

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF IDAHO POWER )  
COMPANY'S PETITION TO MODIFY ) CASE NO. IPC-E-15-01  
TERMS AND CONDITIONS OF PURPA )  
PURCHASE AGREEMENTS )  
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**IN THE MATTER OF AVISTA )  
CORPORATION'S PETITION TO MODIFY ) CASE NO. AVU-E-15-01  
TERMS AND CONDITIONS OF PURPA )  
PURCHASE AGREEMENTS )  
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**IN THE MATTER OF ROCKY MOUNTAIN ) CASE NO. PAC-E-15-03  
POWER COMPANY'S PETITION TO )  
MODIFY TERMS AND CONDITIONS OF )  
PURPA PURCHASE AGREEMENTS ) ORDER NO. 33395  
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On September 10, 2015, Clearwater Paper Corporation and J.R. Simplot Company (the "Petitioners") filed a Petition for Reconsideration in the above-referenced cases. The Petitioners request reconsideration of the Commission's final Order No. 33357 that reduced the length of IRP-based PURPA contracts from 20 years to two years. The Petitioners generally raise three arguments. First, they assert that the new two-year term limit fails to provide each new qualifying facility (QF) with a fixed price for "energy and capacity calculated at the time the QF obligates itself to sell its output to an Idaho utility. . . ." Petition at 2, *citing* 18 C.F.R. § 292.304(d)(2)(ii). Second, they argue that the Commission's two-year term limit is contrary to the PURPA regulation "because it deprives the IRP-based QFs of a long-term, fixed contract price to sell energy *and* capacity with prices calculated at the outset of the obligation." *Id.* at 11 (underline added and italic original). Finally, they maintain the Commission's "capacity adjustment" (to determine the date when the QF would be eligible for avoided cost capacity payments) "is made up of whole cloth." *Id.* at 16. They urge the Commission to retain the 20-year term limit, or adopt their alternative proposal that would reset avoided cost energy payments midway through the 20-year contract. *Id.* at 15.

On September 17, 2015, Avista Corporation, Idaho Power Company, and Rocky Mountain Power (collectively the "Utilities") filed a timely joint answer urging the Commission to deny reconsideration. The Utilities maintain that the Commission's Order No. 33357 properly

found that a 20-year term limit is consistent with the public interest. They assert the Commission's decision to set the maximum standard contract term to two years to more accurately reflect true avoided costs, appropriately balances "the competing interests of protecting utility customers and developing QF generation." Answer at 11. They insist that PURPA regulations are silent as to the length of a contract and the Commission acted within its discretion. *Id.* at 6. The Utilities assert that "Simplot and Clearwater make conclusions and arguments that misrepresent the plain language of the regulations, read into the regulations requirements for long-term contracts that are not stated and do not exist, and misconstrue the differences in the mandatory purchase obligation of [PURPA]." *Id.* at 2. The Utilities also contend that the Commission's final Order is based upon substantial and competent evidence in the record. *Id.* at 11.

### **DISCUSSION AND FINDINGS**

Reconsideration provides an opportunity for a party to bring to the Commission's attention any issue previously determined and thereby affords the Commission with an opportunity to rectify any mistake or omission. *Washington Water Power Co. v. Kootenai Environmental Alliance*, 99 Idaho 875, 591 P.2d 122 (1979). The Commission may grant reconsideration by reviewing the existing record, or by soliciting additional pleadings or evidence. *Idaho Code* § 61-626; Rule 332, IDAPA 31.01.01.332.

Based upon our review of the Petition for Reconsideration and the Utilities' answer, we grant reconsideration to examine the issues raised in the Petition regarding our application of the PURPA regulations to Idaho's utilities and QFs. However, contrary to the assertions made by Simplot and Clearwater, we find there is ample evidence in the record upon which we did – and will – base our decision. The Commission has compiled an extensive record in this case and we find further argument or legal briefing is not necessary. Consequently, we will consider the issues raised in the Petition and review final Order No. 33357 based upon the existing record. We anticipate issuing our final Order on Reconsideration within 28 days of the date of this Order.

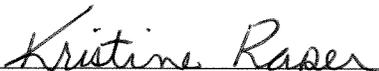
### **ORDER**

IT IS HEREBY ORDERED that the Petition for Reconsideration is granted without further submissions.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8<sup>th</sup>  
day of October 2015.

  
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PAUL KJELLANDER, PRESIDENT

*Commissioner Smith did not participate in this case*  
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MARSHA H. SMITH, COMMISSIONER

  
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KRISTINE RAPER, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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