

## DECISION MEMORANDUM

**TO:** COMMISSIONER ANDERSON  
COMMISSIONER CHATBURN  
COMMISSIONER HAMMOND  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** YAO YIN  
RILEY NEWTON

**DATE:** FEBRUARY 25, 2022

**RE:** IDAHO POWER COMPANY'S REPLACEMENT SECOND AMENDMENT TO THE ENERGY SALES AGREEMENT BETWEEN IDAHO POWER COMPANY AND MC6 HYDRO LLC; CASE NO. IPC-E-21-30

### BACKGROUND

Order No. 35296 in Case No. IPC-E-21-30 states that the Commission finds it reasonable for the Parties to submit an updated Energy Sales Agreement ("ESA") as a compliance filing changing paragraph 6.2<sup>1</sup> to limit compensation to the Facility for any generation over 2.1 MWhs in any hour, and that if the Parties update paragraph 6.2 to reflect this limit, then the Parties need not implement a bifurcated rate structure in the ESA. Idaho Power Company ("Company") submitted the Compliance Filing to update the Second Amendment on February 11, 2022. Staff discovered clerical errors in the Compliance Filing and notified the Company. Subsequently, the Company filed a Replacement Second Amendment on February 18, 2022, to correct the errors.

### STAFF ANALYSIS

Staff believes the Replacement Second Amendment to the ESA filed on February 18, 2022, fulfills the intent of Order No. 35296. Although the Company does not change paragraph 6.2 in the Compliance Filing, it adds the statement in paragraph 6.1, that, "[a]t no time within

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<sup>1</sup> Paragraph 6.2 states: Estimated Net Energy Amounts - Neither the monthly estimated Net Energy amounts provided as of the Effective Date of this Agreement nor monthly Adjusted Estimated Net Energy Amounts provided during the term of this Agreement shall exceed ten ("10") average monthly MW nor be greater than the Maximum Capacity Amount (measured in kW) multiplied by the hours in the applicable month.

any hour will the Seller's Facility generation deliveries to Idaho Power exceed the Maximum Capacity Amount specified in Appendix B", and another statement in paragraph 7.5.2<sup>2</sup>, which states:

[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.

Staff believes that these two statements together will limit compensation to the Facility for any generation over 2.1 MWhs in any hour, which is the intent of Order No. 35296.

### **STAFF RECOMMENDATION**

Staff recommends the Commission approve the Company's Replacement Second Amendment as it was filed on February 18, 2022.

### **COMMISSION DECISION**

Does the Commission wish to approve the Company's Replacement Second Amendment as it was filed on February 18, 2022?



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Yao Yin

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<sup>2</sup> The Compliance Filing filed on February 11, 2022 mistakenly referenced paragraph 7.7, paragraph 7.7.1, and paragraph 7.7.2, which should have been paragraph 7.5, 7.5.1, and 7.5.2. These errors have been corrected in the Replacement Second Amendment filed on February 18, 2022.