLEY BUTTE (05-18)**

On May 13, 2005, Idaho Power Company (Idaho Power; Company) filed two applications with the Idaho Public Utilities Commission (Commission) requesting approval of Firm Energy Sales Agreements (Agreements) between Idaho Power and Golden Valley Wind Park LLC (Golden Valley) and Burley Butte Wind Park LLC (Burley Butte), collectively the Wind Projects. The Agreements are dated May 5, 2005. The Wind Projects are qualified small power production facilities (QFs) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). The Wind Projects are located near Burley, Idaho. Each project consists of seven 1.5 MW GE wind turbines. The nameplate rating of each project is 10.5 MGW. Under normal and/or average conditions the projects will not exceed 10 aMW on a monthly basis. If energy in excess of this amount (Inadvertent Energy) is accidentally generated, Idaho Power will except 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.

As represented by Idaho Power, the Agreements comport with the terms and conditions of Commission Order No. 29632 (*U.S. Geothermal et al v. Idaho Power*) and avoided cost Order No. 29646. The Agreements are for a 20-year term and contain the published non-levelized avoided cost rates set forth in Order No. 29646.

On June 2, 2005, the Commission issued Notices of Application and Modified Procedure in Case Nos. IPC-E-05-17 and –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 proposed Wind Projects are similar in design to five wind projects approved by the Commission for development in the Hagerman area. Staff recommends approval of the Agreements with the Company recommended effective date of May 5, 2005.

COMMISSION DECISION

Two Firm Energy Sales Agreements have been presented for Commission consideration and approval. Both Agreements are for 10.5 MW wind projects located in the Burley area. Under normal and/or average conditions the projects will not exceed 10 aMW on a monthly basis. Commission Staff recommends approval of the Agreements. The terms of the submitted Agreements comport with the Commission's Order No. 29632 (*U.S. Geothermal et al v. Idaho Power*) and avoided cost Order No. 29646. Does the Commission find it reasonable to approve the submitted Agreements?

Scott D. Woodbury

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