

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NO. IPC-E-16-35**  
**OF IDAHO POWER COMPANY TO )**  
**APPROVE THE FIRST AMENDMENT TO ) NOTICE OF APPLICATION**  
**ITS ENERGY SALES AGREEMENT FOR )**  
**THE AMERICAN FALLS SOLAR II, LLC ) NOTICE OF**  
**PROJECT ) MODIFIED PROCEDURE**  
)  
)  
) **ORDER NO. 33688**

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On December 22, 2016, Idaho Power Company filed an Application asking the Commission to approve the First Amendment to its Energy Sales Agreement (ESA) with American Falls Solar II, LLC (American Falls II). The ESA is a contract under the Public Utility Regulatory Policies Act (PURPA). The Amendment deletes an inapplicable provision, corrects a typographical error, updates and corrects information in the ESA’s Appendix B, and adds an Appendix I regarding net energy allocation. Staff recommended processing the Application by Modified Procedure, to which the Company did not object. The Commission now issues this notice of the Company’s Application, and Notice of Modified Procedure.

**BACKGROUND**

Under PURPA, electric utilities must purchase electric energy from “qualifying facilities” (QFs) at purchase or “avoided cost” rates approved by this Commission. 16 U.S.C. § 824a-3; *Idaho Power Co. v. Idaho PUC*, 155 Idaho 780, 789, 316 P.3d 1278, 1287 (2013). The Commission has established two methods for calculating avoided costs, depending on the size of the QF project: (1) the surrogate avoided resource (SAR) methodology, used to establish “published” avoided cost rates; and (2) the integrated resource plan (IRP) methodology, to calculate avoided cost rates for projects exceeding published rate limits. *See* Order No. 32697 at 7-8. Published rates are available for wind and solar QFs with a design capacity of up to 100 kilowatts (kW), and for QFs of all other resource types with a design capacity of up to 10 average megawatts (aMW). *Id.*; *see also* 18 C.F.R. § 292.304(c).

The Commission approved Idaho Power’s ESA with American Falls II in 2014. Order No. 33201. Under the ESA, Idaho Power purchases and American Falls II sells energy generated by American Falls II’s solar facility (Facility) – a PURPA QF – near American Falls,

Idaho. Application at 2. The ESA contains prices based on the IRP avoided cost methodology. *Id.* at 2-3.

### NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on December 1, 2016, Idaho Power and American Falls II entered into an agreed Amendment to their ESA, subject to this Commission's approval. Application at 1.

YOU ARE FURTHER NOTIFIED that in the Amendment, Idaho Power and American Falls II agree to delete Article 3.3 of the ESA, which provides that American Falls II will "take such steps as may be required to maintain the [QF's] status" as a solar published rate facility. *Id.* at 2; *see* Attachment 1 to Application in Case No. IPC-E-14-35 at 10 (ESA Art. 3.3). As noted in the Application here, the Facility "exceeds the eligibility threshold for published avoided cost rates," thus the language of Article 3.3 does not apply. Application at 2.

YOU ARE FURTHER NOTIFIED that in the Amendment, Idaho Power and American Falls II agree to correct Article 7.4 of the ESA to include the word "Percentage," inadvertently omitted from the second sentence which should read, "All pricing contained within Appendix E for the current applicable month(s) will be multiplied by the Pricing Adjustment Percentage . . . ." *Id.* at 3 (emphasis added). In addition, the Facility's physical characteristics have changed since the Commission approved the ESA, which describes the Facility's configuration, design, and construction in its Appendix B-1. *Id.* Accordingly, the Company and American Falls II agree Appendix B will include "a more generalized Facility description" that is consistent with the QF's Generator Interconnection Agreement (GIA). *Id.* at 2, 4.

YOU ARE FURTHER NOTIFIED that the Amendment adds Appendix I, Net Energy Allocation. Idaho Power states that the Facility "utilizes an interconnection that is shared with another project, American Falls Solar, LLC." *Id.* at 4. Idaho Power has a single point of delivery (POD) and revenue meter for the two facilities that measures the total net energy of both projects. *Id.* "Appendix I establishes the method for determining each project's Net Energy deliveries," for administration of the ESA. *Id.* The Company states that the changes in the Amendment "have no material effect to the [ESA's] terms and provisions . . . and [would] not alter the [ESA's] performance requirements or pricing," but are proposed for the ESA's proper administration and enforcement. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Application and Amendment have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and Amendment 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 the type of "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 31.01.01.201-204. 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 21 days from the service date of this 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	Donovan E. Walker
Idaho Public Utilities Commission	Lead Counsel
PO Box 83720	Michael T. Darrington
Boise, ID 83720-0074	Energy Contracts Leader
	Idaho Power Company
Street Address for Express Mail:	PO Box 70
	Boise, ID 83707-0070
472 W. Washington Street	E-mail: <a href="mailto:dwalker@idahopower.com">dwalker@idahopower.com</a>
Boise, ID 83702-5918	<a href="mailto:dockets@idahopower.com">dockets@idahopower.com</a>
	<a href="mailto:mdarrington@idahopower.com">mdarrington@idahopower.com</a>

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 Idaho Power may file reply comments, if necessary, **no later than 28 days from the service date of this Order.**

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* § 61-503. 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 may file written comments no later than 21 days from the service date of this Order. Idaho Power may file a reply, if necessary, no later than 28 days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19<sup>th</sup>  
day of January 2017.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:  
  
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Diane M. Hanian  
Commission Secretary

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