

## DECISION MEMORANDUM

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

**FROM:** MATT HUNTER  
DEPUTY ATTORNEY GENERAL

**DATE:** MARCH 5, 2020

**SUBJECT:** IDAHO POWER'S APPLICATION FOR APPROVAL OF THE SECOND AMENDMENT TO THE ENERGY SALES AGREEMENT FOR THE HAZELTON A HYDRO PROJECT; CASE NO. IPC-E-20-07

On February 20, 2020, Idaho Power Company filed an Application seeking approval of the Second Amendment (“Amendment”) to its Energy Sales Agreement (“ESA”) with North Side Energy Company, Inc. (“Seller”). Application at 1. The ESA falls under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) and is a contract for the sale and purchase of electric energy generated by the Hazelton A hydro generation facility—a PURPA qualifying facility. *Id.* The Amendment addresses when the Seller must notify the Company in order to revise future monthly Estimated Net Energy Amounts. *Id.* Idaho Power asks that the Commission process its Application by Modified Procedure. *Id.*

### BACKGROUND

The Commission approved Idaho Power’s ESA with the Seller in 2011. Order No. 32181. The ESA was first amended by Idaho Power and the Seller on May 1, 2014 to change the definition of Mid-Columbia Market Energy Cost, and the Commission approved this first amendment in June 2014. *See* Order No. 33053.

Section 6.2.3 of the ESA addresses when the Seller must notify the Company if it wishes to revise any future monthly Estimated Net Energy Amounts after the Operation Date. Application at 2. The Seller must give the Company at least three months’ notice in order to revise a given month’s Estimated Net Energy Amount. *See* Case No. IPC-E-10-45, Application, Attachment 1 at 12.

## THE AMENDMENT

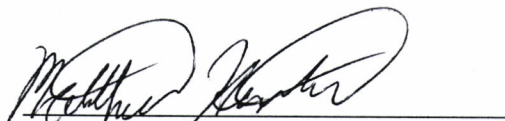
The Amendment changes when the Seller must notify the Company in order to revise future monthly Estimated Net Energy Amounts. Application at 2. The current ESA requires the Seller to give the Company at least three months' notice in order to revise a given month's Estimated Net Energy Amount. Application, Attachment 1. The proposed Amendment states that "[a]fter the Operation Date, the Seller must 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." *Id.* If the 25<sup>th</sup> day falls on a weekend or holiday, written notice must be received by the Company no later than the last business day prior to the 25<sup>th</sup> day of the month. *Id.* The Amendment provides the following 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 or the last business day prior the September 25." *Id.*

## STAFF RECOMMENDATION

Staff has reviewed the Application and the Amendment and recommends that the Application be processed under Modified Procedure with an April 1, 2020 comment deadline and an April 8, 2020 reply comment deadline.

## COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure with an April 1, 2020 comment deadline and an April 8, 2020 reply comment deadline?



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Matt Hunter  
Deputy Attorney General