

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<b>IN THE MATTER OF THE FIRM ENERGY</b>	)	
<b>SALES AGREEMENT BETWEEN IDAHO</b>	)	<b>CASE NO. IPC-E-06-34</b>
<b>POWER COMPANY AND HOT SPRINGS</b>	)	
<b>WINDFARM, LLC, FOR THE SALE AND</b>	)	<b>ORDER NO. 32842</b>
<b><u>PURCHASE OF ELECTRIC ENERGY.</u></b>	)	

On May 14, 2013, Idaho Power Company submitted for Commission approval an Application to include additional pricing information to the December 20, 2006, Firm Energy Sales Agreement (Agreement) between Idaho Power and Hot Springs Windfarm LLC (Hot Springs). The original Agreement is for a 20-year term and was approved on February 20, 2007, in Order No. 30246. The First Amendment was approved on August 8, 2007, in Order No. 30398. By this Order, we approve the inclusion of additional pricing information to the Agreement.

### THE AGREEMENT

In its original Agreement, Hot Springs selected December 31, 2007, as the estimated scheduled operation date for the Hot Springs project. The pricing schedule contained in that Agreement extended 20 years from the project's estimated on-line date (through 2027). In the First Amendment, Hot Springs and Idaho Power agreed to amend the original Agreement to extend the scheduled operation date for a period of approximately one year. However, the pricing schedule in the Agreement was not updated to reflect the new scheduled operation date.

In April 2013, Hot Springs 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 Hot Springs with a letter setting forth the pricing to be applied to the last 12 months of the term of the Agreement based upon the standard published avoided cost rates in effect at the time.

### THE APPLICATION

Idaho Power stated 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 Hot Springs acquiesced in the pricing additions.

Staff 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 letter dated May 31, 2013, that Hot Springs agrees, understands and accepts the updated pricing. Consequently, Staff recommended approval of the inclusion of additional prices into the terms of the Agreement between Idaho Power and Hot Springs without further process.

### **FINDINGS AND CONCLUSIONS**

The Idaho Public Utilities Commission has jurisdiction over Idaho Power, an electric utility, and the issues raised in this matter 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 (QFs) and to implement FERC rules.


The Commission has reviewed the record in this case, including the original Agreement, the amendments, the additional pricing and the recommendations of Staff. Based on our review of the evidence presented and the acceptance by Hot Springs of the additional pricing, we find that the pricing additions are fair, just and reasonable. We further find that the additional pricing is consistent with the original pricing terms within the Agreement. Therefore, we approve the inclusion of additional pricing terms without further process.

### **ORDER**

IT IS HEREBY ORDERED that the inclusion of additional pricing to the Firm Energy Sales Agreement between Idaho Power and Hot Springs Windfarm is approved.

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.

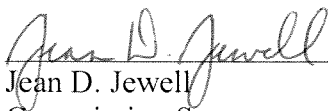
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28<sup>th</sup>  
day of June 2013.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
MACK A. REDFORD, COMMISSIONER

  
\_\_\_\_\_  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

O:IPC-E-06-34\_ks