

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF COMMISSION) **CASE NOS. AVU-E-22-06**
STAFF’S PETITION TO UPDATE) **IPC-E-22-16**
COLSTRIP-RELATED ADJUSTABLE)
PORTION OF AVOIDED COST RATES FOR) **ORDER NO. 35451**
EXISTING PURPA CONTRACTS)
_____)

On May 5, 2022, the Staff of the Idaho Public Utilities Commission (“Staff”) petitioned the Commission to approve the annual update to the Colstrip-related adjustable portion of published avoided cost rates for existing Public Utility Regulatory Policies Act of 1978 (“PURPA”) contracts, with an effective date of July 1, 2022.

In 1999 the Commission established a method 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 Company (“Idaho Power”) and Avista Corporation (“Avista”) are parties to contracts with Colstrip-related adjustable portions of avoided cost rates.

Staff represented that for those QF contracts with Colstrip-related fuel costs and variable O&M, future Colstrip variable cost adjustments are calculated using Federal Energy Regulatory Commission (“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 adjustment for line loss). Staff attached the relevant pages from Avista’s FERC Form 1 to Staff’s Petition as Attachment A.

Based on Staff’s computations, Staff represented that the Colstrip-related adjustable rate will change from 20.37 mill/kilowatt hour (“kWh”) to 19.13 mill/kWh, effective July 1, 2022.

COMMENTS

A. Avista Comments

Avista received the notice of Staffs petition to the Commission to approve the annual revision to update the Colstrip-related adjustable portion of avoided cost rates for existing PURPA contracts. Avista reviewed the new published avoided cost rates and agreed that the calculations were correct.

B. Idaho Power Comments

Idaho Power reviewed Staff's revision to the adjustable portion of the avoided cost rate for existing PURPA contracts that utilize the Colstrip Method. Idaho Power agreed that the Colstrip adjustable rate calculation employed by Staff, using data from Avista's FERC Form 1 from Calendar Year 2021, was consistent with the method established in Commission Order No. 28708.

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.

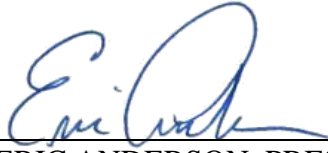
The Commission has reviewed the record, all submitted materials, and all submitted comments. Based on its review of the record, and the calculations for the adjustable portion of the avoided costs using the Colstrip Method, the Commission finds it fair, just, and reasonable to approve the resulting adjustable rates of 19.13 mill/kWh for existing contracts, effective July 1, 2022.

ORDER

IT IS HEREBY ORDERED that the adjustable portions of the avoided-cost rates for existing PURPA contracts using the Colstrip Method are changed from 20.37 mill/kilowatt hour ("kWh") to 19.13 mill/kWh, effective July 1, 2022.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon 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 and 62-619.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th day of June 2022.



ERIC ANDERSON, PRESIDENT

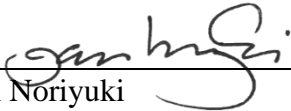


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

I:\Legal\ELECTRIC\AVU-E-22-06 IPC-E-22-16\AVUE2206_IPCE2216_final_cb.docx