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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) **CASE NO. IPC-E-19-38**
APPROVAL OR REJECTION OF AN)
ENERGY SALES AGREEMENT WITH BIG)
WOOD CANAL COMPANY FOR THE SALE) **REDACTED COMMENTS OF**
AND PURCHASE OF ELECTRIC ENERGY) **THE COMMISSION STAFF ON**
FROM THE SAGEBRUSH HYDRO) **THE FIRST AMENDMENT TO**
PROJECT.) **THE ENERGY SALES**
) **AGREEMENT**

The Staff of the Idaho Public Utilities Commission ("Staff") submits the following comments regarding the above referenced case.

BACKGROUND

On December 9, 2019, Idaho Power Company ("Company") filed an Application seeking approval or rejection of an Energy Sales Agreement ("ESA") between the Company and Big Wood Canal Company ("Seller"), for the Sagebrush hydro project ("Facility"). *See* Application at 1. The Facility is a 575- kilowatt ("kW") nameplate capacity qualifying facility ("QF") near Gooding, Idaho under the Public Utility Regulatory Policies Act of 1978 ("PURPA"). *Id.* at 2. The Facility previously delivered energy to the Company under a PURPA energy sales agreement executed on April 1, 1985. *Id.* at 2. In that agreement the nameplate capacity of the Facility was 430 kW.

On January 10, 2020, the Commission issued its Notice of Application and Notice of Modified Procedure. Staff filed written comments on January 31, 2020. Wood Hydro, LLC ("Wood Hydro") filed reply comments on February 5, 2020. The Company filed reply comments on February 21, 2020. On March 17, 2020, Wood Hydro filed supplemental reply comments.

On May 28, 2020, the Commission issued Order No. 34677 approving the ESA contingent upon certain modifications to it being implemented. In Order No. 34677, the Commission found it reasonable for the Seller to continue to be paid for capacity up to only 430 kW for the full term of the renewal ESA. Order No. 34677 at 5; *see also* Order No. 32697 at 21-22. However, the Commission also found that the 145-kW increase in nameplate capacity for the Facility should not receive capacity payments until the Company becomes capacity deficient. Order No. 34677 at 6.

On June 18, 2020, the Company filed a Motion for Approval of the First Amendment to Energy Sales Agreement in Compliance with Order No. 34677 or Alternatively for Clarification and/or Reconsideration ("Motion"). On June 25, 2020, Staff filed an Answer to the Company's Motion. On June 30, 2020, Wood Hydro filed an Answer to Staff's Answer.

On July 23, 2020, the Commission issued Order No. 34727 granting the Company's request for clarification to consider whether the new provisions proposed in the First Amendment to the ESA ("Amended ESA") are consistent with Order No. 34677. Order No. 34727 at 3. The Commission also found it prudent to allow the parties in the case to conduct discovery and to file additional written comments on the proposed Amended ESA and the issues raised by Staff in its Answer before the Commission issues a final order on clarification. *Id.*

STAFF REVIEW

Staff has reviewed the proposed Amended ESA. The objective of Staff's discovery and analysis was focused on "whether the new provisions proposed in the Amended ESA are consistent with Order No. 34677," and on issues Staff identified in its Answer to the Company's Petition. Specifically, Staff's analysis focused on three issues: (1) whether the proposed method in the Amended ESA ensures that the "Seller shall not receive capacity payments for the 145 kW increase to the nameplate capacity of the Facility until the Company becomes capacity deficient" (Order No. 34677 at 6); (2) if the Company has a reasonable method to determine the amount of payment to the QF when monthly generation falls outside of the 90/110 band, given that the QF

could be paid two separate rates during the performance period; and (3) if the Amended ESA provisions comply with past Commission orders. After careful review of these issues, Staff has reached the following conclusions:

1. The proposed method in the Amended ESA will likely result in the QF receiving capacity payments from the incremental 145 kW of new capacity before the Company becomes capacity deficient if the hourly eligibility limit for capacity payments (“eligibility limit”) is based on nameplate capacity instead of maximum historical actual generation.
2. The method described in number 1 above, even with Staff’s revisions, should not be generally applied to other cases. QF’s under similar circumstances that seek approval of contracts requiring different avoided cost rates with capacity payments that use different capacity deficiency dates, and whose output is measured through a single meter, should be evaluated on a case-by-case basis.
3. The Company’s method for determining the amount to pay the QF when outside of the 90/110 band is fair and reasonable.
4. The all-hours rates included in Appendix H of the Amended ESA includes the incorrect all-hours energy prices and needs to be corrected.

Limiting Capacity Payments to Generation from Original Capacity

In Order No. 34677, the Commission found “the Seller shall not receive capacity payments for the 145 kW increase to the nameplate capacity of the Sagebrush Facility until the Company becomes capacity deficient.” Order No. 34677 at 6. In response to Order No. 34677 the parties filed the Amended ESA “to provide for payment of a different rate (no capacity) for any hourly delivery of generation in excess of 430 kW.” *Motion* at 2. Staff notes this capped rate schedule will only be in effect until the Company’s current first capacity deficiency date of 2026. From 2026 until the end of the Amended ESA’s term, the Company will be paid both capacity and energy for all generation from the Facility. Staff believes that the parties’ method with an eligibility limit set at 430 kW does not meet the Commission’s intent and the Seller will likely receive capacity payments for generation from the 145 kW of new incremental capacity prior to the deficiency date.

For purposes of the rest of these comments, Staff needs to make clear an important inconsistency in the Parties’ method for ensuring that the QF does not earn capacity payments for

the new 145 kW of capacity until the deficit date has passed. Although the proposed ESA states the capacity payment eligibility limit (“eligibility limit”) in terms of kW. Units expressed as kW is a measurement of instantaneous capacity. However, the eligibility limit is measured over each hour of time, so what is being measured is the amount of energy and not capacity. For this reason, Staff must assume the 430 kW eligibility limit for each hour should be measured in kilowatt-hours (kWh) and not kW because of the inherent structure of the proposed method.

Idaho’s Published Rate Method for Capacity Payments

The method for paying QFs for avoided cost of capacity in published rates is strictly based on the amount of actual generation on a \$ per kWh basis, and not the nameplate capacity of a QF. The \$/kWh rate structure is designed to reward QFs for the avoided cost of capacity for energy delivered, not its nameplate capacity. The Surrogate Avoided Cost (“SAR”) model that calculates these rates are based on this method and has been reviewed and the rates authorized in a filing that occurs every year since at least 2013. *See* Order Nos. 32817, 33041, 33305, 33538, 33773, 34062, 34350, and 34683.

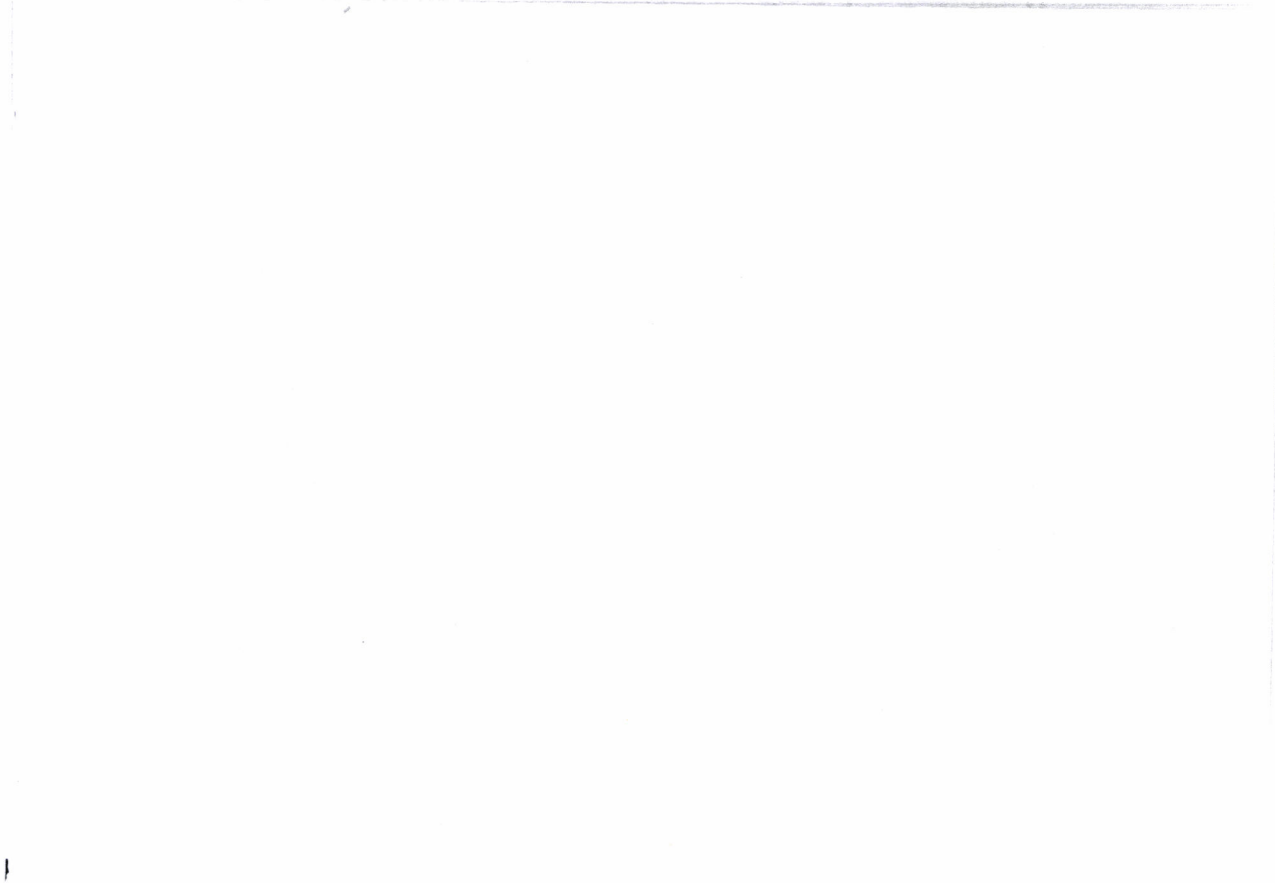
This SAR method accomplishes two objectives. First, it provides a publishable standard rate schedule that can apply to any QF of a certain type (wind, solar, seasonal hydro, non-seasonal hydro, etc.), regardless of the nameplate capacity of the QF as long as it qualifies for published rates under the eligibility cap. In this case the Seller is compensated using the published rate schedules for Seasonal Hydro shown in Appendix E of the original ESA. These rates will be no different than any other Seasonal Hydro QF that has a fully executed contract while these rates are in effect. Second, it holds the QF accountable, requiring it to generate energy to earn the capacity value for the cost of capacity that it avoids for the utility.

Setting the Appropriate Eligibility Limit for Capacity Payments

In Order 34677 the Commission found “it reasonable for the Seller to be paid for capacity up to 430 kW for the full term of this renewal ESA. . . . [and] that the Seller shall not receive capacity payments for the 145 kW increase to the nameplate capacity of the Sagebrush Facility until the Company becomes capacity deficient.” Order No. 34677 at 5-6. Staff believes had published rates been designed to pay for capacity on a \$ per kW of nameplate capacity basis, regardless of the amount of generation produced by the Facility, the Commission’s Order in this

case could have been implemented without requiring the Amended ESA. However, because of how published rates were developed and are applied, Staff believes the only way to implement Order No. 34677 is to separate the original 430 kW of capacity from the 145 kW of new incremental capacity based on the actual amount of historical generation produced by the Facility.

Through Staff Production Request No. 2, Staff received the actual amount of generation for each hour from the Facility for 2018 and 2019. The data is reflected in the graph below.



Except for hours when there was very little generation (less than 20 kWh), the data shows that the Facility mostly generated between ■ and ■ kWh for any given hour over the two-year period. The frequency of hours that the Facility generated greater than ■ kWh decreased rapidly to a maximum of about ■ kWh.¹ Because 100 percent of the Facility's generation fell

¹ In the hourly generation data provided in response to Staff Production Request No. 2, there was a generation amount of 363.612 kWh that occurred in hour 14:00 on 7/30/2019 that the Company determined in response to Staff Production Request No. 3 was based on an estimated interval and would have been adjusted to approximately 267.876 kWh based on the previous hourly value and the next hourly value.

below the maximum of ■ kWh, Staff believes that the eligibility limit for generation eligible for capacity payments should be based on this maximum generation amount.

If the hourly eligibility limit is set at 430 kWhs as proposed in the Amended ESA, any hourly generation over maximum historical levels of ■ kWhs up to 430 kWhs will receive capacity payments. Staff believes future generation above ■ kWhs is highly likely because the nameplate capacity of the generating unit has increased by 145 kW. Therefore, paying capacity on generation above ■ kWhs will violate the Commission's intent to prevent the Seller from receiving capacity payments for the 145 kW increase to the nameplate capacity of the Facility until the Company becomes capacity deficient. Order No. 34677 at 6.

Staff questions whether there could be issues of potential discrimination with other QFs that replace their generating unit, but instead replace its original unit with a new unit that has the same nameplate capacity as the original. However, there are multiple ways to describe capacity other than through its nameplate. Nameplate capacity is a theoretical maximum that the manufacturer rates a generating unit under optimum conditions without exceeding thermal limitations. However, the actual maximum output is typically less than the nameplate capacity based on the specific installation, the condition of the unit, the design of the unit, and other factors that can affect its overall efficiency. As a result, a new replacement unit could have a realized capacity based on output that is different than the old unit, even with the same nameplate capacity.

Hypothetically, had the QF replaced the generating unit with another unit with a 430 kW nameplate, it is unlikely that the need for a bifurcated rate would have arose. However, in considering this hypothetical situation, Staff does not believe this eliminates the problem of QFs earning capacity payments for incremental generation from a newer more efficient unit.

Installation of a new unit is reason enough to assume that the amount of generation will be higher than the old unit it replaces. But the Company bases its need for capacity by determining the QF's contribution of capacity primarily based on historical generation from the old, less efficient generating unit.² This would create a discrepancy between the amount the QF receives for its contribution of capacity by generating with the new unit and the amount the Company

² See footnote in 2017 Integrated Resource Plan ("IRP"), Appendix C, p. 113, included as Attachment A which describes how the Company uses actual historical generation, and other factors in its IRP, rather than nameplate capacity which is an unreasonable estimate.

assumes the QF is contributing based on actual historical generation from the old unit. However, if the Commission determines that discrimination is an issue, Staff believes that a 10% efficiency adjustment could be applied to Staff's proposed 304 kWh eligibility limit resulting in a [REDACTED] kWh eligibility limit.

Staff believes that a combination of the Amended ESA's proposed method to establish an hourly eligibility limit and Staff's modifications to the eligibility limit based on the maximum hourly amount of actual generation addresses concerns made by Wood Hydro in their Supplemental Comments dated March 17, 2020. Staff believes that this solution ensures that the QF will not be "shortchanged" capacity payments for generation that it would have produced under the original amount of capacity while not compensating it for the new nameplate capacity added to the Facility. *See* Order No. 34677 at 5-6.

Method Should Not Be Applied to other ESAs

Staff believes it is important that the method for limiting capacity payments, if authorized by the Commission in this case, should not be applied to other cases under similar circumstances. Rather, those cases should be evaluated based on the facts in those cases. Applying the method employed in this case for other types of QFs under seemingly similar circumstances, provides an opportunity for gaming the system allowing a QF to receive benefits more than its value to the utility violating PURPA's Customer Indifference Standard [18 C.F.R. § 292.304(a)(2)].

Staff believes the method being proposed, with Staff's recommendations for setting the eligibility limit, are appropriate for this case. Further, Staff asserts that QF's that appear to be under similar circumstances that seek approval of contracts requiring different avoided cost rates with capacity payments that use different capacity deficiency dates, and whose output is measured through a single meter may require anywhere from minor adjustments to a completely new method.

In this case, Staff believes it is appropriate to consider the replacement of the original generating unit with a larger unit as two hypothetical separate units in a serial configuration due to potential water flow limitations through the canal. By assuming that the maximum amount of water that can be diverted through what is analogous to the original 430 kW unit, and any remaining water allowed to flow through what is analogous to the new 145 kW unit, the Seller can receive at least the amount of "capacity payment entitlement of the old capacity". Wood

Hydro's Supplemental Comments at 2. However, the method used in this case may not be appropriate for a QF that increases its capacity using additional units of capacity and/or has a sufficient supply of fuel (water, solar energy, wind, landfill gas, etc.) that is best characterized as separate units of capacity that operate in a parallel manner. In such cases, an average of the different per kWh rates weighted by nameplate capacity as described in Staff's Comments may be more appropriate.³

Method to Determine Payments Outside the 90/110 performance Band

Staff evaluated the Company's proposed method for determining avoided cost payments, when monthly generation falls outside of the 90/110 performance band, which the Company provided in response to Staff's Production Request No. 1. *See also* Attachment B to these comments. Staff believes this method is reasonable and appropriate, but recommends the parties incorporate this calculation method into the Amended ESA through an additional amendment to it.

Currently, QFs provide a monthly estimate of the amount of energy they expect to produce. If the QF delivers more than 110 percent of the estimated amount, energy delivered in excess of 110 percent is priced at the lesser of 85 percent of the market price or the contract price. If the QF delivers less than 90 percent of the estimated amount, total energy delivered is priced at the lesser of 85 percent of the market price or the contract price. *See* Order No. 29632.

However, from 2020 through 2025, there are two sets of contract rates, one with capacity payments and one without, depending on whether each hour's generation is below or above the eligibility limit. The Company has proposed to blend the rates for purposes of 90/110. First, for each month, the Company will determine the total generation amount (MWh) generated below 430 kW at the hourly level and multiply the corresponding All Hours Energy Price. Then, the Company will determine the total generation amount (MWh) generated above 430 kW at the hourly level and multiply the corresponding All Hours Energy Price in Appendix H. The sum of the two items will be divided by the total generation for that month to calculate a single, blended

³ Staff's description of its weighted-average method in its first set of Comments in this case used the nameplate capacity for two purposes: (1) to identify the different blocks of capacity between the original that was eligible for immediate capacity payments, and the new block of capacity ineligible for capacity payments until the deficit date, and (2) to weight the different rates attributed to each block. The different rates for each block are based on the amount of generation from each block based on a \$/kWh rate. The amount of capacity payment would be the product of the \$/kWh weighted-average rate and the amount of kWhs of generation from the overall project.

All Hours Energy Price. Last, the blended rate will be compared against 85 percent of the market price, and the lower number will be applied to the energy generated outside the 90/110 band in that month. Beyond 2026, there will be only one set of rates, so no blending is needed.

Although the Commission rejected the use of Staff's proposal for blended rates in Order No. 34677 for payment within the 90/110 band, Staff does not believe that payments outside of the band can avoid some type of blending. This is because the authorized method requires comparisons based on monthly amounts of market price against contract price and of the amount of committed energy against actual generation. *See* Order No. 29632.

Analysis of Rates

Staff believes it is appropriate to use the avoided cost rates effective when the parties signed the original ESA.⁴ However, rates listed in the All Hours Energy Price section of Appendix H are incorrect. Staff has included the correct rates for the All Hours Energy Price included as Attachment C to these comments.

RECOMMENDATIONS

Staff recommends approval of an amended ESA based on the Amended ESA that includes the following additional amendments:

1. Modify the eligibility limit for capacity payments from 430 kW to ■■■ kWh based on actual maximum hourly generation.
2. Incorporate the method described in the Company's Response to Staff Production Request No. 1 for determining payments outside of the 90/110 performance band into the final ESA.
3. Correct the rates for the All Hours Energy Price in the Amended ESA to those included as Attachment C to these comments.

Finally, Staff recommends that the method establishing an eligibility limit be limited to this case and not applied in future cases.

⁴The original ESA was signed by the Seller on November 18, 2019 and by the Company on November 22, 2019.

Respectfully submitted this



day of August 2020.



John R. Hammond, Jr.
Deputy Attorney General

Technical Staff: Michael Louis
Yao Yin

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Qualifying Facility Data (PURPA)

Cogeneration and Small Power Production Projects Status as of April 1, 2017.

Project	MW	Contract		Project	MW	Contract	
		On-line Date	End Date			On-line Date	End Date
Hydro Projects							
Arena Drop	0.45	Sep-2010	Sep-2030	Little Wood Rvr Res	2.85	Feb-1985	Feb-2020
Baker City Hydro	0.24	Sep-2015	Sep-2030	Littlewood/Arkoosh	0.87	Aug-1986	Aug-2021
Barber Dam	3.70	Apr-1989	Apr-2024	Low Line Canal	7.97	May-1985	May-2020
Birch Creek	0.05	Nov-1984	Nov-2019	Low Line Midway Hydro	2.50	Aug-2007	Aug-2027
Black Canyon #3	0.14	Apr-1984	Apr-2019	Lowline #2	2.79	Apr-1988	Apr-2023
Black Canyon Bliss Hydro	0.03	Nov-2014	Oct-2035	Magic Reservoir	9.07	Jun-1989	Jun-2024
Blind Canyon	1.63	Dec-2014	Dec-2034	Malad River	0.62	May-1984	May-2019
Box Canyon	0.36	Feb-1984	Feb-2019	Marco Ranches	1.20	Aug-1985	Aug-2020
Briggs Creek	0.60	Oct-1985	Oct-2020	Mile 28	1.50	Jun-1994	Jun-2029
Bypass	9.96	Jun-1988	Jun-2023	Mill Creek Hydroelectric	0.80	Oct-2011	Jun-2017
Canyon Springs	0.13	Oct-1984	As delivered	Mitchell Butte	2.09	May-1989	Dec-2033
Cedar Draw	1.55	Jun-1984	Jun-2019	Mora Drop Small Hydro Fac	1.85	Sep-2006	Sep-2026
Clark Canyon Hydroelectric	7.55	Jun-2017	Estimated	Mud Creek/S&S	0.52	Feb-1982	Jan-2017
Clear Springs Trout	0.52	Nov-1983	Nov-2018	Mud Creek/White	0.21	Jan-1986	Jan-2021
Crystal Springs	2.44	Apr-1986	Apr-2021	North Gooding Main	1.30	Oct-2016	Oct-2036
Curry Cattle Company	0.22	Jun-1983	Jun-2018	Owyhee Dam Cspg	5.00	Aug-1985	May-2033
Dietrich Drop	4.50	Aug-1988	Aug-2023	Pigeon Cove	1.89	Oct-1984	Oct-2019
Eightmile Hydro Project	0.36	Oct-2014	Oct-2034	Pristine Springs #1	0.13	May-2005	May-2015
Elk Creek	2.00	May-1986	May-2021	Pristine Springs #3	0.20	May-2005	May-2015
Falls River	9.10	Aug-1993	Aug-2028	Reynolds Irrigation	0.26	May-1986	May-2021
Fargo Drop Hydroelectric	1.27	Apr-2013	Apr-2033	Rock Creek #1	2.05	Sep-1983	Sep-2018
Faulkner Ranch	0.87	Aug-1987	Aug-2022	Rock Creek #2	1.90	Apr-1989	Apr-2024
Fisheries Dev.	0.26	Jul-1990	Jul-2040	Sagebrush	0.43	Sep-1985	Sep-2020
Geo-Bon #2	0.93	Nov-1986	Nov-2021	Sahko Hydro	0.50	Feb-2011	Feb-2021
Hailey Cspg	0.06	Jun-1985	Jun-2020	Schaffner	0.53	Aug-1986	Aug-2021
Hazelton A	8.10	Mar-2011	Mar-2026	Shingle Creek	0.22	Aug-1983	Aug-2017
Hazelton B	7.60	May-1993	May-2028	Shoshone #2	0.58	May-1996	May-2031
Head of U Canal Project	1.28	May-2015	Jun-2035	Shoshone Cspg	0.37	Jun-1982	Feb-2017
Horseshoe Bend Hydro	9.50	Sep-1995	Sep-2030	Snake River Pottery	0.07	Nov-1984	Nov-2019
Jim Knight	0.34	Jun-1985	Jun-2020	Snedigar	0.54	Jan-1985	Jan-2020
Kasel & Witherspoon	0.90	Mar-1984	Mar-2019	Tiber Dam	7.50	Jun-2004	Jun-2024
Koyle Small Hydro	1.25	Apr-1984	Apr-2019	Trout-Co	0.24	Dec-1986	Dec-2021
Lateral # 10	2.06	May-1985	May-2020	Tunnel #1	7.00	Jun-1993	Feb-2035
Lemoyne	0.08	Jun-1985	Jun-2020	White Water Ranch	0.16	Aug-1985	Aug-2020
Little Wood River Ranch II	1.25	Jun-2015	Oct-2035	Wilson Lake Hydro	8.40	May-1993	May-2028
Total Hydro Nameplate Rating 155.32 MW							

Thermal Projects	MW	On-line Date	End Date
Simplex Pocatello Cogen	15.90	Mar-2013	Feb-2016
TASCO—Nampa Natural Gas	2	Sep-2003	As Delivered
TASCO—Twin Falls Natural Gas	3	Aug-2001	As Delivered
Total Thermal Nameplate Rating 20.90 MW			

Attachment No. A
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Staff Comments
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Project	MW	Contract		Project	MW	Contract	
		On-line Date	End Date			On-line Date	End Date
Biomass Projects							
B6 Anaerobic Digester	2.28	Aug-2010	Aug-2020	Hidden Hollow Landfill Gas	3.20	Jan-2007	Jan-2027
Bannock County Landfill	3.20	May-2014	May-2034	Pocatello Waste	0.46	Dec-1985	Dec-2020
Bettencourt Dry Creek BioFactor	2.25	May-2010	May-2020	Rock Creek Dairy	4.00	Aug-2012	Aug-2027
Big Sky West Dairy Digester	1.50	Jan-2009	Jan-2029	SISW LFGE	5.00	Oct-2018	Estimated
Double A Digester Project	4.50	Jan-2012	Jan-2032	Tamarack CSPP	5.00	Jun-1983	Jun-2018
Fighting Creek Landfill	3.06	Apr-2014	Apr-2029				
Total Biomass Nameplate Rating 34.45 MW							
Solar Projects							
American Falls Solar II, LLC	20.00	Mar-2017	Mar-2037	Murphy Flat Power, LLC	20.00	Mar-2017	Mar-2037
American Falls Solar, LLC	40.00	Mar-2017	Mar-2037	Open Range Solar Center, LLC	20.00	Mar-2017	Mar-2037
Brush Solar	2.75	Oct-2019	Estimated	Orchard Ranch Solar, LLC	10.00	Oct-2016	Oct-2036
Grand View PV Solar Two	80.00	Dec-2016	Dec-2036	Railroad Solar Center, LLC	4.50	Dec-2016	Dec-2036
Grove Solar Center, LLC	6.00	Oct-2016	Oct-2036	Simco Solar, LLC	20.00	Mar-2017	Mar-2037
Hyline Solar Center, LLC	9.00	Nov-2016	Nov-2036	Thunderegg Solar Center, LLC	10.00	Nov-2016	Nov-2036
ID Solar 1	40.00	Aug-2016	Jan-2036	Vale Air Solar Center, LLC	10.00	Nov-2016	Nov-2036
Morgan Solar	3.00	Oct-2019	Estimated	Vale 1 Solar	3.00	Oct-2019	Estimated
Mt. Home Solar 1, LLC	20.00	Mar-2017	Mar-2037				
Total Solar Nameplate Rating 298.25 MW							
Wind Projects							
Bennett Creek Wind Farm	21.00	Dec-2008	Dec-2028	Mainline Windfarm	23.00	Dec-2012	Dec-2032
Benson Creek Windfarm	10.00	Mar-2017	Mar-2037	Milner Dam Wind	19.92	Feb-2011	Feb-2031
Burley Butte Wind Park	21.30	Feb-2011	Feb-2031	Oregon Trail Wind Park	13.50	Jan-2011	Jan-2031
Camp Reed Wind Park	22.50	Dec-2010	Dec-2030	Payne's Ferry Wind Park	21.00	Dec-2010	Dec-2030
Cassia Wind Farm LLC	10.50	Mar-2009	Mar-2029	Pilgrim Stage Station Wind Park	10.50	Jan-2011	Jan-2031
Cold Springs Windfarm	23.00	Dec-2012	Dec-2032	Prospector Windfarm	10.00	Mar-2017	Mar-2037
Desert Meadow Windfarm	23.00	Dec-2012	Dec-2032	Rockland Wind Farm	80.00	Dec-2011	Dec-2036
Durbin Creek Windfarm	10.00	Mar-2017	Mar-2037	Ryegrass Windfarm	23.00	Dec-2012	Dec-2032
Fossil Gulch Wind	10.50	Sep-2005	Sep-2025	Salmon Falls Wind	22.00	Apr-2011	Apr-2031
Golden Valley Wind Park	12.00	Feb-2011	Feb-2031	Sawtooth Wind Project	22.00	Nov-2011	Nov-2031
Hammett Hill Windfarm	23.00	Dec-2012	Dec-2032	Thousand Springs Wind Park	12.00	Jan-2011	Jan-2031
High Mesa Wind Project	40.00	Dec-2012	Dec-2032	Tuana Gulch Wind Park	10.50	Jan-2011	Jan-2031
Horseshoe Bend Wind	9.00	Feb-2006	Feb-2026	Tuana Springs Expansion	35.70	May-2010	May-2030
Hot Springs Wind Farm	21.00	Dec-2008	Dec-2028	Two Ponds Windfarm	23.00	Dec-2012	Dec-2032
Jett Creek Windfarm	10.00	Mar-2017	Mar-2037	Willow Spring Windfarm	10.00	Mar-2017	Mar-2037
Lime Wind Energy	3.00	Dec-2011	Dec-2031	Yahoo Creek Wind Park	21.00	Dec-2010	Dec-2030
Total Wind Nameplate Rating 626.92 MW							
Total Nameplate Rating 1,135.84 MW							

The above is a summary of the Nameplate rating for the CSPP projects under contract with Idaho Power as of April 1, 2017. In the case of CSPP projects, Nameplate rating of the actual generation units is not an accurate or reasonable estimate of the actual energy these projects will deliver to Idaho Power. Historical generation information, resource specific industry standard capacity factors, and other known and measurable operating characteristics are accounted for in determining a reasonable estimate of the energy these projects will produce.

REQUEST NO. 1: Under Idaho Power's hourly methodology to establish the proper rate, there will be two sets of contract rates for the period 2020 through 2025 depending on the amount of generation in each hour and whether or not it exceeds 430 kWh. Please explain how the Company plans to pay the QF when the amount of energy in any given month is outside of the 90/110 performance band and when there are hours both above and below the 430 kWh threshold.

RESPONSE TO REQUEST NO. 1: As described in Article 7.1 of the Sagebrush Hydro Energy Sales Agreement ("ESA"), Surplus Energy is defined as: (1) Net Energy produced by the Seller's Facility and delivered to the Idaho Power electrical system during the month which exceeds one hundred ten percent (110%) of the monthly Adjusted Estimated Net Energy Amount for the corresponding month specified in paragraph 6.2, or (2) if the Net Energy produced by the Seller's Facility and delivered to the Idaho Power electrical system during the month is less than ninety percent (90%) of the monthly Adjusted Estimated Net Energy Amount for the corresponding month specified in paragraph 6.2, then all Net Energy delivered by the Facility to the Idaho Power electrical system for that given month, or (3) all Net Energy produced by the Seller's Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date, or (4) all monthly Net Energy that exceeds the Monthly Nameplate Energy. Article 7.2 describes the Surplus Energy Price as: for all Surplus Energy, Idaho Power shall pay to the Seller the current month's Market Energy Reference Price or the applicable All Hours Energy Price, whichever is lower.

The First Amendment to the ESA, Article 7.6, defines the All Hours Energy Price as: the price to be used in the calculation of the Surplus Energy Price and Delay Price

shall be the monthly non-levelized All Hours Energy Price in Appendix E or F for generation received up to 430 kW, and the All Hours Energy Price in Appendix H for generation received between 431 and 575 kW for calendar years 2020-2025. For calendar years 2026 through the remaining term of the ESA, the price to be used in the calculation of the Surplus Energy Price and Delay Price shall be the monthly non-levelized All Hours Energy Price in Appendix E or F.

For calendar years 2020-2025, Idaho Power will determine an actual total All Hours Energy Price by multiplying the monthly total of hourly generation up to 430 kW by the applicable All Hours Energy Price in Appendix E or F and by multiplying the monthly total of hourly generation over 430 kW by the applicable All Hours Energy Price in Appendix H. The sum of these payment amounts will be divided by the total generation received for the month to calculate a single All Hours Energy Price based on actual generation and Idaho Public Utilities Commission-approved avoided cost rates. As described in Article 7.2 of the ESA, Idaho Power shall pay to the Seller the current month's Market Energy Reference Price or the applicable All Hours Energy Price, whichever is lower. During calendar years 2026 through the remaining term of the ESA, the All Hours Energy Price to be used in the calculation of the Surplus Energy Price shall be the monthly non-levelized All Hours Energy Price in Appendix E or F. The payment to the QF will be the monthly Surplus Energy amount multiplied by the applicable Surplus Energy Price.

The response to this Request is sponsored by Michael Darrington, Energy Contracts Leader, of Idaho Power Company.

**SEASONAL AND NON-SEASONAL HYDRO FACILITY ENERGY PRICES WITHOUT
CAPACITY, YEARS 2020 THROUGH 2025 (All Hours Energy Price)**

Year	Season 1 (Mills/kWh)	Season 2 (Mills/kWh)	Season 3 (Mills/kWh)
2020	21.15	34.53	28.78
2021	21.37	34.89	29.07
2022	22.41	36.58	30.48
2023	24.14	39.41	32.84
2024	26.28	42.91	35.76
2025	28.39	46.35	38.62

CERTIFICATE OF SERVICE


I HEREBY CERTIFY THAT I HAVE THIS 7th DAY OF AUGUST 2020, SERVED THE FOREGOING **REDACTED COMMENTS OF THE COMMISSION STAFF OF THE FIRST AMENDMENT TO THE ENERGY SALES AGREEMENT**, IN CASE NO. IPC-E-19-38, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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SECRETARY