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Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER</b>	)	
<b>COMPANY’S APPLICATION FOR APPROVAL</b>	)	<b>CASE NO. IPC-E-20-07</b>
<b>OF THE SECOND AMENDMENT TO THE</b>	)	
<b>ENERGY SALES AGREEMENT FOR THE</b>	)	
<b>HAZELTON A HYDRO PROJECT</b>	)	<b>COMMENTS OF THE</b>
	)	<b>COMMISSION STAFF</b>
	)	
	)	

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**STAFF OF** the Idaho Public Utilities Commission, by and through its Attorney of record, Matt Hunter, Deputy Attorney General, submits the following comments.

**BACKGROUND**

On February 20, 2020, Idaho Power Company applied for approval of the second amendment (“Amendment”) to its energy sales agreement (“ESA”) with North Side Energy Company, Inc. (“Seller”). 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 project—a PURPA qualifying facility (“QF”). The Amendment addresses when the Seller must notify the Company in order to revise future monthly Estimated Net Energy Amounts.

The Commission originally approved Idaho Power’s ESA with the Seller in 2011. Order No. 32181. The Commission then approved a first amendment to the ESA in 2014. *See* Order No. 33053.

With this Application, Idaho Power asks the Commission to approve a second Amendment to the ESA, which the parties agreed to on February 13, 2020.

The Amendment changes when the Seller must notify Idaho Power in order to revise future monthly Estimated Net Energy Amounts. Currently, Section 6.2.3 of the ESA requires the Seller to notify Idaho Power at least three months before the Seller revises a given month's Estimated Net Energy Amount. 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." Application, Attachment 1. If the 25<sup>th</sup> day falls on a weekend or holiday, Idaho Power must receive written notice no later than the last business day prior to the 25<sup>th</sup> day of the month.

### **STAFF ANALYSIS**

Staff recommends approval of the proposed Amended Energy Sales Agreement between Idaho Power and the Seller. Section 6.2.3 of the existing ESA will be replaced to allow the Seller to adjust Estimated Net Energy Amounts (which are provided to Idaho Power to comply with 90/110 firmness requirements) with a five-day advanced notice instead of a three-month advanced notification in the currently approved ESA.

The Commission has approved a five-day revision to monthly generation estimates in previous cases, recognizing that Estimated Net Energy Amounts that are closer to the time of delivery can improve the accuracy of input used by the Company for short-term operational planning. *See, e.g.*, Case Nos. IPC-E-19-01, IPC-E-19-03, IPC-E-19-04, IPC-E-19-07, and IPC-E-19-12. With an Operation Date that occurred February 28, 1991, Staff believes a five-day advanced notice for generation estimate adjustments is sufficient because the Company has a well-established generation history for the QF.

### **STAFF RECOMMENDATION**

Staff recommends the Commission approve the Amendment to the Energy Sales Agreement for the Hazelton A hydro project, with all other terms and conditions to remain unchanged.

Respectfully submitted this 1<sup>st</sup> day of April 2020.

A handwritten signature in blue ink, appearing to read "Matt Hunter", written over a horizontal line.

Matt Hunter  
Deputy Attorney General

Technical Staff: Rachelle Farnsworth  
Yao Yin

i:umisc/comments/ipce20.7mhyyrf comments

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 1<sup>ST</sup> DAY OF APRIL 2020, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-20-07, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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*/s/ Reyna Quintero*  
SECRETARY