

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF IDAHO POWER ) CASE NO. IPC-E-21-30**  
**COMPANY’S APPLICATION FOR )**  
**APPROVAL OR REJECTION OF THE ) ORDER NO. 35353**  
**SECOND AMENDMENT TO ITS )**  
**ENERGY SALES AGREEMENT )**  
**WITH MC6 HYDRO, LLC )**  
**)**

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On August 26, 2021, Idaho Power Company (“Company”) applied to the Commission requesting approval or rejection of the Second Amendment (“Amendment”) to its Energy Sales Agreement (“ESA”) with MC6 Hydro, LLC (“Seller”) which sells energy generated by the MC6 hydro facility (“Facility”). The Facility is a qualifying facility (“QF”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”).

The Amendment addressed when the Seller must notify the Company to revise future monthly Estimated Net Energy Amounts (“NEA”) and a change to the nameplate capacity of the Facility’s generator.

On December 9, 2021, the Commission approved the Amendment with the condition that the Parties implemented a bifurcated rate structure for payments to the Seller under the ESA. Order No. 35256.

On December 30, 2021, the Company filed a petition (“Petition”) asking the Commission to reconsider portions of Order No. 35256 pertaining to the bifurcated rate structure for payments, implementation of the 90/110 rule, and the nameplate capacity of the Facility.

On January 6, 2022, Staff responded to the Petition (“Answer”), and the Seller filed a Petition for Cross-Reconsideration.

On January 21, 2022, the Commission issued a Final Order on Reconsideration finding it reasonable—and consistent with Staff’s Answer—for the Company and Seller to submit an updated ESA as a compliance filing modifying paragraph 6.2 of the ESA to limit compensation available to the Seller for any generation exceeding 2.1 Megawatt-hours (“MWhs”) in any hour. Order No. 35296.

On February 11, 2022, the Company submitted a compliance filing ostensibly consistent with the Commission’s directive in Order No. 35296.

On February 18, 2022, the Company filed a Replacement Second Amendment to correct “clerical errors” contained in its February 11, 2022, compliance filing. The Company requested the Commission replace the Second Amendment with the Replacement Second Amendment.

On February 25, 2022, Staff submitted a Decision Memorandum (“Memo”) recommending approval of the Company’s Replacement Second Amendment. In its Memo, Staff stated that the Company added the statement in paragraph 6.1 of the ESA that, “[a]t no time within any hour will the Seller’s Facility generation deliveries to Idaho Power exceed the Maximum Capacity Amount specified in Appendix B,” and another sentence in paragraph 7.5.2, stating:

[a]lthough Seller intends to design and operate the Facility to generate no more than the Maximum Capacity Amount and no more than ten (10) average MW monthly and therefore does not intend to generate and deliver Inadvertent Energy, Idaho Power will accept Inadvertent Energy but will not purchase or pay for Inadvertent Energy.

Memo at 1-2. Staff believed that the two statements—taken together—follow the directive of Order No. 35296 by limiting compensation to the Facility for any generation over 2.1 MWhs in any hour. *Id.* at 2. The Commission considered and ultimately approved Staff’s recommendation as an action item on the consent agenda at its March 1, 2022, Decision Meeting.

### **COMMISSION DECISION AND FINDINGS**

After reviewing the Replacement Second Amendment, we find the modifications are consistent with our directives in Order No. 35296. The additional statements included in the Replacement Second Amendment properly limit compensation to the Seller for any hourly generation delivered from the Facility to the Company that exceeds 2.1 MWhs. Accordingly, we accept the Company’s Replacement Second Amendment to its ESA.

### **ORDER**

IT IS HEREBY ORDERED that the Company’s Replacement Second Amendment to its ESA with the Seller is accepted.

IT IS FURTHER ORDERED that all payments made by the Company for purchases of energy and capacity under their ESA, as modified by this Order, 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 21 days of the service date of this Order. Within seven days after any person

has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

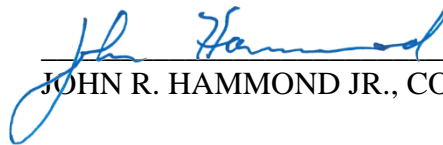
DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 23<sup>rd</sup> day of March 2022.



ERIC ANDERSON, PRESIDENT

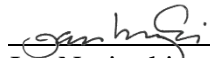


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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