

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: SCOTT WOODBURY
DEPUTY ATTORNEY GENERAL

DATE: MARCH 11, 2010

SUBJECT: CASE NO. IPC-E-10-05 (Idaho Power)
FIRM ENERGY SALES AGREEMENT – RIVERSIDE INVESTMENTS LLC

On March 9, 2010, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a Firm Energy Sales Agreement (Agreement) between Idaho Power and Riverside Investments, LLC (Riverside). Riverside is the owner/developer of a 450 kW hydro-generation facility (Arena Drop) located near Parma, Idaho in an area more particularly described as near Stephan Lane in Section 5, Township 4 N, Range 5 W, Canyon County, Boise Meridian.

Riverside warrants that it is a qualified small power generation facility (QF) as defined in Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA) and the implementing regulations of the Federal Energy Regulatory Commission (FERC), 18 C.F.R. § 292. ¶ 3.2.

The term of the Agreement is 20 years. ¶ 5.1. The purchase price for Riverside generation is the non-levelized published avoided cost rates currently established by Commission Order Nos. 30744, 30738 and 30415 for monthly energy deliveries of less than 10 average megawatts (aMW). Agreement Article VII. Should the facility exceed 10 aMW on a monthly basis, Idaho Power will accept the energy (Inadvertent Energy) that does not exceed the Maximum Capacity Amount (.52 MW), but will not purchase or pay for this Inadvertent Energy. ¶ 7.5.

The scheduled Operation Date for Arena Drop is July 15, 2010. If the facility has not achieved its Operation Date prior to 90 days past that date, Delay Liquidated Damages of \$45 per nameplate kW rating will be assessed and collected from the facility. ¶ 5.3.2. In addition, as

specified in ¶ 5.7, within 30 days of the date of the Commission Order approving this Agreement, Riverside shall post security of \$45 per nameplate kW rating.

An interconnection feasibility study was not required for the Arena Drop facility. A final Facility Study was completed on March 4, 2010. All applicable interconnection charges and monthly operation and maintenance charges under Schedule 72 will be assessed and collected from Riverside.

The Firm Energy Sales Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declared that all payments the Company makes to Riverside for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. ¶ 20.

COMMISSION DECISION

Filed for Commission approval is a Firm Energy Sales Agreement between Idaho Power and Riverside Investments, LLC. The Company and Staff recommend that the Application be processed under Modified Procedure, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. Does the Commission agree with the recommended procedure?



Scott Woodbury
Deputy Attorney General

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