DECISION MEMORANDUM

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

FROM: **MATT HUNTER**
              DEPUTY ATTORNEY GENERAL

DATE: **SEPTEMBER 25, 2020**

SUBJECT: **IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR APPROVAL OR REJECTION OF AN ENERGY SALES AGREEMENT WITH SHAWPATIN AGCAP, LLC, FOR THE SALE AND PURCHASE OF ELECTRIC ENERGY FROM THE MUD CREEK WHITE HYDRO PROJECT; CASE NO. IPC-E-20-34**

On September 3, 2020, Idaho Power Company ("Idaho Power" or "Company") filed an Application requesting consideration of an Energy Sales Agreement ("ESA" or "Agreement") with Shawpatin AgCap, LLC for energy generated by the Mud Creek White Hydro Project ("Facility"). Application at 1. The Facility is a 268.6-kilowatt nameplate capacity hydro facility near Buhl, Idaho. *Id.* at 4. The Facility is a qualifying facility under the Public Utility Regulatory Policies Act of 1978. *Id.* The Facility has a scheduled First Energy Date under the ESA of January 1, 2021. *Id.* at 5.
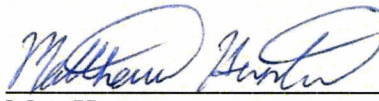
THE APPLICATION

The Facility has been delivering energy to Idaho Power in accordance with an energy sales agreement dated April 15, 1985, which expires December 31, 2020. *Id.* at 4. The Company states that the Agreement contains published non-seasonal, non-levelized avoided cost rates for a 20-year term. *Id.* The Company requests the Commission declare all payments for purchase of energy under the ESA be allowed as prudently incurred expenses for ratemaking purposes. *Id.* at 6.

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STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure, setting a November 19, 2020 comment deadline and a December 3, 2020 reply comment deadline.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure, setting a November 19, 2020 comment deadline and a December 3, 2020 reply comment deadline?

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Matt Hunter
Deputy Attorney General

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