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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-20-09
APPROVAL OF THE FIRST AMENDMENT)	
TO THE ENERGY SALES AGREEMENT)	COMMENTS OF THE
FOR THE MUD CREEK S&S HYDRO)	COMMISSION STAFF
PROJECT)	
)	
)	
)	

STAFF OF the Idaho Public Utilities Commission, by and through its Attorney of record, John R. Hammond Jr., Deputy Attorney General, submits the following comments.

BACKGROUND

On February 20, 2020, Idaho Power Company (“Idaho Power” or “Company”) applied for Commission approval of the First Amendment to its Energy Sales Agreement (“Amendment”) with H K Hydro, LLC (“H K Hydro” or “Seller”) for the energy generated by the Mud Creek S&S hydro project (“Facility”). The Facility is a qualifying facility (“QF”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”).

The ESA contains provisions providing for the Seller’s Adjustment of Estimated Net Energy Amounts in its Section 6.2.3. *Id* at 2. The Amendment changes when the Seller must notify Idaho Power 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 one month 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 25th day of the month that is prior to the month to be revised.” *Application*, Attachment 1. If the 25th day falls on a weekend or holiday, Idaho Power must receive written notice no later than the last business day prior to the 25th day of the month.

STAFF ANALYSIS


Staff recommends approval of the proposed Amendment to the ESA between Idaho Power and H K Hydro. 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 advance 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 that occurred February 20, 1982, Staff believes a five-day notice for generation estimate adjustments is sufficient because the Company has a well-established generation history for H K Hydro.

STAFF RECOMMENDATION

Staff recommends the Commission approve the Amendment to the ESA, with all other terms and conditions unchanged.

Respectfully submitted this 3rd day of April 2020.



John R. Hammond, Jr.
Deputy Attorney General

Technical Staff: Rachelle Farnsworth
Yao Yin

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 3rd DAY OF APRIL 2020, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-20-09, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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