

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER RAPER  
COMMISSION SECRETARY  
COMMISSION STAFF

**FROM:** DAPHNE HUANG  
DEPUTY ATTORNEY GENERAL

**DATE:** APRIL 21, 2015

**SUBJECT:** IDAHO POWER'S APPLICATION TO APPROVE SECOND AMENDMENT TO ITS POWER PURCHASE AGREEMENT WITH HIDDEN HOLLOW ENERGY, CASE NO. IPC-E-15-11

On April 2, 2015, Idaho Power filed an Application asking the Commission to approve the Second Amendment to its Power Purchase Agreement (PPA) with Hidden Hollow Energy LLC.<sup>1</sup> Hidden Hollow is a qualifying facility (QF) under the Public Utility Regulatory Policies Act (PURPA). Amended Application at 1. Under the Agreement, Idaho Power purchases, and Hidden Hollow sells, firm energy generated by the Hidden Hollow Landfill Gas Project near Boise, Idaho. Order No. 29928 at 1. The parties' proposed Second Amendment "makes a change to the Net Energy Amount notification process." Amended Application at 1.

### BACKGROUND

Idaho Power first entered into a PPA with Hidden Hollow in October 2005. *Id.* at 2. The Commission approved the PPA in December 2005. *Id.*; *see* Order No. 29928. Paragraph 6.2 of the original PPA allows Hidden Hollow to adjust the "Initial Year Monthly Net Energy Amounts" each quarter, or no sooner than "the end of month three and every three months thereafter." *Id.* (*citing* Order No. 29632 at 23). This language caused confusion between the parties as to the frequency with which Hidden Hollow could revise Net Energy Amounts. *Id.*

### PROPOSED AMENDMENT

Rather than dispute the language, Idaho Power and Hidden Hollow entered into the Second Amendment to the PPA, which changes paragraph 6.2 "to allow [Hidden Hollow] to adjust the 'Initial Year Monthly Net Energy Amounts' on a monthly, rather than quarterly,

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<sup>1</sup> Idaho Power filed an Amended Application on April 6, 2015, correcting an error in paragraph 5.

basis.” *Id.* at 3. Under the amended provision, Hidden Hollow would be able to “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.” *Id.*

The Commission has recently approved similar changes to six PPAs between Idaho Power and other QFs. *Id.*; *see* Order Nos. 33102, 33103, 33104, 33156, 33191, and 33240. In Order No. 33102, the Commission stated, “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.”

Idaho Power asks that the Amendment be approved upon Staff’s review, without further process.

#### **STAFF RECOMMENDATION**

Given the limited scope of the Amendment, Staff recommends that the request be approved without further process.

#### **COMMISSION DECISION**

Does the Commission wish to approve the Amendment without further process?

*Daphne Huang*  
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Deputy Attorney General

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