

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-15-24
COMPANY'S APPLICATION TO)	
APPROVE OR REJECT ITS ENERGY)	NOTICE OF APPLICATION
SALES AGREEMENT WITH NORTH)	
GOODING MAIN HYDRO LLC FOR THE)	NOTICE OF
SALE AND PURCHASE OF ELECTRIC)	MODIFIED PROCEDURE
ENERGY)	
)	ORDER NO. 33382

On September 8, 2015, Idaho Power Company filed an Application asking the Commission to accept or reject its Energy Sales Agreement (ESA) with North Gooding Main Hydro LLC. The ESA is for the sale and purchase of electric energy generated by the North Gooding Main Hydro Project, a “qualifying facility” as defined under the Public Utility Regulatory Policies Act (PURPA), located near Gooding, Idaho. Idaho Power asks that its Application be processed by Modified Procedure.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on July 29, 2015, Idaho Power entered into its ESA with North Gooding – subject to this Commission’s approval – pursuant to the terms and conditions of various Commission Orders and PURPA. Application at 3. Under PURPA, electric utilities such as Idaho Power must purchase electric energy from qualifying facilities (QFs) at rates approved by this Commission. 16 U.S.C. § 824a-3; *Idaho Power Company v. Idaho PUC*, 155 Idaho 780, 789, 316 P.3d 1278, 1287 (2013), *citing FERC v. Mississippi*, 456 U.S. 742, 751 (1982). The purchase or “avoided cost” rate must be “just and reasonable to the electric consumers . . . and in the public interest” and “shall not discriminate against [QFs].” 16 U.S.C. § 824a-3(b); 18 C.F.R. § 292.304.

YOU ARE FURTHER NOTIFIED that North Gooding’s facility is a seasonal hydro project. Application at 3. Under the terms of the ESA, North Gooding elected to contract with Idaho Power for a 20-year term using the levelized published avoided cost rates¹ as currently

¹ The Commission uses the Surrogate Avoided Resource (SAR) methodology to calculate and publish rates for QFs with a design capacity up to a prescribed eligibility cap. *See* Order No. 32697 at 7-8. For QFs using non-wind, non-solar resource-types – such as hydro – the published rate eligibility cap is 10 average megawatts (aMW). *Id.*

established by Commission Order No. 33305 for energy deliveries less than 10 average megawatts (aMW). *Id.*

YOU ARE FURTHER NOTIFIED that the nameplate rating of North Gooding's facility is 1.3 megawatts (MW). *Id.* at 4. According to Idaho Power's Application, North Gooding will be required to provide data on the facility that Idaho Power will use to confirm that under normal or average conditions, the facility will not exceed 10 aMW on a monthly basis. *Id.*

YOU ARE FURTHER NOTIFIED that North Gooding has selected April 1, 2017, as the Scheduled Operation Date. *Id.* The ESA contains various requirements that North Gooding must satisfy in order for Idaho Power to accept energy deliveries from the facility. *Id.* Idaho Power will monitor all ongoing requirements through the full term of the ESA. *Id.*

YOU ARE FURTHER NOTIFIED that, under the ESA, all interconnection charges and monthly operational or maintenance charges under Schedule 72 will be assessed to North Gooding. *Id.* Before the facility will deliver any energy to Idaho Power, all requirements of the Schedule 72 Generator Interconnection Agreement (GIA) must be complete, and the facility must be designated as a network resource (DNR) to serve Idaho Power's retail load on its system. *Id.* at 4-5. In its Application, Idaho Power states that a GIA is expected to be signed by May 1, 2016. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that, by its own terms, the ESA will not become effective until the Commission has approved all of its terms and conditions and declared that all payments made by Idaho Power to North Gooding for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. *Id.*

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 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

NOTICE OF APPLICATION

NOTICE OF MODIFIED PROCEDURE

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of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

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

Donovan E. Walker
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PO Box 70
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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 one week from the comment deadline**.

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. The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules. The Commission may enter any final Order consistent with its authority under Title 61 and PURPA.

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 this case be processed under Modified Procedure. Interested persons and the parties may file written comments no later than 21 days from the date of this Order. The Company may file a reply, if necessary, no later than one week from the comment deadline.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd
day of September 2015.



PAUL KJELLANDER, PRESIDENT




MARSHA H. SMITH, COMMISSIONER



KRISTINE RAPER, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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