

Idaho Public Utilities Commission

Case No. IPC-E-14-06, IPC-E-14-07, Order Nos. 33055 and 33056

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Idaho Power seeks approval of sales agreements with small PURPA hydroelectric projects

BOISE (June 27, 2014) – The Idaho Public Utilities Commission is taking comments through July 11 regarding Idaho Power Company applications to buy energy from two small hydroelectric projects.

The 1.28-megawatt Head of U Canal Project is near Jerome. The proposed 20-year agreement for that project is with North Side Energy Co., John Beukers of Twin Falls, president. It is scheduled to be online by May 1, 2015.

The second proposed agreement is for the Little Wood River Ranch II project near Shoshone. That project, owned by William Arkoosh, is 1.25 megawatts. Scheduled online date is June 1, 2015.

The projects qualify under the provisions of the Public Utility Regulatory Policies Act of 1978, or PURPA. The act requires that electric utilities offer to buy power produced from qualifying small-power producers. The rate to be paid small-power producers is determined by the commission and is called an “avoided-cost rate” because it is to be equal to the cost the electric utility avoids if it would have had to generate the power itself or purchase it from another source. The commission must ensure the avoided-cost rate is reasonable for utility customers because 100 percent of the price utilities pay to qualifying small-power producers is included in customer rates.

The U Canal Project is a “seasonal” project. These are projects typically connected to irrigation or canal systems that provide at least 55% of their generation during the months of June, July and August. The agreement includes non-levelized payments from Idaho Power that gradually increase throughout the life of the contract. Beginning in 2015 when the project is scheduled to be online, the avoided-cost rate for seasonal hydroelectric projects is \$75.71 per megawatt-hour, though that amount is adjusted slightly downward during light-load hours of the day and season and upward during heavy-load hours and seasons. In 2034, at the end of the contract, the price would be \$137.38 per MWh.

The Little Wood project is a non-seasonal project that includes non-levelized payments. The 2015 avoided-cost rate for non-seasonal hydro projects is \$57.48 per MWh, increasing to \$113.35 per MWh. The rate can also be adjusted to accommodate for light- and heavy-load hours of the day and season.

Under the proposed sales agreements, any revenue earned from environmental attributes or “green tags” associated with the projects will go the projects’ developers.

Comments are accepted via e-mail through July 11, 2014, by accessing the commission’s homepage at www.puc.idaho.gov and clicking on “Case Comment Form,” under the “Electric” heading. Fill in the case number (IPC-E-14-07 for Head of U Canal Project and IPC-E-14-06 for Little Wood River Ranch II) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

A full text of the commission’s order, along with other documents related to these cases, is available on the commission’s Web site. Click on “Open Cases” under the “Electric” heading and scroll down to the above case numbers.

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