



*Case No. IPC-E-19-03 and IPC-E-19-04*

*Order Nos. 34244 and 34245*

*Contact: Matt Evans*

*Office: (208) 334-0339*

*Cell: (208) 520-4763*

*[Matt.evans@puc.idaho.gov](mailto:Matt.evans@puc.idaho.gov)*

## **State regulators considering 2 Idaho Power energy sales agreements, comment deadlines set**

**BOISE (Feb. 27, 2019)** – Idaho Power has asked the Idaho Public Utilities Commission to consider energy sales agreements the utility has negotiated with the operators of two hydropower facilities near Gooding.

The energy sales agreements would replace existing contracts, both set to expire March 31, for the electricity generated at the 1.4-megawatt Koyle Small Hydro project owned by Koyle Hydro Inc. and at the 150-kilowatt Black Canyon #3 hydro project operated by Wood Hydro LLC.

Each facility is considered a qualifying facility (QF) under the Public Utility Regulatory Policies Act (PURPA), which requires regulated electric utilities to purchase power produced by small power producers or cogenerators with QF status, at rates determined by state commissions.

That rate is referred to as the avoided cost rate because it reflects the incremental costs a utility would incur if it had to generate the energy itself or buy it from another source.

The [proposed sales agreement](#) for the Koyle facility would replace a contract signed in 1983 and covers output at the facility using the non-levelized, non-seasonal published avoided cost rate. The average rate during the proposed 20-year agreement is \$74.88 per megawatt-hour (MWh), including capacity payments.

QFs that receive capacity payments are recognized as part of the utility's resource stack, or plan for meeting demand long-term, thereby reducing the utility's need to add capacity.

In Idaho, a QF that renews its contract and continuously sells power to the utility is entitled to capacity payments based on the capacity deficiency date that was set at the time of the initial contract.

Both Koyle and Black Canyon #3 would receive capacity payments for the life of the energy sales agreements that are pending Commission approval.

The existing sales agreement for power generated at Black Canyon #3 was reached in 1984, between Idaho Power and the Big Wood Canal Company.

Wood Hydro is leasing the facility from Big Wood Canal Company and would operate Black Canyon #3 under the [proposed sales agreement](#), which contains avoided cost rates for seasonal hydro projects of 10 average MW or less. The average rate throughout the proposed 20-year agreement is \$96.33 per MWh, including capacity.

The Commission is taking written comments on both proposals through March 14. Go [here](#) to submit a comment electronically. Please fill in the case number (IPC-E-19-03 for the Koyle agreement and IPC-E-19-04 for the Black Canyon #3 agreement).

Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

All documents filed in these cases can be accessed at the Commission's web site, [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "Open Cases" under the "Electric" heading and scroll down to case number [IPC-E-19-03](#) or [IPC-E-19-04](#).