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IDAHO PUBLIC UTILITIES COMMISSION

DONOVAN E. WALKER  
Lead Counsel  
[dwalker@idahopower.com](mailto:dwalker@idahopower.com)

February 20, 2020

**VIA HAND DELIVERY**

Diane M. Hanian, Secretary  
Idaho Public Utilities Commission  
11331 West Chinden Blvd., Building 8  
Suite 201-A  
Boise, Idaho 83714

Re: Case No. ~~IPC-E-10-45~~ *IPC-E-20-07*  
Hazelton A Hydro Project  
Idaho Power Company's Application for Approval of Second Amendment  
Regarding Energy Sales Agreement

Dear Ms. Hanian:

Enclosed for filing in the above matter please find an original and seven (7) copies of Idaho Power Company's Application.

Very truly yours,

Donovan E. Walker

DEW:cld  
Enclosures

DONOVAN E. WALKER (ISB No. 5921)  
Idaho Power Company  
1221 West Idaho Street (83702)  
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Boise, Idaho 83707  
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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR	)	
APPROVAL OF THE SECOND	)	
AMENDMENT TO THE ENERGY SALES	)	1 PC-E-20-07
AGREEMENT FOR THE HAZELTON A	)	CASE NO. <del>IPC-E-10-45</del>
HYDRO PROJECT.	)	APPLICATION FOR APPROVAL
	)	OF SECOND AMENDMENT TO
	)	ENERGY SALES AGREEMENT
	)	

Idaho Power Company ("Idaho Power"), in accordance with RP 52 and the applicable provisions of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), hereby respectfully applies to the Idaho Public Utilities Commission ("Commission") for an order approving the Second Amendment to the Energy Sales Agreement for the Hazelton A Hydro ("Hazelton A") project ("Amendment") between Idaho Power and a PURPA qualifying facility ("QF"), dated February 5, 2020, filed herewith as Attachment 1. This Amendment deletes and replaces Section 6.2.3 of the Energy Sales Agreement ("ESA"), which addresses Seller's Adjustment of Estimated Net Energy Amounts.

In support of this Application, Idaho Power represents as follows:

## **I. INTRODUCTION AND BACKGROUND**

1. Idaho Power and SE Hazelton A, L.P. (jointly, "Parties") entered into an ESA on December 8, 2010, for the purchase and sale of energy produced by Hazelton A, a QF hydro generation facility ("Facility") located near Jerome, Idaho. This ESA was approved by the Commission in Order No. 32181, Case No. IPC-E-10-45, on February 11, 2011.

2. The Parties entered into a First Amendment to the ESA on May 1, 2014, to change the definition of Mid-Columbia Market Energy Cost. The First Amendment was approved by the Commission in Order No. 33053 on June 10, 2014, in Case No. IPC-E-13-25.

2. The ESA contains provisions providing for Seller's Adjustment of Estimated Net Energy Amounts in Section 6.2.3. After the execution and approval of the ESA, Hazelton A requested to change these notification requirements from the monthly schedule as set forth in Section 6.2.3 to a monthly schedule structured around providing notice by the 25<sup>th</sup> day of the preceding month in which a change is requested, similar to other such 25<sup>th</sup> day of the month provisions previously approved by the Commission.

3. The Parties agreed to amend the ESA in order to adjust the notification requirements for Seller's Adjustment of Estimated Net Energy Amounts. The Amendment does not otherwise change any of the obligations of the Parties set forth in the ESA.

## **II. THE AMENDMENT**

4. The Amendment provides for the deletion of Section 6.2.3, Seller's Adjustment of Estimated Net Energy Amounts After the Operation Date, and replaces it with a new Section 6.2.3 set forth in the Amendment as follows:



6.2.3 Seller's Adjustment of Estimated Net Energy Amounts After the Operation Date – After the Operation Date, the Seller may revise any future monthly Estimated Net Energy Amounts by providing written notice no later than 5 PM Mountain Standard time on the 25<sup>th</sup> day of the month that is prior to the month to be revised. If the 25<sup>th</sup> day of the month falls on a weekend or holiday, then written notice must be received on the last business day prior to the 25<sup>th</sup> day of the month. For example, if the Seller would like to revise the Estimated Net Energy Amount for October, they would need to submit a revised schedule no later than September 25<sup>th</sup> or the last business day prior to September 25<sup>th</sup>.

a.) This written notice must be submitted using the electronic portal provided by Idaho Power if available. If portal is not available, then written notice must be provided to Idaho Power by electronic notice (electronic mail) as agreed by both parties.

b.) Failure to provide timely written notice of changes to the Estimated Net Energy Amounts will be deemed to be an election of no change from the most recently provided Estimated Net Energy Amounts.

5. The Amendment is subject to the Commission's approval. All other terms and conditions of the ESA remain in full force and effect.

### **III. PROCEDURE**

6. Idaho Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.*

### **IV. COMMUNICATIONS AND SERVICE OF PLEADINGS**

7. Communications and service of pleadings, exhibits, orders, and other documents relating to this proceeding should be sent to the following:

Donovan E. Walker  
Lead Counsel  
Idaho Power Company  
1221 West Idaho Street (83702)  
P.O. Box 70

Energy Contracts  
Idaho Power Company  
1221 West Idaho Street (83702)  
P.O. Box 70  
Boise, Idaho 83707

Boise, Idaho 83707  
[dwalker@idahopower.com](mailto:dwalker@idahopower.com)  
[dockets@idahopower.com](mailto:dockets@idahopower.com)

[energycontracts@idahopower.com](mailto:energycontracts@idahopower.com)

**V. REQUEST FOR RELIEF**

8. Idaho Power respectfully requests that the Commission issue an order accepting the First Amendment to the Energy Sales Agreement submitted herewith without change or condition.

Respectfully submitted this 20<sup>th</sup> day of February 2020.



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DONOVAN E. WALKER  
Attorney for Idaho Power Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 20<sup>th</sup> day of February 2020 I served a true and correct copy of the within and foregoing APPLICATION FOR APPROVAL OF SECOND AMENDMENT TO ENERGY SALES AGREEMENT upon the following named parties by the method indicated below, and addressed to the following:

**Hazelton A Project**  
Alan W Hansten, Manager  
North Side Canal Company  
921 North Lincoln  
Jerome, ID 83338

Hand Delivered  
 U.S. Mail  
 Overnight Mail  
 FAX  
 Email [awh@northsidecanal.com](mailto:awh@northsidecanal.com)

  
\_\_\_\_\_  
Christy Davenport, Legal Assistant



**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-10-45**

**IDAHO POWER COMPANY**

**ATTACHMENT 1**







**SECOND AMENDMENT  
TO THE  
FIRM ENERGY SALES AGREEMENT  
BETWEEN  
IDAHO POWER COMPANY  
AND  
NORTH SIDE ENERGY COMPANY, INC**

This Second Amendment of the Firm Energy Sales Agreement (“Second Amendment”) is entered into on this 13<sup>th</sup> day of February 2020, by and between Idaho Power Company, an Idaho corporation (“Idaho Power”), and North Side Energy Company, Inc., (“Seller”) (individually a “Party” and collectively the “Parties”).

WHEREAS, Idaho Power and SE Hazelton A, L.P. entered into a Firm Energy Sales Agreement on December 8, 2010 (the “Agreement”) for the purchase and sale of generation produced by the Hazelton A Hydro PURPA Qualifying Facility with a Maximum Capacity Amount of 8.1 MW that was approved by the Idaho Public Utilities Commission’s (“IPUC”) Order No. 32181; and

WHEREAS, Idaho Power and SE Hazelton A, L.P. entered into a First Amendment to the Agreement on May 1, 2014; and

WHEREAS, SE Hazelton A, L.P. assigned the Agreement as amended to SE Hazelton A, LLC on April 20, 2017; and

WHEREAS, SE Hazelton A, LLC assigned the Agreement as amended to the Seller on March 1, 2018; and

WHEREAS, on February 28, 2019, the IPUC issued Order No. 34263 approving the energy sales agreement between Idaho Power and J.R. Simplot Company that included a change to the notification of Net Energy Amount monthly adjustments. In Order No. 34263, the Commission stated that they would continue to evaluate the reasonableness of these provisions on a case-by-case basis. On September 17, 2019, the IPUC issued Order No. 34442 approving the First Amendment to the energy sales agreement for the Box Canyon hydro project similar to the Second Amendment contained herein; and

WHEREAS, Seller and Idaho Power desire to amend Article 6.2.3 of the Agreement to include a change to the notification of Net Energy Amount monthly adjustments from 3 months advanced notice to the 25<sup>th</sup> day of the month that is prior to the month to be revised. If the 25<sup>th</sup> day of the month falls on a weekend or holiday, then written notice must be received on the last business day prior to the 25<sup>th</sup> day of the month;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

1. **Incorporation of Recitals.** The above-stated recitals are incorporated into and made a part of this Agreement by this reference to the same extent as if these recitals were set forth in full at this point.

2. **Definitions.** Article 6.2.3 shall be deleted in its entirety and the following section shall be substituted in its stead:

6.2.3 Seller's Adjustment of Estimated Net Energy Amounts After the Operation Date - After the Operation Date, the Seller may revise any future monthly Estimated Net Energy Amounts by providing written notice no later than 5 PM Mountain Standard time on the 25<sup>th</sup> day of the month that is prior to the month to be revised. If the 25<sup>th</sup> day of the month falls on a weekend or holiday, then written notice must be received on the last business day prior to the 25<sup>th</sup> day of the month. For example, if the Seller would like to revise the Estimated Net Energy Amount for October, they would need to submit a revised schedule no later than September 25<sup>th</sup> or the last business day prior to September 25<sup>th</sup>.

a.) This revision must be submitted using the electronic portal provided by Idaho Power if available. If portal is not available, then written notice must be provided to Idaho Power by electronic notice (electronic mail) as agreed by both parties.

b.) If the Seller does not update the electronic portal or provide written notice of changes to the Estimated Net Energy Amounts, then it will be deemed to be an election of no change from the most recently provided monthly Estimated Net Energy Amounts. Idaho Power is unable to accept any requested changes to the Estimated Net Energy Amounts if the date and time that Idaho Power receives the requested change is after the deadline.

3. **Commission Approval.** The obligations of the Parties under this Second Amendment are subject to the IPUC's approval of this Second Amendment and such approval being upheld on appeal, if any, by a court of competent jurisdiction. The Parties will submit this Second Amendment to the IPUC and request approval or rejection in its entirety pursuant to RP 274.

4. **Effect of Amendment.** Except as expressly amended by this Second Amendment, the Agreement shall remain in full force and effect.

5. **Capitalized Terms.** All capitalized terms used in this Second Amendment and not defined herein shall have the same meaning as used in the Agreement.

6. **Scope of Amendment.** This Second Amendment shall be binding upon and inure to the benefit of the Parties hereto, and their respective heirs, executors, administrators, successors, and assigns, who are obligated to take any action which may be necessary or proper to carry out the purpose and intent thereof.

7. **Authority.** Each Party represents and warrants that (i) it is validly existing and in good standing in the state in which it is organized, (ii) it is the proper party to amend the Agreement, and (iii) it has the requisite authority to execute this Second Amendment.



8. **Counterparts.** This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment to be duly executed as of the date above written.

NORTH SIDE ENERGY COMPANY, INC

By: Alan W. Houston

Name: Alan W. Houston

Title: Secretary/Treasurer

Date: 2-10-20

IDAHO POWER COMPANY

By: Tessie Park

Name: Tessie R Park

Title: VP Power Supply

Date: 2-13-20