

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION TO APPROVE)	CASE NO. IPC-E-15-07
OR REJECT ITS ENERGY SALES)	
AGREEMENT WITH THE IDAHO)	NOTICE OF APPLICATION
DEPARTMENT OF WATER RESOURCES)	
)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 33277

On March 31, 2015, Idaho Power Company filed an Application asking the Commission to approve or reject its Energy Sales Agreement (ESA) with the Idaho Department of Water Resources (IDWR). Under that agreement, IDWR would sell, and Idaho Power would purchase, electric energy generated by the Pristine Springs #1 hydro project (Facility) located near Jerome, Idaho.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on March 26, 2015, Idaho Power entered into its ESA with IDWR pursuant to the terms and conditions of various Commission Orders, and under the Public Utility Regulatory Policies Act (PURPA). Application at 2. Under PURPA, electric utilities must purchase electric energy from “qualifying facilities” (QFs) at rates approved by the applicable state regulatory agency – in Idaho, this Commission. 16 U.S.C. § 824a-3; *Idaho Power v. Idaho PUC*, 155 Idaho 780, 789, 316 P.3d 1278, 1287 (2013). The purchase or “avoided cost” rate shall not exceed the “incremental cost” to the utility, defined as the cost of energy which, “but for the purchase from [the QF], such utility would generate or purchase from another source.” 16 U.S.C. § 824a-3(d); 18 C.F.R. § 292.101(6) (defining “avoided cost”).

YOU ARE FURTHER NOTIFIED that Idaho Power states that the Facility is a QF under PURPA and has a nameplate rating of 125 kilowatts (kW). Application at 4. The Facility is currently selling energy to Idaho Power under a 10-year agreement that was executed in 2005. *Id.* at 2. This Commission approved the Facility’s existing 10-year agreement with Idaho Power in April 2005. Order No. 29766. That agreement is set to expire April 30, 2015. Application at 2.

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YOU ARE FURTHER NOTIFIED that “[u]nder the terms of the replacement ESA, IDWR elected to contract for a five-year term using non-levelized, non-seasonal hydro published avoided cost rates as currently established by the Commission . . . for replacement contracts and for energy deliveries of less than 10 [average megawatts (aMW)].” *Id.* at 4 (citing Order Nos. 33084, 32697, 32737).

YOU ARE FURTHER NOTIFIED that Idaho Power states IDWR will be required to provide data with which Idaho Power can confirm that under normal conditions, the Facility will not exceed 10 aMW on a monthly basis. *Id.* at 4.

YOU ARE FURTHER NOTIFIED that Idaho Power also asserts the ESA “contains revised terms and conditions” that were recently approved by the Commission in Case Nos. IPC-E-14-06, IPC-E-14-07, and IPC-E-14-12. *Id.* at 5. These terms include references to the Intercontinental Exchange (ICE) index and formula, Delay Liquidated Damages and Delay Security, and seller ownership of environmental attributes, among other provisions. *Id.*

YOU ARE FURTHER NOTIFIED that, according to Idaho Power, the ESA satisfies requirements regarding execution of a Generation Interconnection Agreement, designation as a network resource, and administration of Idaho Power’s Open Access Transmission Tariff (OATT), in compliance with FERC. *Id.* at 6. The Facility’s Scheduled First Energy Date is May 1, 2015. *Id.* at 4. The ESA will become effective only upon the Commission’s approval and finding that all payments made by Idaho Power to IDWR for purchases of energy are “allowed as prudently incurred expenses for ratemaking purposes.” *Id.* at 6-7.

YOU ARE FURTHER NOTIFIED that Idaho Power asks that this Application be processed under Modified Procedure. Idaho Power also requests that, if approved, such approval be effective May 1, 2015, to avoid a lapse between the existing and replacement ESAs. *Id.* at 7.

YOU ARE FURTHER NOTIFIED that the Application and a copy of the ESA have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and attachments are also available on the Commission’s web site at www.puc.idaho.gov. Click on “File Room” at the top of the page, scroll down to “Open Electric Cases,” and then click on the case number as shown on the front of this document.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter 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.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice. 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 this case 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 St.
Boise, ID 83702-5918

Donovan E. Walker, Lead Counsel
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Idaho Power Company
1221 W. Idaho St.
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These comments should contain the case caption and case number 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 "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, if necessary, **no later than May 14, 2015**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its 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 this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-502 and 61-503. The Commission may enter any final Order consistent with its authority under Title 61.

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

ORDER

IT IS HEREBY ORDERED that Idaho Power's Application be processed under Modified Procedure, Rules 201-204, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments must do so within 21 days of the date of this Order. The Company may file a reply no later than May 14, 2015.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this / 4th
day of April 2015.



PAUL KJELLANDER, PRESIDENT




MACK A. REDFORD, COMMISSIONER



KRISTINE RAPER, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:IPC-E-15-07_djh