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Attorney for the Commission Staff

## **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION FOR )</b>	
<b>APPROVAL OF A POWER PURCHASE )</b>	<b>CASE NO. PAC-E-17-08</b>
<b>AGREEMENT BETWEEN PACIFICORP DBA )</b>	
<b>ROCKY MOUNTAIN POWER AND BRIGHAM )</b>	<b>COMMENTS OF THE</b>
<b>YOUNG UNIVERSITY - IDAHO. )</b>	<b>COMMISSION STAFF</b>
<b>)</b>	

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**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Daphne Huang, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 33818, submits the following comments.

### **BACKGROUND**

On July 12, 2017, PacifiCorp dba Rocky Mountain Power (the Company) filed an Application asking the Commission to approve its renewed Power Purchase Agreement (PPA) with Brigham Young University – Idaho (BYUI). Under the PPA, BYUI would sell, and the Company would purchase, electric energy generated from BYUI's gas/oil fueled generating facility in Rexburg, Idaho.

On June 29, 2017, the Company and BYUI entered into a renewed PPA under the terms of various Commission Orders and the federal Public Utility Regulatory Policies Act (PURPA).

Application at 2, *citing*, Order Nos. 32697, 32737, 32802. The Commission approved the initial PPA between the Company and BYUI in June 2015, by Order No. 33317. Application at 2. The initial PPA is scheduled to terminate September 27, 2017. *Id.*

Under PURPA, electric utilities must purchase electric power from “qualifying facilities” (QFs) at rates approved by the applicable state regulatory agency – in Idaho, this Commission. 16 U.S.C. § 824a-3; *Idaho Power v. Idaho PUC*, 155 Idaho 780, 789, 316 P.3d 1278, 1287 (2013). The purchase or “avoided cost” rate shall not exceed the “incremental cost” to the utility, defined as the cost of energy which, “but for the purchase from [the QF], such utility would generate or purchase from another source.” 16 U.S.C. § 824a-3(d); 18 C.F.R. § 292.101(6) (defining “avoided cost”).

The Company states that the BYUI facility is a QF under PURPA and has a nameplate rating of 5,600 kilowatts (kW), or 5.6 megawatts (MW). Application at 1-2.

BYUI “elected to renew its QF PPA with the Company for a twenty-year term.” *Id.* at 4. The Company will pay BYUI “non-levelized, Conforming Energy or Non-conforming Energy Purchase Prices for Net Output adjusted for the month and On-Peak Hours or Off-Peak Hours.” *Id.* The Company and BYUI agree that “should the Facility exceed 5.6 [average megawatts (aMW)] on a monthly basis, [the Company] will accept the energy (“Inadvertent Energy”) that does not exceed the Maximum [Generator Interconnection Agreement] Delivery Rate, but will not purchase or pay for the Inadvertent Energy.” *Id.*

The PPA provides that it will not become effective until the Commission has approved it and determined that “the prices to be paid for energy and capacity are just and reasonable, in the public interest, and that the costs incurred by [the Company] for purchasing capacity and energy from [BYUI] are legitimate expenses.” *Id.*

The PPA includes provisions regarding the curtailment or disconnection of BYUI’s facility from the Company’s system. The Company asserts that BYUI knows of these provisions and has accepted them. *Id.* at 5.

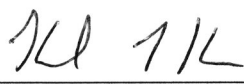
## **STAFF ANALYSIS**

Staff has reviewed the proposed rates and confirms they are correct. All other terms and conditions contained in the proposed Agreement are consistent with prior Commission orders.

## STAFF RECOMMENDATION

Staff recommends that the Commission approve all of the Agreement's terms and conditions and declare that all payments made by PacifiCorp to Brigham Young University of Idaho for purchase of energy from the gas and oil fueled generating facility will be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 15<sup>th</sup> day of August 2017.

  
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For: Daphne Huang  
Deputy Attorney General

Technical Staff: Yao Yin  
Rachelle Farnsworth

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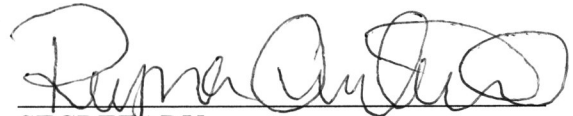
## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 15<sup>th</sup> DAY OF AUGUST 2017, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-17-08, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY