



Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

C.L. Butch Otter, Governor

Paul Kjellander, Commissioner
Mack A. Redford, Commissioner
Marsha H. Smith, Commissioner

Case No. IPC-E-15-02, Order No. 33223

Contact: Gene Fadness (208) 334-0339, 890-2712

www.puc.idaho.gov

Idaho Power proposes one-year energy sales agreement with Simplot cogeneration project near Pocatello

BOISE (Feb. 12, 2015) – Idaho Power Company is asking the Idaho Public Utilities Commission to approve a one-year agreement to buy energy from a J.R. Simplot company-owned cogeneration project at Simplot's Pocatello plant.

A current two-year power purchase agreement with the project expires on March 1.

Cogeneration (also known as "combined heat and power" or CHP) produces power from the heat or steam that is the byproduct of a manufacturing process. The cogeneration plant at Simplot's fertilizer plant near Pocatello can produce up to 15.9 megawatts of electricity, but the proposed contract is for 10 average megawatts per month.

The cogeneration plant is a qualifying facility under the provisions of the federal Public Utility Regulatory Policies Act of 1978. PURPA requires regulated utilities to buy energy from qualifying renewable generation projects at rates established by state commissions. The rate to be paid qualifying facilities is called an "avoided-cost rate," because it is based on the cost the utility avoids by not having to generate the energy itself or buy it from another source. The commission must ensure the avoided-cost rate is reasonable for utility customers because the price utilities pay to qualifying small-power producers is included in customer rates.

The contract renewal proposes a rate of \$52.72 to be paid the project during 2015 and \$52.28 in 2016. The rate varies according to heavier and lighter load hours of the day and seasons of the year.

The commission is taking public comment on the proposed sales agreement through Feb. 20. Comments are accepted via e-mail by accessing the commission's Website at www.puc.idaho.gov and clicking on "Case Comment Form" under the "Consumers" heading. Fill in the case number (IPC-E-15-02) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.