

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
COMMISSION STAFF

**FROM:** CATHLEEN MCHUGH

**DATE:** JUNE 11, 2013

**SUBJECT:** CASE NO. IPC-E-06-10  
INCLUSION OF OMITTED PRICING INFORMATION IN THE FIRM  
ENERGY SALES AGREEMENT BETWEEN IDAHO POWER AND  
CASSIA WIND FARMS.

On May 14, 2013, Idaho Power Company (Idaho Power; Company) submitted for Commission approval an Application to include additional pricing information to the April 7, 2006, Firm Energy Sales Agreement (Agreement) between Idaho Power and Cassia Wind Farms, LLC (Cassia Wind). The original Agreement is for a 20-year term and was approved on June 30, 2006, in Order No. 30086.

### BACKGROUND

In the original Agreement, Cassia Wind selected December 31, 2006 as the estimated scheduled operation date for the Cassia Wind Windfarm Project (Project). The pricing schedule contained in that Agreement extended 21 years from that date (through 2027). However, Cassia Wind did not meet that scheduled operation date. The actual operation date for the Project was 27 months after the estimated scheduled operation date. Therefore, the pricing schedule contained in the Agreement does not extend through the full term of the Agreement.

In April 2013, Cassia Wind notified Idaho Power that the 20-year pricing schedule did not extend for the full term of the Agreement. The pricing contained in the Agreement is based upon the standard published avoided cost rates in effect at the time the Agreement was executed and in accordance with Order No. 29646. On May 3, 2013, Idaho Power provided Cassia Wind with a

letter setting forth the pricing to be applied to the last 24 months of the term of the Agreement based upon the standard published avoided cost rates in effect at the time.

#### **STAFF REVIEW**

Idaho Power states in its Application that the Company attempted to notify the Commission of its additional pricing by letter. Commission Staff requested that Idaho Power file an application seeking Commission approval of the pricing and verifying that Cassia Wind acquiesced in the pricing additions. Staff has verified that the prices provided by Idaho Power are based upon the standard published avoided cost rates in effect at the time and in accordance with Order No. 29646. In addition, the Commission was notified by a letter dated May 31, 2013, that Cassia Wind agrees, understands and accepts the updated pricing.

#### **STAFF RECOMMENDATION**

Staff recommends that the Commission approve the inclusion of these additional prices into the terms of the Agreement between Idaho Power and Cassia Wind without further process.

#### **COMMISSION DECISION**

Does the Commission wish to approve, without further process, the inclusion of pricing information so that the pricing schedule extends through the full term of the Agreement?

  
Cathleen McHugh

iudmemos/cassia wind doc