

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF AVISTA ) CASE NO. AVU-E-22-14**  
**CORPORATION AND IDAHO COUNTY )**  
**LIGHT & POWER COOPERATIVE )**  
**ASSOCIATION’S JOINT PETITION FOR ) ORDER NO. 35571**  
**APPROVAL OF POWER PURCHASE AND )**  
**SALE AGREEMENT )**  
**)**

---

On August 11, 2022, Avista Corporation (“Company”) and Idaho County Light & Power (“Seller”) (hereinafter referred to as the “Parties”), jointly applied to the Commission requesting an order approving the Parties’ renewal Power Purchase Agreement (“PPA”) with an effective date of October 31, 2022. Seller owns and operates a 1,010 kilowatt<sup>1</sup> hydroelectric generating facility near Lucile, Idaho (“Facility”). The Company stated that the Facility is a qualifying facility under the Public Utility Regulatory Policies Act of 1978 (“PURPA”).

On September 9, 2022, the Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 35528.

On October 4, 2022, the Parties filed an amendment to the PPA (“Amendment”) which updated the definition of “Operating Year” in the PPA.<sup>2</sup>

Staff filed comments supporting the Parties’ Application on October 5, 2022. No other comments were filed.

Having reviewed the record, we now issue this Order approving the Parties’ Joint Petition as amended on October 3, 2022.

**THE APPLICATION**

The Parties signed a PPA that replaces a previous agreement which expires on October 30, 2022. The proposed PPA has a 20-year term and would commence on October 31, 2022. Under the proposed PPA, the Company would purchase “all of the output (capacity and energy) (net of Facility Service Power and Losses) of the Facility” from the Seller.<sup>3</sup> While the Facility has a nominal rating of 1,010 kilowatts, the Seller estimates that maximum net power production

---

<sup>1</sup> Due to limitations of the generator’s penstock, Seller estimated that the production of the Facility is functionally closer to 900 kilowatts under ideal conditions.

<sup>2</sup> The amendment to the PPA was signed by the Parties on October 3, 2022.

<sup>3</sup> The application states: “Except for any output that is surplus Energy, [Seller] shall purchase all Net Delivered Output delivered to [Seller based upon various conditions] as set forth Exhibit E.” Application 3-4.

capacity is approximately 900 kilowatts due to limitations with the Facility’s penstock. In Section 1.23 of the PPA, the Parties agreed to a 90/110 rule to outline their respective expectations for Surplus Power. Application at 6.

### **STAFF COMMENTS**

Staff reviewed the Application and focused on: (1) Nominal Rating versus the Maximum Net Power Production Capacity; (2) Capacity Payment Eligibility; (3) Avoided Cost Rates; (4) Potential Modifications; and (5) the Operating Year; Section 1.19 of the PPA stated that the Operating Year will be “each 12-month period from July 1 through June 30.” PPA at 5. Staff suggested that the Operating Year should be “each 12-month period from October 31 through October 30” to more closely align with terms of the original 1986 Power Purchase Agreement—which expires on October 30, 2022. Staff Comments at 3. The Parties agreed with Staff’s proposed October 31 through October 30 Operating Year.<sup>4</sup> Accordingly, Staff recommended that the Commission approve the PPA as revised by the Amendment to reflect the updated Operating Year definition.

### **COMMISSION FINDINGS AND DECISION**

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, -502, and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and -503. In addition, 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 may enter any final order consistent with its authority under Title 61 and PURPA.

The Commission has reviewed the record, including the Joint Application, the Amendment, and Staff comments. The Commission finds it fair, just, and reasonable to approve the PPA as amended by the October 3, 2022, Amendment. We appreciate the Parties proactively filing the Amendment to ensure that this Order included the correct contractual details the Parties intend to operate under during the 20-year PPA.

---

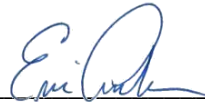
<sup>4</sup> The Parties filed an amendment to the PPA on October 4, 2022, that modified the “Operating Year” to October 31 to October 30.

**ORDER**

IT IS HEREBY ORDERED that the PPA as revised by the Amendment, with its updated definition of Operating Year, is approved.

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 about 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 27<sup>th</sup> day of October 2022.



ERIC ANDERSON, PRESIDENT

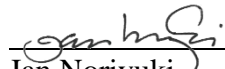


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

I:\Legal\ELECTRIC\AVU-E-22-14 PSA ICLP\orders\AVUE2214\_final\_md.docx