

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF COMMISSION) **CASE NOS. IPC-E-21-14**
STAFF’S PETITION TO UPDATE) **AVU-E-21-05**
COLSTRIP-RELATED ADJUSTABLE)
PORTION OF AVOIDED COST RATES FOR)
EXISTING PURPA CONTRACTS) **ORDER NO. 35096**
_____)

On May 13, 2021, Commission Staff (“Staff”) filed a Petition requesting a Commission Order implementing the annual update to the Colstrip-related adjustable portion of the published avoided cost rates for certain Qualifying Facilities (“QF”) under the Public Utility Regulatory Policies Act of 1978. The annual update to the Colstrip Method is proposed to take effect on July 1.

On May 21, 2021, the Commission issued a Notice of Petition and Notice of Modified Procedure setting comment deadlines.

On May 25, 2021, Avista Corporation dba Avista Utilities (“Avista”) filed comments. On June 11, 2021, Idaho Power Company (“Idaho Power”) filed comments. Staff (“Staff”) did not file reply comments.

Having reviewed the record, the Commission approves Staff’s Petition as discussed herein.

THE PETITION

In 1999 the Commission established a methodology for the annual adjustable-rate portion of avoided costs for those Qualifying Facility (“QF”) contracts using variable costs associated with Colstrip, a coal-fired generating facility in southeast Montana. *See* Order No. 28708, Case No. GNR-E-99-01. Idaho Power and Avista are parties to contracts with Colstrip Method rates. Rocky Mountain Power no longer has contracts with Colstrip Method rates. For QF contracts with Colstrip-related fuel costs and variable O&M, future Colstrip variable cost adjustments are calculated using FERC Form 1 Colstrip Unit Coal Costs per megawatt hour (“MWh”) and adding \$2.00/MWh (the average variable O&M cost of Colstrip, plus 20¢/MWh for generation taxes, plus a five percent (5%) adjustment for line loss). Relevant pages from Avista’s FERC Form 1 are attached to Staff’s Petition as Attachment A. Staff represented that based on its

calculations the Colstrip-related adjustable rate will change from 16.55 mill/kilowatt hour (“kWh”) to 20.37 mill/kWh, effective July 1, 2021.

COMMENTS

1. Avista Comments

Avista supported Staff’s changes to the Colstrip-related adjustable rate from 16.55 mill/kWh to 20.37 mill/kWh taking effect July 1, 2021.

2. Idaho Power Comments

Idaho Power agreed that the calculations used by the Staff for Idaho Power using the FERC Form 1 data from Calendar Year 2020 are consistent with IPUC Order No. 28708. Idaho Power represented that it has 6 contracts that utilize the Colstrip Method, the last of which will expire in September 2030.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over Avista and Idaho Power under the authority and power granted it under Title 61 of the Idaho Code and PURPA. The Commission has authority under PURPA and the FERC’s implementing regulations to set avoided costs, to order electric utilities to enter fixed-term obligations for the purchase of energy from qualified facilities, and to implement FERC rules.


The Commission has reviewed and considered the record. Avista and Idaho Power confirm Staff’s application of updated data to the preexisting methodology. We find, based upon our review of the calculations for the adjustable portion of the avoided costs calculated using the Colstrip Method, that the resulting adjustable rates for existing contracts are fair, just, and reasonable.

ORDER

IT IS HEREBY ORDERED that the adjustable portions of the avoided-cost rates for existing PURPA contracts using the Colstrip Method are changed effective July 1, 2021, from 16.55 mill/kWh to 20.37 mill/kWh.

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 regarding any matter decided in 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 30th day
of June 2021.



PAUL KJELLEANDER, PRESIDENT

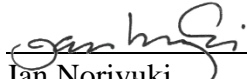


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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