

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-21-01
COMPANY’S APPLICATION FOR)
APPROVAL OR REJECTION OF AN)
ENERGY SALES AGREEMENT WITH) ORDER NO. 34961
CRYSTAL SPRINGS HYDROELECTRIC,)
L.P., FOR THE SALE AND PURCHASE OF)
ELECTRIC ENERGY FROM THE CRYSTAL)
SPRINGS HYDRO PROJECT)

On January 22, 2021, Idaho Power Company (“Company”) filed an Application requesting consideration of an Energy Sales Agreement (“ESA” or “Agreement”) with Crystal Springs Hydroelectric, L.P. for energy generated by the Crystal Springs Hydro Project (“Facility”). The Facility is a 2,775-kilowatt nameplate capacity hydro facility near Buhl, Idaho and is a qualifying facility under the Public Utility Regulatory Policies Act of 1978. The Facility’s scheduled First Energy Date under the ESA is April 1, 2021.

On February 4, 2021, the Commission issued a Notice of Application and Modified Procedure, setting a February 25, 2021 comment deadline and a March 4, 2021 reply comment deadline. Order No. 34915. Commission Staff filed the only comments. The Company did not reply.

Having reviewed the record, the Commission approves the Company’s Application as discussed below.

THE APPLICATION

In its Application, the Company stated the Facility has been delivering energy to the Company under an energy sales agreement dated March 31, 1984. The energy sales agreement expires March 31, 2021. According to the Company, the Agreement contains published non-seasonal, non-levelized avoided cost rates for a 20-year term. The Company requested the Commission declare all payments for purchase of energy under the ESA be allowed as prudently incurred expenses for ratemaking purposes.

STAFF COMMENTS

Staff recommended the Commission approve the ESA and declare all payments for energy under the ESA be allowed as prudently incurred expenses. Staff’s review of the ESA

focused on the 90/110 performance band, the eligibility for and amount of capacity payments, and the Facility's non-seasonal hydro avoided cost rates.

Staff verified that the ESA's non-seasonal hydro avoided cost rates are correct and comply with existing orders. Staff also verified the 5-Day Ahead monthly generation forecast provision is consistent with comparable provisions approved by the Commission. *See e.g.*, Order Nos. 34263 and 34870.

Staff noted the Facility receives no capacity payments under its existing contract but that it should receive immediate payment for capacity based on the Commission's recent approval of the Black Canyon # 3 energy sales agreement. *See* Order No. 34295 at 5, Case No. IPC-E-19-04. Staff believes the rationale from Commission Order No. 34295 for the Black Canyon #3 hydro project also applies to the Facility. During the term of the Facility's existing contract, the Company has procured capacity and included the Facility's capacity in the utility's load and resource balance. Therefore, Staff recommended the Facility be granted capacity payments for the full term of the ESA.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. 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. The Commission also has authority under PURPA and FERC regulations to set avoided cost rates, to order electric utilities to enter 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 Staff. Based on our review, we find it reasonable to approve the ESA because it contains Commission-approved terms that the Facility is eligible for based on its characteristics such as fuel source, project size, and renewal contract status. Additionally, the Facility has helped meet the Company's need for additional capacity. The Commission thus finds it just and reasonable to include capacity payments for the duration of the ESA. Last, the Commission finds the Company's payments for purchases of energy and capacity under the ESA are prudently incurred expenses for ratemaking purposes.

ORDER

IT IS HEREBY ORDERED that the Company's ESA with Crystal Springs Hydroelectric, L.P. is approved.

IT IS FURTHER ORDERED that all payments made by the Company for purchases of energy and capacity under the ESA are allowed as prudently incurred expenses for ratemaking purposes.

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. 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 18th day of March 2021.



PAUL KJELLANDER, PRESIDENT

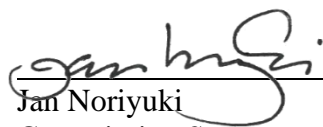


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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