



Case No: IPC-E-19-07

Order No: 34282

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Idaho Power requests approval of energy sales agreement for hydro facility near Tuttle

BOISE (March 28, 2019) – State regulators are accepting written comments on a proposed energy sales agreement between Idaho Power and Ravenscroft Hydro for energy generated at the Malad River hydro project located in south-central Idaho.

If approved by the Idaho Public Utilities Commission, the agreement would replace an existing contract between Idaho Power and the facility that was executed in 1982 and is set to expire on April 30.

The Malad River plant is classified as a qualifying facility (QF) under the provisions of the Public Utility Regulatory Policies Act (PURPA), which was enacted in 1978 to lessen the country's dependence on foreign oil and to encourage the promotion and development of renewable energy technologies.

PURPA requires regulated utilities to buy energy from qualifying facilities at a rate established by state commissions.

That rate is referred to as the avoided cost rate because it is based on the cost the utility avoids by not having to generate the energy itself or purchase it from another source.

The proposed energy sales agreement for the Malad River facility would be in effect for 20 years at non-levelized, non-seasonal hydro published avoided cost rates established by the Commission.

The rate varies based on the season and the load on Idaho Power's system, from \$41.57 per megawatt-hours (MWh) during light load hours in 2019, to \$125.97 per MWh during heavy load hours in 2039, and includes capacity payments throughout the agreement.

QFs that receive capacity payments are recognized as part of the utility's resource stack, or plan for meeting the long-term demand for energy, 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 set at the time the initial contract was enacted.

The Malad River facility has a nameplate capacity of 1.169 MW. If its output exceeds 10 aMW on a monthly basis, Idaho Power will accept the surplus energy but will not pay for it.

The Commission is accepting written comments on Idaho Power's proposal through April 10. Go [here](#) to submit a comment electronically. Please include the case number, IPC-E-19-07. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

All documents filed in this case, including Idaho Power's [application](#), can be accessed [here](#). Or go to the Commission's web site, www.puc.idaho.gov. Click on "Open Cases" under the "Electric" heading and scroll down to case number IPC-E-19-07.