

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA) CASE NO. AVU-E-25-16
CORPORATION AND THE REGENTS OF)
THE UNIVERSITY OF IDAHO’S JOINT)
PETITION FOR THE APPROVAL OF A) ORDER NO. 36942
POWER PURCHASE AGREEMENT)
)

On December 9, 2025, Avista Corporation (“Company”) and The Regents of the University of Idaho (“University”) (collectively “Petitioners”) jointly petitioned the Idaho Public Utilities Commission (“Commission”) requesting approval of the Power Purchase Agreement (“PPA”) between the Company and Regents for its 132.32 kilowatt (“kW”) solar facility.

On January 2, 2026, the Commission issued a Notice of Petition and Notice of Modified Procedure, establishing a deadline for public and Commission Staff (“Staff”) comments, and a deadline for the Company to file reply comments. Order No. 36899. No public comments were received.

Based on our review of the record, the Commission now issues this Final Order approving the PPA and finding that the Company’s payments to the University for energy purchases from the qualified facility (“QF”) under the PPA are prudently incurred expenses for ratemaking purposes.

THE PETITION

The University owns and operates a 132.32 kW solar generation facility located in Moscow, Idaho (“Facility”) that is a QF pursuant to the Public Utility Regulatory Policies Act of 1978 (“PURPA”) and is interconnected to the Company’s electrical system pursuant to an interconnection agreement. Petition at 2. The Parties stated that the proposed PPA would replace the expiring PPA between the Parties for the Facility, as amended by the First and Second Amended and Restated PPA (“Original PPA”), and approved by the Commission in Order Nos. 35440 and 36139. *Id.* at 3.

The Parties stated that the proposed PPA is substantially the same as the Original PPA, with minor modifications, specifically the addition of language to address modifications to the

Facility. *Id.* at 4. The Parties also stated that the proposed PPA would be for a ten-year period from the effective date. *Id.*

STAFF COMMENTS

Staff evaluated the proposed avoided cost rates, the provision governing the allocation of renewable energy credits (“RECs”), and Section 9.6 (Modification) of the proposed PPA, and recommended approval of the agreement. Staff Comments at 2. The Parties proposed to apply the same avoided cost methodology used in the Original PPA, using 85% of the PowerDex hourly Mid-Columbia index (“Mid-C Index”) prices. *Id.* Staff found this approach reasonable, observing that pricing as-available energy from QFs at 85% of a non-firm market index has been a longstanding practice. *Id.*

The Parties further proposed to divide RECs equally under the PPA, mirroring the structure in the Original PPA. *Id.* Because the agreement did not utilize either published avoided cost rates or Integrated Resource Plan-based avoided cost rates, Staff concluded that the allocation of RECs was a matter left to the Parties’ discretion. *Id.*

Finally, Staff examined Section 9.6 (Modification), which addresses potential changes to the Facility, and determined that the provision was consistent with Order No. 35705. *Id.* Based on its review, Staff recommended that the Commission approve the proposed PPA and find that the Company’s payments to the University for energy purchases from the QF under the agreement constitute prudently incurred expenses for ratemaking purposes. *Id.*

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Company’s Petition and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501 through 503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501 through 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 fixed-term obligations for the purchase of energy and capacity 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 Petition, the proposed PPA, Staff's Comments, and all other material submitted in this proceeding. Based upon this review, we find it to be fair, just, and reasonable to approve the proposed PPA, as filed. Further, upon consideration of the record, the Commission finds that all payments made by the Company to the University pursuant to the PPA are prudently incurred and are appropriately recognized for ratemaking purposes.

ORDER

IT IS HEREBY ORDERED that the PPA between the Company and the University is approved, effective February 17, 2026.

IT IS FURTHER ORDERED that all payments made by the Company to the University pursuant to the PPA shall be allowed as prudently incurred expenses for ratemaking purposes.

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 20th day of February, 2026.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary
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