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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR APPROVAL)	CASE NO. IPC-E-18-11
OR REJECTION OF AN ENERGY SALES)	
AGREEMENT WITH CLEAR SPRINGS FOODS,)	
INC., FOR THE SALE AND PURCHASE OF)	COMMENTS OF THE
ELECTRIC ENERGY FROM THE CLEAR)	COMMISSION STAFF
<u>SPRINGS TROUT HYDRO PROJECT</u>)	

The Staff of the Idaho Public Utilities Commission comments as follows on Idaho Power Company's Application.

BACKGROUND

On August 16, 2018, Idaho Power Company applied to the Commission for an Order approving or rejecting its Energy Sales Agreement (ESA) with Clear Springs Foods, Inc. (Clear Springs Hydro) for a 564 kilowatt (kW) energy facility located near the city of Buhl, Idaho. The facility is a qualifying facility (QF) under the Public Utility Regulatory Policies Act.

Under the proposed ESA, Clear Springs Hydro would sell to Idaho Power electric energy generated by the Clear Springs Trout Hydro Project. The parties have an existing ESA for the facility that expires on October 31, 2018.

Clear Springs Hydro elected for the ESA to have a 20-year term using the non-levelized rates for non-seasonal hydro projects smaller than 10 average megawatts. The ESA uses the rates established by the Commission in Order No. 34062 dated May 16, 2018. *Id.* Because the

ESA is a replacement contract and is currently receiving capacity payments, its rates contain capacity payments for the entire term, with no sufficiency period (Commission Order No. 32871).

Idaho Power asks the Commission to accept or reject the ESA and, if the ESA is accepted, to declare that Idaho Power's payments under the ESA will be allowed as prudently incurred expenses for ratemaking purposes.

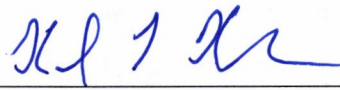
STAFF REVIEW

Staff has reviewed the proposed rates and confirms they are correct, and that the proposed ESA is consistent with Commission orders.

RECOMMENDATIONS

Staff recommends that the Commission approve the ESA. Staff also recommends the Commission declare that Idaho Power's payments to Clear Springs Foods for purchase of energy from the Clear Springs Trout Hydro Project will be allowed as prudently incurred expenses under the ESA for ratemaking purposes.

Respectfully submitted this ^{4th} day of October 2018.

for: 
Sean Costello
Deputy Attorney General

Technical Staff: Yao Yin
Rachelle Farnsworth

Umisc/Comments/ipce18.11scyyrf comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 4TH DAY OF OCTOBER 2018, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-18-11, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY

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