

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-22-06
COMPANY’S APPLICATION FOR)
APPROVAL OF A REPLACEMENT)
SPECIAL CONTRACT WITH MICRON) ORDER NO. 35735
TECHNOLOGY, INC. AND A POWER)
PURCHASE AGREEMENT WITH BLACK)
MESA ENERGY, LLC)
)

On March 10, 2022, Idaho Power Company (“Company”) applied to the Commission for an order: 1) approving a revised Special Contract for electric service (“ESA” or “Micron ESA”) between the Company and Micron Technology, Inc. (“Micron”), and 2) approving the 20-year Power Purchase Agreement between the Company and Black Mesa Energy, LLC (“PPA” or “Black Mesa PPA”) that was entered with the expectation of assigning the associated energy to Micron under the ESA.

On August 1, 2022, the Commission issued Order No. 35482 approving the Black Mesa PPA as filed but directing the Company to update its ESA to include Commission-directed modifications within 90 days from August 1, 2022. Order No. 35482 at 18.

On August 22, 2022, the Company filed a Petition for Clarification (“Petition”)¹ of the Commission’s language directing that the Renewable Capacity Credit(s) (“RCC(s)”) “utilize the rate and payment structure for . . . [Integrated Resource Plan] . . . -based energy storage projects.” Petition at 2. In its order on the Company’s Petition, the Commission directed the Company and Commission Staff (“Staff”) to “work together to develop a rate structure for calculating Micron’s RCC under the ESA” which the Company would then file as a compliance filing. Order No. 35532 at 10.

On December 23, 2022, the Company submitted a Compliance Filing (“Filing”) elucidating two methods—the “Proposed Renewable Capacity Credit Payment Performance Mechanism”

¹The Company, along with the city of Boise City (“Boise”), also filed a Petition requesting the Commission reconsider its directive in Order No. 35482 that excess energy credits and renewable capacity credits under the Micron ESA be subject to 95% sharing in the Power Cost Adjustment (“PCA”). In Order No. 35607, denying Boise’s petition for reconsideration, the Commission reaffirmed its previous directive regarding the sharing of excess energy credits and renewable capacity credits under the PCA; the period for the Company, Boise, and any other interested party to appeal this determination expired on January 4, 2023.

(“Proposed Method”) and the “Alternative IRP-Based Energy Storage Project Renewable Capacity Credit Payment Performance Mechanism” (“Alternative Method”)—for calculating the RCC under the ESA.

On April 10, 2023, Staff submitted a Decision Memorandum (“Memo”) as an item on the Commission’s April 10, 2023, Consent Agenda. The Memo detailed Staff’s work with the Company in devising a rate structure for calculating the RCC under the Micron ESA consistent with the Commission’s directives. The Memo recommended the Commission approve the Company’s Proposed Method for calculating RCCs under the Micron ESA. The Commission approved the Memo at its April 10, 2023, Decision Meeting.

COMMISSION FINDINGS AND DECISION

After reviewing the entire record in this case, including the Company’s Filing and Staff’s Memo, we find that the Company’s Proposed Method for calculating the value of the RCC under the Micron ESA ensures that Micron will be fairly compensated for energy actually delivered to the Company’s system. We further find that the Proposed Method will also induce Micron and other similarly situated participants in the Clean Energy Your Way (“CEYW”) program to perform effectively to meet capacity needs while protecting non-participating customers from overpayment. We acknowledge that the Company and Staff worked together to develop the Proposed Method pursuant to our directive in Order No. 35532 and that both the Company and Staff agree the Proposed Method meets the Commission’s intent and provides the best outcome for Micron and the Company’s other customers. Last, we find that the Proposed Method provides a consistent framework for calculating RCCs that can be applied to other energy service agreements the Company may execute with other Large Power Service customers participating in the CEYW Construction option program.

Therefore, based on the foregoing, we approve the Company’s Proposed Method for calculating RCC payments under the Micron ESA. We note the Proposed Method may guide the Company and CEYW Construction customers when executing future Energy Service Agreements.

ORDER

IT IS HEREBY ORDERED that the Company shall file an updated ESA and Schedule 26 consistent with the Commission’s findings in this Order and other relevant orders by June 1, 2023.

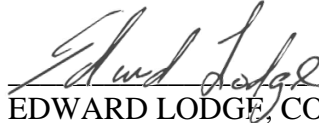
DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 12th day of April 2023.



ERIC ANDERSON, PRESIDENT

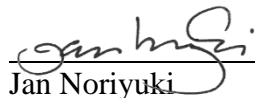


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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