

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
FOR APPROVAL OF A POWER PURCHASE ) CASE NO. PAC-E-17-08  
AGREEMENT BETWEEN PACIFICORP )  
AND BRIGHAM YOUNG UNIVERSITY – ) ORDER NO. 33860  
IDAHO )**

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. Staff filed the only written comments and the Company did not file a reply. The Commission now approves the Application.

**BACKGROUND**

Under the Public Utility Regulatory Policies Act (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”).

**PACIFICORP’S PPA WITH BYUI**

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

### **STAFF COMMENTS**

Staff reviewed the Application and attachments and confirmed the proposed rates are correct and that all other terms in the proposed PPA are consistent with prior Commission Orders. Staff therefore recommended that the Commission approve all of the PPA’s terms and declare that all payments made by the Company to BYUI to purchase power will be allowed as prudently incurred expenses for ratemaking purposes.

### **DISCUSSION AND FINDINGS**

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp, an electric utility, and the issues raised in this matter under the authority and power granted it under Title 61 of the Idaho Code and PURPA. The Commission has authority under PURPA and Federal Energy Regulatory Commission (FERC) regulations to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from QFs, and to implement FERC rules.

The Commission has reviewed the record in this case, including the Application, the PPA, and the comments of Commission Staff. We find that BYUI is qualified to receive the non-levelized published avoided cost rates contained in the PPA. We further find that the PPA contains acceptable provisions consistent with PURPA, FERC regulations, and this Commission’s prior Orders. We find it reasonable to allow payments made under the PPA as prudently incurred expenses for ratemaking purposes.

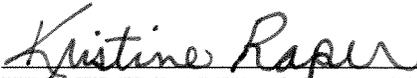
**ORDER**

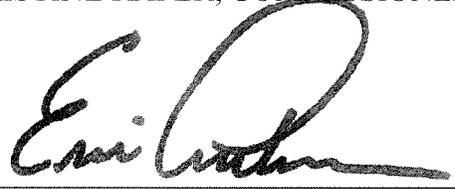
IT IS HEREBY ORDERED that PacifiCorp's Application is approved without change or condition. We further declare that all payments made by PacifiCorp to BYUI for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

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 <sup>29<sup>th</sup></sup> day of August 2017.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
\_\_\_\_\_  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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