

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-20-18
OF IDAHO POWER COMPANY FOR)
APPROVAL OF THE FIRST AMENDMENT)
TO THE BLIND CANYON HYDRO) ORDER NO. 34703
PROJECT)

On April 3, 2020, Idaho Power Company (“Idaho Power” or “Company”) filed an Application with the Commission requesting approval of an amendment to its Energy Sales Agreement (“ESA”) with the Blind Canyon hydro project (“Blind Canyon”). Blind Canyon is a qualifying facility (“QF”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”).

On April 29, 2020, the Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 34653.

Now, the Commission approves the requested modification to the ESA.

BACKGROUND

PURPA was enacted in 1978 “to lessen the country’s dependence on foreign oil and to encourage the promotion and development of renewable energy technologies as alternatives to fossil fuels.” *FERC v. Mississippi*, 456 U.S. 742, 745-46 (1982). Under PURPA and its implementing regulations, utilities must purchase the energy and capacity made available by QFs. 16 U.S.C. § 824a-3(b); 18 C.F.R. § 292.303(a). The utility must pay the QF the avoided cost rate, which is the marginal cost of energy and capacity the utility would incur were it to purchase the energy and capacity from an alternative source, as determined by the state Commission. 16 U.S.C. § 824a-3(b); 18 C.F.R. § 292.304. PURPA delegates to the states broad authority to determine the rates and contractual terms by which the utility must purchase the energy and capacity made available to the utility by a QF. *See Indep. Energy Prod. Ass’n v. Cal. Pub. Util. Comm’n*, 36 F.3d 848, 856 (9th Cir. 1994). “[T]he states play the primary role in calculating avoided costs and in overseeing the contractual relationship between QFs and the utilities operating under the regulations promulgated by [the Federal Energy Regulatory Commission].” *Id.*

THE APPLICATION

The Commission approved an ESA for the sale of energy and capacity from Blind Canyon to the Company in 2014. Order No. 33191. The proposed amendment changes the time

by which Blind Canyon must notify the Company of its estimated net energy production for the following month. Currently, Blind Canyon must provide the Company its estimated net energy production by the first day of the month prior to the forecasted month. The amendment would change the reporting requirement to the 25th day of the month prior to the forecasted month.

COMMENTS

Commission Staff filed the only comments and recommended the Commission approve the amendment. Staff states the Commission has approved identical ESA amendments for similar QFs. In approving the amendment in prior cases, Staff states the Commission recognized “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.” Staff Comments at 2 (referencing Case Nos. IPC-E-19-01, IPC-E-19-03, IPC-E-19-04, IPC-E-19-07, and IPC-E-19-12). Staff believes the same rationale applies here.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, -502 and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503. In addition, the Commission has authority under PURPA and Federal Energy Regulatory Commission (“FERC”) regulations to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from QFs, and to implement FERC rules. The Commission may enter any final order consistent with its authority under Title 61 and PURPA.

The Commission has reviewed the record, including the Application, the ESA, and the comments of Commission Staff. Consistent with our prior orders approving identical amendments, we find it reasonable to approve the proposed amendment. We believe the amendment will improve the accuracy of input used for the Company’s short-term operational planning.

ORDER

IT IS HEREBY ORDERED that Idaho Power’s Application is granted; Section 6.2.3 of the ESA between Blind Canyon and Idaho Power is amended as stated in paragraph 4 of the Application.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd day of June 2020.



PAUL KJELLANDER, PRESIDENT

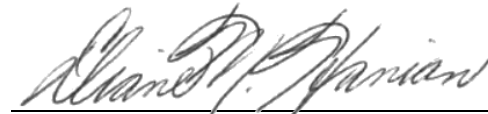


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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