

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE AMENDMENT)
TO THE FIRM ENERGY SALES) CASE NO. IPC-E-13-07
AGREEMENT BETWEEN IDAHO POWER)
COMPANY AND CLARK CANYON HYDRO,)
LLC FOR THE SALE AND PURCHASE OF) ORDER NO. 32814
ELECTRIC ENERGY.)

On March 20, 2013, Idaho Power Company filed a Motion to Amend its Firm Energy Sales Agreement (Agreement) with Clark Canyon, LLC (Clark Canyon) dated May 20, 2011. The First Amendment provides for a revised first energy and scheduled operation date, a right of first refusal to purchase the project, the payment of delay liquidated damages, and the continued maintenance of delay damage security. Idaho Power requested that its Motion be processed without further procedure or, in the alternative, as expeditiously as possible by Modified Procedure.

On April 17, 2013, the Commission issued a Notice of Amendment/Notice of Modified Procedure setting a May 3, 2013, comment deadline. Staff was the only person or party to file comments. By this Order, the Commission approves the amendment between Idaho Power and Clark Canyon.

THE AMENDMENTS

On May 20, 2011, Idaho Power and Clark Canyon entered into a Firm Energy Sales Agreement for the sale and purchase of electric energy. On July 19, 2011, the Commission approved the Agreement without change or condition. *See* Order No. 32294. The Agreement contains a First Energy Date of November 1, 2012, and a Scheduled Operation Date of March 31, 2013.

On or about December 11, 2012, Clark Canyon requested that its Agreement be amended to allow for an extension of its First Energy Date to November 30, 2013, and an extension of its Scheduled Operation Date to December 31, 2013. The amendment also adds a provision granting Idaho Power a first right of purchase should the facility be sold and provides for payment of liquidated damages and continued maintenance of delay security.

The Company maintains that the avoided cost rates contained in the Agreement are substantially similar to the avoided cost rates that the project would receive if it entered into a

new contract at today's rates. Idaho Power also notes that the existing Agreement splits renewable energy credits equally between the Company and the project. Finally, the amendment states that Clark Canyon will pay \$211,500 in delay liquidated damages and maintain the posting of liquid financial security in the amount of \$211,500 with an expiration no sooner than April 30, 2014. Idaho Power asserts that the amendments are fair, equitable and in the public interest.

STAFF COMMENTS

Commission Staff performed an analysis to compare the estimated energy payments under the current contract with estimated energy payments under a contract at today's rates. Staff used assumptions that differed slightly from those used by Idaho Power. Staff determined that continuing under the current contract would cost Idaho Power less than entering into a new contract at today's rates. Staff noted that the payment of liquidated damages and the value of owning half the renewable energy credits also supported maintaining the existing contract. Consequently, Staff recommended the Commission approve the amendments to the Agreement between Idaho Power and Clark Canyon.

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 May 20, 2011, Agreement, the amendments and the comments of Staff. Based on our review of the evidence presented, we find that the proposed amendments are just, reasonable and in the public interest. Allowing amendments to the existing contract, including payment of liquidated damages by Clark Canyon to Idaho Power, ultimately inures to the benefit of Idaho Power ratepayers. Therefore, we approve the proposed amendments without material change or condition.

ORDER

IT IS HEREBY ORDERED that the First Amendment to the Firm Energy Sales Agreement between Idaho Power and Clark Canyon is approved without change or condition.

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.

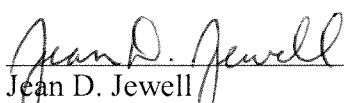
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24th day of May 2013.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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