

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION TO APPROVE) CASE NO. IPC-E-16-15
THE THIRD AMENDMENT TO ITS FIRM)
ENERGY SALES AGREEMENT WITH)
RIVERSIDE INVESTMENTS I, LLC FOR) ORDER NO. 33573
ARENA DROP HYDRO)

On August 12, 2016, Idaho Power Company filed an Application asking the Commission to approve the Third Amendment to its Firm Energy Sales Agreement (FESA) with Riverside Investments I, LLC. The FESA is a contract under the Public Utility Regulatory Policies Act (PURPA) for generation from the Arena Drop hydro facility, a PURPA qualifying facility (QF). This Amendment changes the Net Energy Amount notification process, similar to the process that the Commission has approved for Idaho Power involving more than 20 other energy sales agreements. Idaho Power asked that the Commission approve its Application upon Staff's review and without further process. Application at 4.

BACKGROUND

The Commission approved Idaho Power's Agreement with Riverside Investments I, LLC in 2010. Order No. 31060. In 2014, the Commission approved the Company's First Amendment, which changed the definition of the Mid-Columbia Market Energy Cost in the Agreement consistent with a Commission-approved stipulation. Order Nos. 33184, 33053. In March 2016, the Commission approved the Company's Second Amendment, which changed references in the Agreement from "Riverside Investments, LLC" to "Riverside Investments I, LLC." Order No. 33521. Idaho Power and Riverside Investments I, LLC (hereafter "Riverside") agreed to the Third Amendment on June 22, 2016.

PROPOSED AMENDMENT

In the Third Amendment, Idaho Power and Riverside propose a change in the Net Energy Amount notification process to allow Riverside "to adjust the 'Initial Year Monthly Net Energy Amounts' on a monthly, rather than quarterly, basis." Application at 3. Under the amendment, Riverside "can submit future revisions on a monthly basis, with a minimum of 30 days' notice prior to the beginning of the next month, rather than once every three months." *Id.* Idaho Power indicates that with this change Riverside "gains more clarity and flexibility in

adjusting its estimated energy deliveries and Idaho Power maintains the stability in the estimates necessary for its planning and operation.” *Id.* at 4.

Idaho Power notes that, since August 2014, the Commission has approved more than 20 FESAs/ESAs between Idaho Power and QFs that allow the QFs to change the Initial Year Monthly Net Energy Amounts on a monthly basis. *Id.* at 2. Also, the Commission has approved FESA/ESA amendments similar to that here. *Id.* at 3, *citing* Order Nos. 33358, 33359. In Order No. 33102, the Commission stated, “we find that monthly, as opposed to quarterly, reporting of energy generation estimates is a reasonably negotiated term between the parties and not inconsistent with the Commission’s [earlier] guidance and findings.” Order No. 33102 at 6; Application at 3.

STAFF RECOMMENDATION

Given the limited scope of the Amendment, Staff recommended that the request be approved without further process.

DISCUSSION AND FINDINGS

Consistent with our prior Orders referenced herein, we find it reasonable to amend Idaho Power’s FESA with Riverside by shortening the Net Energy Amount notification process to allow monthly rather than quarterly updates. We find that no further process is needed and thus approve the Amendment as proposed.

ORDER

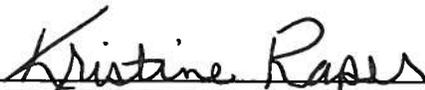
IT IS HEREBY ORDERED that Idaho Power’s Application to approve the Third Amendment to its Firm Energy Sales Agreement with Riverside Investments I, LLC is approved without change or condition.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

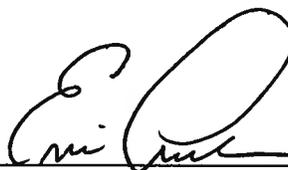
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd
day of August 2016.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane Holt
Assistant Commission Secretary

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