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Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER'S</b>	)	
<b>APPLICATION FOR APPROVAL OF THE</b>	)	<b>CASE NO. IPC-E-20-08</b>
<b>FIRST AMENDMENT TO THE ENERGY</b>	)	
<b>SALES AGREEMENT FOR THE HEAD OF U</b>	)	
<b>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, Dayn Hardie, Deputy Attorney General, submits the following comments.

**BACKGROUND**

On February 20, 2020, Idaho Power Company ("Company") applied for approval of the First Amendment to its Energy Sales Agreement ("ESA") with North Side Energy Company, Inc. ("Sellers"). 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 Head of U 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.

On August 21, 2014, the Commission approved the Company's ESA with the Sellers. Order No. 33102.

On February 5, 2020, the Company and Sellers entered a First Amendment to the ESA, subject to Commission approval.

In the First Amendment, the Company and Sellers agreed to delete Section 6.2.3 of the ESA—titled “Seller’s Adjustment of Estimated Net Energy Amounts after the Operation Date”—and replace it with a new Section 6.2.3 that changes when the Sellers must notify the Company in order to revise future monthly Estimated Net Energy Amounts. The First Amendment states that “[a]fter the Operation Date, the Seller[s] must revise any future monthly Estimated Net Energy Amounts by providing written notice no later than 5 p.m. 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> falls on a weekend or holiday, written notice must be received by the Company by the last business day before the 25<sup>th</sup> of the month.<sup>1</sup>

## **STAFF ANALYSIS**

Staff recommends approval of the proposed Amended Energy Sales Agreement between Idaho Power and Head of U Hydro Project (“Head of U”). 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 one-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 which began June 2, 2015, Staff believes a five-day notice for generation estimate adjustments is sufficient because the Company has a well-established generation history for Head of U.

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<sup>1</sup> The First Amendment provides the following example: “[I]f the Seller[s] 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>.”

## STAFF RECOMMENDATION

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

Respectfully submitted this 2<sup>nd</sup> day of April 2020.



Dayn Hardie  
Deputy Attorney General

Technical Staff: Rachelle Farnsworth  
Yao Yin

i:umisc/comments/ipce20.8dhyyrf comments

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 2<sup>nd</sup> DAY OF APRIL 2020, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-20-08, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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/s/ Reyna Quintero  
SECRETARY