

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION TO APPROVE) CASE NO. IPC-E-15-10
AMENDMENTS TO POWER PURCHASE)
AGREEMENTS REGARDING THE MID-) ORDER NO. 33274
COLUMBIA MARKET INDEX)

On April 2, 2015, Idaho Power Company filed an Application asking the Commission to approve Amendments to three Power Purchase Agreements (PPAs) with generating projects that reference the Dow Jones Mid-Columbia (Mid-C) Market Energy Cost prices. Idaho Power states that the Amendments are “virtually identical, and cover the same issue as those submitted and approved” in the settlement stipulation in Case No. IPC-E-13-25, and the First Amendment to Idaho Power’s Agreement with United Materials of Great Falls in Case No. IPC-E-14-21. Application at 1. With this Order, the Commission approves the Amendments without further process.

BACKGROUND

The PPAs at issue in this case were approved in the following cases and Orders:

<u>Seller</u>	<u>Case Number</u>	<u>PPA Approval Order</u>
Raft River Energy I LLC	IPC-E-07-17	Order No. 30485
USG Oregon LLC	IPC-E-09-34	Order No. 31087
Hidden Hollow Energy LLC	IPC-E-05-29	Order No. 29928

See id. at 2. Hidden Hollow is a qualifying facility (QF) under the Public Utility Regulatory Policies Act (PURPA). Order No. 29928 at 1. USG Oregon’s and Raft River’s PPAs are not PURPA contracts. Order Nos. 31087 at 2; 30485 at 2-6.

Each of the three PPAs makes reference to the Dow Jones “Market Energy Cost” or “Mid-C Market Energy Cost” price. Application at 2. In the Hidden Hollow PPA, calculation of the Market Energy Cost is defined by reference to the “Dow Jones Mid-C Index” prices for non-firm energy, and correlates to Idaho Power’s tariff Schedule 86, Cogeneration and Small Power Production of Non-Firm Energy. *Id.* In October 2013, publication of the Dow Jones Mid-C Index was discontinued. *Id.*

On October 24, 2013, Idaho Power filed a tariff advice to replace the old reference to the Dow Jones Mid-C market index in its Schedule 86. Order No. 32945. The matter was

processed under Modified Procedure in Case No. IPC-E-13-25. The parties to that case executed a stipulation to change the market index reference to the “Intercontinental Exchange (“ICE”) Mid-Columbia Index.” Application at 3. The stipulation included a “revised formula for calculating the non-firm price in Schedule 86.” *Id.* The parties also agreed “to amend the [PPAs] between Idaho Power and each intervening party to reference the newer ICE index using the same language as, and consistent with, the Schedule 86 language agreed upon in the Stipulation.” *Id.*

The Commission approved the stipulation in Order No. 33053. In that Order, the Commission found it reasonable to allow amendment of any other existing PPA with Idaho Power that contains reference to “the Dow Jones non-firm Mid-C electricity price index,” and “to amend their respective agreements consistent with the terms of this Settlement Stipulation.” Order No. 33053 at 4.

PROPOSED AMENDMENTS

Idaho Power agreed with the three applicable sellers, to amend their separate PPAs to include the reference to the newer ICE index and revised formula, adopted for tariff Schedule 86, as approved in IPC-E-13-25. Application at 3. The Amendments provide for the switch to, and use of, the agreed upon ICE index, from the time that the Dow Jones index was discontinued. *Id.*

Idaho Power made a similar request in Case No. IPC-E-14-21. In that case, Staff recommended that the Commission approve the proposed Amendments without further process. In this case, Idaho Power asked that its proposed Amendments be approved upon Staff’s review, without further process, as in IPC-E-14-21.

STAFF RECOMMENDATION

Commission Staff reviewed the Application and corresponding Amendments. Staff determined that these Amendments are consistent with prior Mid-C PPA amendments approved by the Commission. Order Nos. 33053, 33184. Therefore, Staff recommended that the proposed Amendments be approved without further process.

DISCUSSION AND FINDINGS

The Idaho Public Utilities Commission has jurisdiction over Idaho Power and the issues raised in this matter pursuant to the authority and power granted it under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission

has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to review and approve QF contracts.

Based upon our review of the Application, the three underlying Agreements, and Staff's recommendation, we find it reasonable to grant the parties' request to amend their respective PPAs noted above. In our prior Orders, we have recognized that the Dow Jones Mid-C Index has been discontinued. The parties' PPAs anticipated this possibility by including a provision in each PPA that stated if the Dow Jones Mid-C Index "is discontinued by the reporting agency both Parties will mutually agree upon a replacement index. . . ." Consistent with this provision of their agreements, the parties proposed to replace the Dow Jones Index with the Intercontinental Exchange (ICE) Mid-Columbia Index. Having agreed upon a suitable replacement index, we find it reasonable to amend the underlying PPAs by adopting the reference to the newer ICE Index and to revise the formula for calculating the non-firm price in tariff Schedule 86. See Order Nos. 33053 and 33184.

We also agree with the parties that it is reasonable to utilize the new ICE Index from the time the Dow Jones Index was discontinued. Consistent with our prior Orders reviewing this matter, we find it is reasonable to approve the Amendments without further process.

ORDER

IT IS HEREBY ORDERED that Idaho Power's Application to approve Amendments to its three PPAs regarding the reference to the Mid-C Market Index is granted.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th
day of April 2015.



PAUL KJELLANDER, PRESIDENT




MACK A. REDFORD, COMMISSIONER



KRISTINE RAPER, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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