

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: JOHN R. HAMMOND JR.
DEPUTY ATTORNEY GENERAL

DATE: JANUARY 3, 2020

SUBJECT: IDAHO POWER COMPANY'S APPLICATION FOR APPROVAL OR REJECTION OF AN ENERGY SALES AGREEMENT WITH BIG WOOD CANAL COMPANY; CASE NO. IPC-E-19-37.

On December 9, 2019, Idaho Power Company ("Idaho Power" or "Company") filed an Application seeking approval of its proposed Energy Sales Agreement ("ESA") with Big Wood Canal Company ("Big Wood" or "Seller") for the energy generated by the Jim Knight hydro project ("Facility"). The Facility is a qualifying facility ("QF") under the Public Utility Regulatory Policies Act of 1978 ("PURPA").

THE APPLICATION

The Facility operated by Big Wood is a 475 kilowatt ("kW") nameplate capacity hydroelectric facility near Gooding, Idaho. *Application* at 4. The Facility currently delivers energy to the Company under a PURPA energy sales agreement executed on April 1, 1985. *Id.* The existing energy sales agreement expires on May 31, 2020. *Id.* The Company and Big Wood intend the proposed ESA to replace the expiring energy sales agreement. *Id.* at 2. The Company states the proposed ESA complies with Commission orders regarding this type of agreement. *Id.* The Company asks the Commission to process the Application by Modified Procedure before the existing energy sales agreement expires. *Id.* at 6.

In the proposed ESA, Big Wood has contracted for non-levelized, seasonal hydro published avoided cost rates as set by the Commission in Order No. 34350 for a 20-year term. *Id.* at 4. Because this is a replacement ESA, the proposed ESA contains capacity payments for the

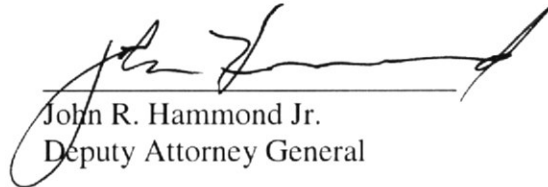
entire term of the Agreement. *Id.* at 3. The Company requests that its Application be processed by Modified Procedure. *Id.* at 6.

STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure. Staff recommends the Notice of Application and Notice of Modified Procedure provide for a twenty-one (21) day written comment period for itself and any other interested parties, with a seven (7) day reply comment period for the Company to follow.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure that establishes a twenty-one (21) day written comment period for Staff and any other interested parties followed by a seven (7) day reply comment period for the Company?



John R. Hammond Jr.
Deputy Attorney General

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