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Attorney for the Commission Staff

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR	)	CASE NO. IPC-E-21-31
APPROVAL OR REJECTION OF THE FIRST	)	
AMENDMENT TO THE ENERGY SALES	)	
AGREEMENT WITH SHOROCK HYDRO,	)	COMMENTS OF THE
INC. FOR THE SALE AND PURCHASE OF	)	COMMISSION STAFF
ELECTRIC ENERGY FROM THE ROCK	)	
<u>CREEK #1 HYDRO PROJECT</u>	)	

**STAFF OF** the Idaho Public Utilities Commission, by and through its attorney of record, Erick Shaner, Deputy Attorney General, submits the following comments.

### BACKGROUND

On August 26, 2021, Idaho Power Company (“Company”) applied to the Commission for approval or rejection of the First Amendment to Energy Sales Agreement (“First Amendment”) with Shorock Hydro, Inc. (“Seller”) for the energy generated by the Rock Creek #1 Hydro project (“Facility”).

The Seller has been delivering energy to the Company under a firm Energy Sales Agreement (“ESA”) for the Facility that was executed on September 25, 2017 and approved under Commission Order No. 33949 on December 13, 2017.

The First Amendment modifies when the Seller must notify the Company to revise future monthly Estimated Net Energy Amounts (“NEA”). Currently, First Amendment Section 6.2.3 requires the Seller to notify the Company at least one-month before the Seller revises a given month’s Estimated NEA. The First Amendment states that “[a]fter the Operation Date, the Seller may revise any future monthly Estimated Net Energy Amounts by providing written notice no later than 5 PM Mountain Standard time on the 25<sup>th</sup> day of the month that is prior to the month to be revised.” First Amendment at 1, § 6.2.3. If the 25<sup>th</sup> day falls on a weekend or holiday, written notice must be received by the Company by the last business day before the 25<sup>th</sup> day of the month. *Id.*

The First Amendment provides this example: “...if the Seller would like to revise the Estimated Net Energy Amount for October, they would need to submit a revised schedule no later than September 25<sup>th</sup> or the last business day prior to September 25<sup>th</sup>.” *Id.*

## **STAFF ANALYSIS**

Staff recommends approval of the five-day advanced notice because monthly estimates provided closer to the time of delivery can improve the accuracy of input used for short-term operational planning. In addition, the five-day advanced notice has been authorized in prior Commission orders including Order Nos. 34263, 34870 and 34937.

Staff also notes that the ESA does not contain any provision addressing modifications to the Facility during the contract term. Therefore, Staff recommends updating the First Amendment to include the following provision, which has been included in recent Public Utility Regulatory Policies Act (“PURPA”) contracts filed by the Company with the Commission:

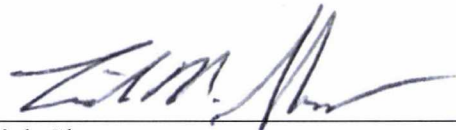
Any modifications to the Facility, including but not limited to the generator or turbine, that (1) increases or decreases the Facility Nameplate Capacity, or (2) changes the Qualifying Facility Category, or (3) changes the Primary Energy Source or (4) changes to the generator fuel and subsequently the Fueled Rate or Non-Fueled Rate, will require a review of the Agreement terms, conditions and pricing and Idaho Power, at its sole determination, may adjust the pricing or terminate the Agreement. If the Agreement is terminated because of said modifications, the Seller will be responsible for any Termination Damages.

In the alternative, if the above provision is not included in the First Amendment, Staff recommends that the First Amendment be rejected.

## STAFF RECOMMENDATION

Staff recommends that the Commission approve the First Amendment with five-day notification contingent upon including the additional provision about modifications to the Facility discussed above. Staff also recommends that after the First Amendment is updated and signed by both parties, the Commission require the Company to file the updated First Amendment with the Commission as a compliance filing. In the alternative, Staff recommends the Commission reject the First Amendment if the provision that addresses modifications to the Facility is not included.

Respectfully submitted this 27<sup>th</sup> day of October 2021.



Erick Shaner  
Deputy Attorney General

Technical Staff: Yao Yin

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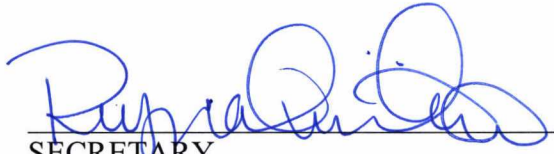
## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 27<sup>th</sup> DAY OF OCTOBER 2021, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-21-31, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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