

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR APPROVAL	)	CASE NO. IPC-E-10-38
OF A FIRM ENERGY SALES AGREEMENT)	
BETWEEN IDAHO POWER AND COLD)	
SPRINGS WINDFARM, LLC)	
<hr/>		
IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR APPROVAL	)	CASE NO. IPC-E-10-39
OF A FIRM ENERGY SALES AGREEMENT)	
BETWEEN IDAHO POWER AND DESERT)	
MEADOW WINDFARM, LLC)	
<hr/>		
IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR APPROVAL	)	CASE NO. IPC-E-10-40
OF A FIRM ENERGY SALES AGREEMENT)	
BETWEEN IDAHO POWER AND HAMMETT)	
HILL WINDFARM, LLC)	
<hr/>		
IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR APPROVAL	)	CASE NO. IPC-E-10-41
OF A FIRM ENERGY SALES AGREEMENT)	
BETWEEN IDAHO POWER AND MAINLINE)	
WINDFARM, LLC)	
<hr/>		
IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR APPROVAL	)	CASE NO. IPC-E-10-42
OF A FIRM ENERGY SALES AGREEMENT)	
BETWEEN IDAHO POWER AND RYEGRASS)	
WINDFARM, LLC)	
<hr/>		
IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR APPROVAL	)	CASE NO. IPC-E-10-43
OF A FIRM ENERGY SALES AGREEMENT)	
BETWEEN IDAHO POWER AND TWO PONDS	)	NOTICE OF APPLICATIONS
WINDFARM, LLC)	
	)	NOTICE OF
	)	MODIFIED PROCEDURE
)	
	)	ORDER NO. 32123

On November 16, 2010, Idaho Power Company filed six Applications requesting approval of six 20-year Firm Energy Sales Agreements (FESAs) between Idaho Power and Cold Springs Windfarm, LLC; Desert Meadow Windfarm, LLC; Hammett Hill Windfarm, LLC; Mainline Windfarm, LLC; Ryegrass Windfarm, LLC; and Two Ponds Windfarm, LLC. The six projects are all located near Mountain Home, Idaho. The Applications are nearly identical and recite that each wind generating project will have a maximum capacity amount of 23 MW. The projects will all be “qualifying facilities” (QFs) under the applicable provisions of the federal Public Utility Regulatory Policies Act of 1978 (PURPA).

THE FIRM ENERGY SALES AGREEMENTS

On November 12, 2010, Idaho Power and each of the six wind projects entered into their respective FESAs. The Applications maintain that the terms and conditions of the FESAs comport with the Commission’s Orders applicable to PURPA wind projects. Application at 2 *citing* Order Nos. 30415, 30488, 30738, and 30744. Under the terms of the FESAs, the wind projects agree to sell energy to Idaho Power for a 20-year term using the current non-levelized published avoided cost rates as currently established by the Commission in Order No. 31025 for energy deliveries of less than 10 aMW. The six FESAs were executed by the developer on November 2, 2010.¹ Idaho Power requests that the Applications be processed under Modified Procedure.

1. Output. The nameplate rating for each of the six wind projects is 23 MW. As defined in Sections 1.17 and 4.1.3 of the FESA, each wind project will be required to provide data to Idaho Power to confirm under normal and/or average conditions, that each project will not exceed 10 aMW on a monthly basis. Application at ¶ 4. Should the project exceed 10 aMW on a monthly basis, Idaho Power will accept the energy “that does not exceed 23 MW on a monthly basis, but will not pay for the energy that exceeds 10 aMW on a monthly basis.” *Id.*

2. Mechanical Availability Guarantee. The parties’ Agreement contains a MAG calculation in conformance with Commission Order No. 30488 (Case No. IPC-E-07-03). The MAG provision approved in Order No. 30488 provides that the wind project demonstrate each month (except for scheduled maintenance and force majeure events) that the wind project is “physically capable of generating at full output during 85% of the hours in the month. Failure to

¹ Although Idaho Power filed a Joint Petition on November 5, 2010, seeking a reduction in the published avoided cost rate eligibility cap from 10 MW to 100 kW, the Company believes that these six FESAs “should not be impacted by that filing.” Application at ¶ 3.

comply with the Mechanical Availability Guarantee would result in the payment of liquidated damages.” Order No. 30488 at 6.

3. Damages and Security. The parties have agreed to Delay Liquidated Damages and associated Delay Security provisions of \$45 per kW of nameplate capacity.

4. Operational Date. Each FESA provides that the “Scheduled First Energy Date” is December 31, 2011, and the “Scheduled Operation Date” is December 31, 2012. Application at ¶ 6. The Agreements further provide that it is the wind developer’s responsibility to work with Idaho Power’s Delivery business unit to ensure that there is sufficient time and resources for Idaho Power to construct the necessary “interconnection facilities, and transmission upgrades if required, in time to allow that [project] to achieve the December 31, 2011, Scheduled Operation Date.” Application at ¶ 9. Delay damages may be assessed if the wind developer is unable to obtain the necessary interconnection facilities and transmission upgrade (if necessary). Idaho Power anticipates that it will provide the wind developer a “Facility Study Report” containing the technical information and payment schedules for the interconnection materials no later than January 7, 2011. *Id.* at ¶ 8. Following the delivery of the Facility Study Report, the parties must then enter into a Generator Interconnection Agreement. The Applications acknowledge that Idaho Power can accommodate the output from the six wind projects without transmission network upgrades. *Id.*

5. Energy Price. The parties’ FESAs provide for non-levelized published avoided cost rates. The rates for the non-levelized energy are in accordance with the Commission’s Order No. 31025, as adjusted by Order No. 30415 for heavy load and light load energy delivery; and further adjusted in accordance with Commission Order No. 30488 for wind integration charges and with seasonalized factors set out in Section 7 of the FESA. In addition, the Agreements note that the developers will be responsible for paying applicable interconnection charges and monthly operation and maintenance charges under Idaho Power’s Schedule 72.

6. Interconnection. Each of the FESAs states that the wind projects will interconnect with Idaho Power’s transmission network via a single 230 kV line at T4S, R9E, SEC 21 in Elmore County.

7. Effective Date. The FESAs will not become effective until the Commission has approved all of the FESAs terms and conditions and declares that all payments made by Idaho

Power to the wind projects for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. Agreement ¶ 21.1.

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that the Commission has determined that the public interest may not require a formal hearing for these six Applications and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the six Applications have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Applications are also available on the Commission's web site at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on these Applications or any individual Application may file a written comment in support or opposition with the Commission **within 21 days from the date of this Order**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning any of these Applications shall be mailed to the Commission and Idaho Power at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:
472 W. Washington Street
Boise, ID 83702-5918

Donovan E. Walker, Senior Counsel
Lisa Nordstrom, Lead Counsel
Idaho Power Company
1221 West Idaho Street
PO Box 70
Boise, ID 83707-0070
E-Mail: dwalker@idahopower.com
lnordstrom@idahopower.com

Randy C. Allphin
Energy Contract Administrator
Idaho Power Company
1221 West Idaho Street
PO Box 70
Boise, ID 83707-0070
E-Mail: rallphin@idahopower.com

Comments should contain the case captions and case numbers shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon and complete the comment form using the case numbers as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that Idaho Power may file reply comments (if necessary) **no later than 23 days after the service date of this Order.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider the six Applications on their merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that all proceedings in these cases will be held pursuant to the Commission's jurisdiction 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.

YOU ARE FURTHER NOTIFIED that all proceedings in these Applications will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

ORDER

IT IS HEREBY ORDERED that these cases be processed under Modified Procedure. Interested persons and the parties may file written comments within 21 days of the date of this Order.

IT IS FURTHER ORDERED that Idaho Power may file reply comments no later than 23 days after the date of this Order.

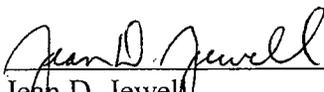
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd
day of November 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:IPC-E-10-38_39_40_41_42_43_dh