Idaho Public Utilities Commission
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Case No. IPC-E-14-24, Order No. 33136
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Idaho Power proposes contracting procedures for qualifying small-power producers

Boise (Oct. 9, 2014) – Regulators are taking comments through Oct. 30 on an Idaho Power Company application to revise its procedures for small, independent power producers who want to sell energy to Idaho Power.

The Idaho Public Utilities Commission recently directed investor-owned electric utilities develop fair and reasonable contracting procedures with timelines acceptable to both the utility and parties who wish to sell generation to a utility.

The provisions apply to qualifying small-power developers seeking power purchase agreements with Idaho Power under the provisions of PURPA, the Public Utility Regulatory Policies Act. PURPA requires utilities to buy the output from qualifying small-power producers, called "Qualifying Facilities" (QFs). Under PURPA, utilities must buy the output from QFs at avoided-cost rates, which are to be equal to what it costs the utility to generate the power itself or buy from another source. Depending on the type and size of project, QFs can seek contracts at the Idaho commission's published avoided-cost rate or negotiate a contract with Idaho Power containing different rates.

The application proposes that within 20 days after a QF contacts the utility, Idaho Power will provide the producer an initial pricing proposal. If the QF wishes to proceed, he may request a draft energy sales agreement, which the company must provide within 15 days after receipt of all the necessary information. Within 90 days of receiving a draft power purchase agreement from Idaho Power, the QF must notify Idaho Power as to whether it accepts the terms and conditions and is ready to execute an agreement.

The agreement is binding only when 1) there is agreement by the parties and approval by the commission or 2) the commission determines there is a "legally enforceable obligation" by the utility to accept the agreement.

A legally enforceable obligation (LEO) signifies that an obligation exists for the utility to accept power produced by a QF. The LEO provision is designed to prevent a utility from circumventing its federal purchase obligation by refusing or delaying to enter into a contract. The proposal also states that a QF must deliver its electrical output within one year of a determination of a LEO.

Comments are accepted via e-mail through Oct. 30, 2014, by accessing the commission's Website at www.puc.idaho.gov and clicking on "Case Comment Form," under the "Electric" heading. Fill in the case number (IPC-E-14-24) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

The commission's orders, along with other documents related to this case, are available on the commission's Web site. Click on "Open Cases" under the "Electric" heading and scroll down to the above case number.

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