

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER</b>	)	<b>CASE NO. IPC-E-15-09</b>
<b>COMPANY'S APPLICATION TO APPROVE</b>	)	
<b>FIRST AMENDMENT TO POWER</b>	)	<b>NOTICE OF APPLICATION</b>
<b>PURCHASE AGREEMENT WITH</b>	)	
<b>TELOCASET WIND POWER PARTNERS,</b>	)	<b>NOTICE OF</b>
<b>LLC</b>	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>ORDER NO. 33290</b>

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On April 1, 2015, Idaho Power Company filed an Application asking the Commission to approve the First Amendment to its Power Purchase Agreement (PPA) with Telocaset Wind Power Partners, LLC. The PPA is not a contract under the Public Utility Regulatory Policies Act (PURPA), but includes many provisions similar to those in PURPA contracts. *See* Order No. 30259 at 2.

The proposed Amendment deletes and replaces the PPA's Section 12.1 and Appendix J. The new Section 12.1 changes the nature of financial statements Telocaset must provide, following administrative changes implemented by Telocaset's new parent organization. Application at 2-3. The amended Appendix J resolves the parties' conflicting interpretations of the PPA's provisions regarding assumption of "curtailment risk." *Id.* at 6. Idaho Power asks that its Application for approval of the Amendment to its PPA with Telocaset be processed under Modified Procedure. *Id.* at 9.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED the Commission approved Idaho Power's PPA with Telocaset in 2007. Order No. 30259. Under the PPA, Idaho Power purchases energy generated by Telocaset's 100.65 megawatt (MW) Elkhorn Wind Park facility, located in eastern Oregon between Baker City and La Grande. Application at 2. The facility is connected directly to Idaho Power's La Grande-Brownlee 230 kilovolt transmission line. *Id.* at 2.

YOU ARE FURTHER NOTIFIED that under PPA Section 9.2 and Appendix J, Idaho Power could – on notice to Telocaset – elect to pay lower prices ("Post-Operation Date Alternative Pricing") for energy deliveries, but in exchange, Idaho Power would accept more financial risk for possible transmission curtailment. *Id.* at 4. In December 2011, Idaho Power

gave notice to Telocaset that it would use the Post-Operation Date Alternative Pricing. *Id.* In August 2012, Telocaset sent its first invoice to Idaho Power requesting payment for “Lost Output” related to transmission curtailments from March through July 2012; this was followed by additional monthly invoices for Lost Output. *Id.* at 4-5. On review of its documented curtailments and the applicable provisions of the PPA, Idaho Power disagreed with Telocaset’s Lost Output calculations. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that on December 31, 2012, Idaho Power paid Telocaset the undisputed Lost Output amount of \$485,985.33 for the period from January 2012 through September 2012. *Id.* at 6. On May 21, 2013, Idaho Power paid Telocaset an additional undisputed Lost Output amount of \$52,544.05, for the period from October 2012 through December 2012. *Id.* The remaining disputed balance is \$145,378.97. *Id.* In essence, the remaining dispute concerned the parties’ disagreement about how Appendix J applies to the PPA. *Id.*

YOU ARE FURTHER NOTIFIED that throughout 2013 and 2014, the parties engaged in meetings and discussions about their interpretations of Appendix J. *Id.* at 7. Under Telocaset’s interpretation of Appendix J, Idaho Power “assumed curtailment risk for the full 100.65 [megawatt (MW)] nameplate rating of the Facility.” *Id.* at 6. Under Idaho Power’s interpretation of Appendix J, Idaho Power “only accepted curtailment risk for the 66 MW of the Facility’s nameplate rating, as the Facility elected to only secure 66 MW of network transmission capacity for its output” under Section 6.8 of the PPA. *Id.* On December 19, 2014, the parties agreed to and signed the First Amendment for which they now seek the Commission’s approval. *Id.* at 7.

### **PROPOSED AMENDMENT**

YOU ARE FURTHER NOTIFIED that, as noted in the Application, “as part of the Amendment, each party agreed to settle and release any and all claims arising under or pursuant to Appendix J . . . including, but not limited to, the disputed Lost Output payment claim of \$145,378.97.” *Id.* at 8. The parties also agreed to amend the language in the PPA that led to the parties’ disparate interpretations. To this end, the parties have “mutually resolved and agreed to [language] . . . memorialized in the Amended Appendix J.” *Id.*

YOU ARE FURTHER NOTIFIED that, the parties also agreed to replace Section 12.1, which requires Telocaset to provide *audited* financial statements to Idaho Power, with a new Section 12.1, that requires Telocaset to provide *unaudited* financial statements. *Id.* at 7. This amendment accommodates administrative changes implemented by Telocaset's new parent organization. *Id.* at 3. Because Telocaset is already required "to post \$10 million of Performance Assurance" under an existing (and unaltered) provision in the PPA, "Idaho Power believes there is little to no impact by accepting the proposed change in financial reporting requirements." *Id.* at 3.

YOU ARE FURTHER NOTIFIED that the Application and a copy of the PPA have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and PPA are also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "File Room" tab 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 the Applicant 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  
Regulatory Dockets  
Idaho Power Company  
1221 W. Idaho St.  
PO Box 70  
Boise, ID 83707  
E-Mail: [dwalker@idahopower.com](mailto:dwalker@idahopower.com)  
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Randy C. Allphin  
Energy Contract Administrator  
Idaho Power Company  
1221 W. Idaho St.  
PO Box 70  
Boise, ID 83707  
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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](http://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 28, 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 28, 2015.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28<sup>th</sup> day of April 2015.

  
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PAUL KJELLANDER, PRESIDENT

  
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MACK A. REDFORD, COMMISSIONER

  
\_\_\_\_\_  
KRISTINE RAPER, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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