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IDAHO PUBLIC
UTILITIES COMMISSION

DONOVAN E. WALKER
Lead Counsel
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April 6, 2015

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-15-11
Hidden Hollow Energy LLC – Idaho Power Company's **Amended**
Application for Approval of Firm Energy Sales Agreement Amendment

Dear Ms. Jewell:

Enclosed for filing in the above matter please find an original and seven (7) copies of Idaho Power Company's **Amended** Application for Approval of Firm Energy Sales Agreement Amendment.

Very truly yours,

Donovan E. Walker

DEW:csb
Enclosures

DONOVAN E. WALKER (ISB No. 5921)
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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-15-11
APPROVAL OF THE SECOND)	
AMENDMENT TO FIRM ENERGY SALES)	AMENDED APPLICATION FOR
AGREEMENT BETWEEN IDAHO POWER)	APPROVAL OF FIRM ENERGY
COMPANY AND HIDDEN HOLLOW)	SALES AGREEMENT
ENERGY LLC.)	AMENDMENT
_____)	

Idaho Power Company (“Idaho Power” or “Company”), in accordance with RP 52 and the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (“PURPA”), hereby respectfully applies to the Idaho Public Utilities Commission (“Commission”) for an order approving the Second Amendment (“Amendment”) to the Firm Energy Sales Agreement (“FESA”) between Idaho Power and Hidden Hollow Energy LLC (“Hidden Hollow” or “Seller”), a PURPA qualifying facility (“QF”). This Amendment makes a change to the Net Energy Amount notification process, similar to the process that has been approved by the Commission in six recently approved Energy Sales Agreements (“ESA”) with other PURPA QFs. Idaho Power hereby submits this

Amended Application to correct an error in paragraph 5 of the original Application. Attached hereto as Attachment 2 is a red-lined page which shows the deletions and additions that were added to this Amended Application to correct the error in paragraph 5. This Amended Application is identical to the original Application with the exception of the identified changes in paragraph 5, and the explanation in this introductory paragraph.

In support of this Amended Application, Idaho Power represents as follows:

I. INTRODUCTION AND BACKGROUND

1. Idaho Power and Hidden Hollow entered into a FESA on October 11, 2005, for the purchase and sale of energy produced by the Seller's facility. This FESA was approved by the Commission in Order No. 29928 on December 6, 2005. Case No. IPC-E-05-29.

2. Paragraph 6.2 of the FESA allows the Seller to adjust the "Initial Year Monthly Net Energy Amounts" on a quarterly basis consistent with a Commission directive that seller revisions are to be submitted no sooner than "the end of month three and every three months thereafter." Order No. 29632, p. 23.

3. However, the FESA language is confusing and has resulted in a difference of interpretation by the parties, whereby Hidden Hollow believes the FESA allows the QF to revise Net Energy Amounts on a rolling monthly basis, beyond the immediate next three months. Rather than dispute the FESA language, Idaho Power and Hidden Hollow entered into the Second Amendment to the FESA, which allows Hidden Hollow to adjust the Net Energy Amounts on a monthly, rather than quarterly, basis, similar to several other recently approved FESAs. The Amendment is attached hereto at Attachment 1.

II. THE AMENDMENT

4. In six recently approved ESAs between Idaho Power and PURPA QFs, the Commission has approved a change to a monthly notification process for the seller's Net Energy Amounts. See Order Nos. 33102, 33103, 33104, 33156, 33191, and 33240. In Order No. 33102, the Commission states, "we find that monthly, as opposed to quarterly, reporting of energy generation estimates is a reasonably negotiated term between the parties and not inconsistent with the Commission's guidance and findings in Order No. 29632. As we stated in that Order, 'it is reasonable and operationally expedient to require QFs to provide Idaho Power with monthly kWh production estimates. . . . The Commission finds it reasonable to provide more frequent opportunities to revise generation estimates than [the two years] proposed by the Company. We find that the interest of the Company in planning for QF resources is better served if the generation forecast is a reliable estimate.' Order No. 29632 at 23." Order No. 33102, p. 6.

5. This Amendment changes paragraph 6.2 to allow the Seller to adjust the "Initial Year Monthly Net Energy Amounts" on a monthly, rather than quarterly, basis. As this is an existing project that has been operating and delivering energy under an Operation Date of January 1, 2007, the Initial Monthly Net Energy Amounts have been revised by the Seller in accordance with the FESA. However, under the Amendment, the Seller can submit future revisions on a monthly basis with a minimum of 30 days notice prior to the beginning of the next month, rather than once every three months. A table was added to the Amendment indicating both "Notification Month" and "Future monthly Net Energy Amounts eligible to be revised," primarily to provide clarity to the confusing nature of the Estimated Net Energy Amounts and Seller's desire to update the same. Both Idaho Power and the Seller propose Commission adoption of this

change. The Seller gains more clarity and flexibility in adjusting its estimated energy deliveries and Idaho Power maintains the stability in the estimates necessary for its planning and operation.

III. PROCEDURE

6. Idaho Power requests that the Commission approve the proposed Amendment upon Staff's review and without further process. Alternatively, should the Commission determine that further process is required, Idaho Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Amended Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.*

IV. COMMUNICATIONS AND SERVICE OF PLEADINGS

7. Communications and service of pleadings, exhibits, orders, and other documents relating to this proceeding should be sent to the following:

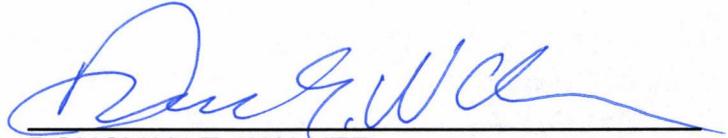
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V. REQUEST FOR RELIEF

8. Idaho Power respectfully requests that the Commission issue an order approving the Second Amendment to the Firm Energy Sales Agreement submitted herewith without change or condition.

Respectfully submitted this 6th day of April 2015.

A handwritten signature in blue ink, appearing to read "Donovan E. Walker", written over a horizontal line.

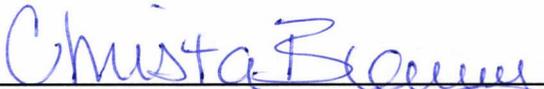
DONOVAN E. WALKER
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 6th day of April 2015 I served a true and correct copy of the within and foregoing **AMENDED APPLICATION FOR APPROVAL OF FIRM ENERGY SALES AGREEMENT AMENDMENT** upon the following named parties by the method indicated below, and addressed to the following:

Hidden Hollow Energy, LLC
c/o Fortistar Methane Group LLC
One North Lexington Avenue, Sixth Floor
White Plains, New York 10601

- Hand Delivered
- U.S. Mail
- Overnight Mail
- FAX
- Email ahayes@fortistar.com



Christa Bearry, Legal Assistant

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-15-11

IDAHO POWER COMPANY

ATTACHMENT 1

**SECOND AMENDMENT
TO THE
FIRM ENERGY SALES AGREEMENT
BETWEEN
IDAHO POWER COMPANY
AND
HIDDEN HOLLOW ENERGY LLC**

This Second Amendment of the Firm Energy Sales Agreement (“Second Amendment”) is entered into on this 25th day of February, 2015 by and between Idaho Power Company, an Idaho corporation (“Idaho Power”), and Hidden Hollow Energy LLC, a Delaware limited liability company as successor-in-interest to G2 Energy (Hidden Hollow) LLC, (“Hidden Hollow Energy LLC” or “Seller”) (individually a “Party” and collectively the “Parties”).

WITNESSETH:

WHEREAS, Idaho Power and Seller entered into a Firm Energy Sales Agreement on October 11, 2005 (the “Agreement”) for the purchase and sale of energy produced by the Seller’s facility that was approved by the Idaho Public Utilities Commission (“Idaho PUC”) in Order No. 29928 on December 6, 2005;

WHEREAS, by Certificate of Conversion dated August 1, 2008, G2 Energy (Hidden Hollow) LLC was converted to Hidden Hollow Energy LLC;

WHEREAS, the Parties dispute the Terms and Conditions set forth in Article 6.2 of the Agreement;

WHEREAS, notwithstanding the Parties’ respective positions regarding the disputed Terms and Conditions set forth in Article 6.2, the Parties desire to amend the Agreement to replace Article 6, sections 6.2.2 and 6.2.3, and to abide by the terms of this Second Amendment as a resolution of any disputes, going forward.

NOW THEREFORE, in consideration of the mutual promises and covenants and other consideration set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following amendments to the Agreement:

1. **Incorporation of Recitals.** The above-stated recitals are incorporated in this Second Amendment and made a part of this Second Amendment by this reference to the same extent as if these recitals were set forth in full at this point.
2. **Article VI: Purchase and Sale of Net Energy.** Article 6, sections 6.2.2 and 6.2.3 shall be deleted in their entirety and the following sections shall be substituted in their stead:
 - 6.2.2 Seller’s Adjustment of Initial Year Monthly Net Energy Amounts - Prior to the Operation Date, the Seller may revise all of the previous initial year monthly Net Energy Amounts by providing written notice to Idaho Power in accordance with paragraph 25.1.

6.2.3 Seller's Adjustment of Monthly Net Energy Amounts After the Operation Date - After the Operation Date, the Seller may revise any future monthly Net Energy Amounts by providing written notice no later than 5 PM Mountain Standard time on the last business day of the Notification Month specified in the following schedule:

<u>Notification Month</u>	<u>Future monthly Net Energy Amounts eligible to be revised</u>
November	January and any future months
December	February and any future months
January	March and any future months
February	April and any future months
March	May and any future months
April	June and any future months
May	July and any future months
June	August and any future months
July	September and any future months
August	October and any future months
September	November and any future months
October	December and any future months

- a.) This written notice must be provided to Idaho Power in accordance with paragraph 25.1 or by electronic notice provided and verified via return electronic verification of receipt to the electronic notices address specified in paragraph 25.1.
- b.) Failure to provide timely written notice of changed Net Energy Amounts will be deemed to be an election of no change from the most recently provided Net Energy Amounts.

- 3. **Commission Approval.** The obligations of the Parties under this Second Amendment are subject to the Idaho PUC's approval of this Second Amendment and such approval being upheld on appeal, if any, by a court of competent jurisdiction. The Parties will submit this Second Amendment to the Idaho PUC and recommend approval in its entirety pursuant to RP 274.
- 4. **Effect of Amendment.** Except as expressly amended by this Second Amendment, the Agreement shall remain in full force and effect.
- 5. **Capitalized Terms.** All capitalized terms used in this Second Amendment and not defined herein shall have the same meaning as used in the Agreement.
- 6. **Scope of Amendment.** This Second Amendment shall be binding upon and inure to the benefit of the Parties hereto, and their respective heirs, executors, administrators,

successors, and assigns, who are obligated to take any action which may be necessary or proper to carry out the purpose and intent thereof.

7. **Authority.** Each Party represents and warrants that (i) it is validly existing and in good standing in the state in which it is organized, (ii) it is the proper party to amend the Agreement, and (iii) it has the requisite authority to execute this Second Amendment.
8. **Counterparts.** This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment to be executed in their respective names on the dates set forth below:

HIDDEN HOLLOW ENERGY LLC

By: Scott Contino

Name: Scott Contino

Title: CFO

Date: 2-19-15

IDAHO POWER COMPANY

By: Lisa Grow

Name: Lisa Grow

Title: SVP Power Supply

Date: 2-25-15

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-15-11

IDAHO POWER COMPANY

ATTACHMENT 2

II. THE AMENDMENT

4. In six recently approved ESAs between Idaho Power and PURPA QFs, the Commission has approved a change to a monthly notification process for the seller's Net Energy Amounts. See Order Nos. 33102, 33103, 33104, 33156, 33191, and 33240. In Order No. 33102, the Commission states, "we find that monthly, as opposed to quarterly, reporting of energy generation estimates is a reasonably negotiated term between the parties and not inconsistent with the Commission's guidance and findings in Order No. 29632. As we stated in that Order, 'it is reasonable and operationally expedient to require QFs to provide Idaho Power with monthly kWh production estimates. . . . The Commission finds it reasonable to provide more frequent opportunities to revise generation estimates than [the two years] proposed by the Company. We find that the interest of the Company in planning for QF resources is better served if the generation forecast is a reliable estimate.' Order No. 29632 at 23." Order No. 33102, p. 6.

5. This Amendment changes paragraph 6.2 to allow the Seller to adjust the "Initial Year Monthly Net Energy Amounts" on a monthly, rather than quarterly, basis. ~~With the proposed change, the Seller must still provide 12 months of estimated Net Energy Amounts, and still cannot revise the immediate three months of estimated Net Energy Amounts. As this is an existing project that has been operating and delivering energy under an Operation Date of January 1, 2007, the Initial Monthly Net Energy Amounts have been revised by the Seller in accordance with the FESA. However, under the Amendment, the Seller can submit future revisions on a monthly basis with a minimum of 30 days notice prior to the beginning of the next month,~~ rather than once every three months. A table was added to the Amendment indicating both "Notification Month" and "Future monthly Net Energy Amounts eligible to be revised," primarily to