



Idaho Public Utilities Commission

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Case No. PAC-E-14-06, Order No. 33107
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PUC accepts renewal of contract with Wyoming hydro project

BOISE (Sept. 2, 2014) – The Idaho Public Utilities Commission is approving a Rocky Mountain Power application to buy energy from the Lower Valley Energy, Inc. hydroelectric project near Afton, Wyo.

The project includes three generating facilities totaling 1.7 megawatts. The contract is a two-year extension of a previous contract that expired Sept. 1, 2014, but with updated rates. The chief executive officer of Lower Valley Energy is Jim Webb of Afton.

The project qualifies under the provisions of the Public Utility Regulatory Policies Act of 1978, or PURPA. The act requires electric utilities to offer to buy power produced from qualifying small-power producers. The rate to be paid small-power producers is determined by the commission and is called an “avoided-cost rate” because it is to be equal to the cost the electric utility avoids if it would have had to generate the power itself or purchase it from another source. The commission must ensure the avoided-cost rate is reasonable for utility customers because the amount utilities pay to small-power producers is included in customer rates.

The agreement includes non-levelized payments from Rocky Mountain to Lower Valley Energy that gradually increase throughout the life of the contract. Beginning in 2014, the proposed rate is \$55.21 per megawatt-hour, \$56.89 per MWh in 2015 and \$62.17 per MWh in 2016. The payment is adjusted slightly to account for on-peak and off-peak hours.

The renewable energy credits (or green tags) associated with the project will be owned by the developer. Rocky Mountain Power, a division of PacifiCorp, serves about 70,000 customers in eastern Idaho.

A full text of the commission’s order, along with other documents related to these cases, is available on the commission’s Web site at www.puc.idaho.gov Click on “Open Cases” under the “Electric” heading and scroll down to Case Number PAC-E-14-06.