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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION FOR) **CASE NO. IPC-E-22-23**
APPROVAL OF A SECOND AMENDMENT)
TO THE ENERGY SALES AGREEMENT)
WITH CASSIA WIND FARM, LLC.) **COMMENTS OF THE**
) **COMMISSION STAFF**
)

STAFF OF the Idaho Public Utilities Commission, by and through its Attorney of record, Michael Duval, Deputy Attorney General, submits the following comments.

BACKGROUND

On September 12, 2022, Idaho Power Company (“Company” or “Idaho Power”) and Cassia Wind Farm, LLC (“Seller”) (collectively, the “Parties”), filed an Application with the Idaho Public Utilities Commission (“Commission”) requesting approval of the Second Amendment to their Energy Sales Agreement (“Second Amendment”) under which the Seller sells the Company “electric energy generated by Seller’s wind generating facility” (“Facility”) located near Hagerman, Idaho. Application at 1. The Facility is a qualifying facility under the Public Utility Regulatory Policies Act of 1978 (“PURPA”).

On June 30, 2006, the Commission approved the Parties’ Energy Sales Agreement (“ESA”). Order No. 30086. Under the ESA, the Seller provided electricity to the Company via

“5 Suzlon, model S88 Wind turbines with individual generator ratings of 2.1 [megawatts (“MW”)] for each unit, for a total Facility generator rating of 10.5 MW.” Application at 2. The Company represents that, on approximately June 8, 2019, one of the wind turbines became inoperable due to a fire. *Id.* The Company states that the Seller was not able to find a comparable model or replacement turbine for Tower 5. *Id.*

The Commission approved the Company’s ESA with the Seller on June 30, 2006, for the purchase and sale of energy from the Facility. Order No. 30086. In 2013, the Commission approved the First Amendment to the ESA, which included additional pricing information adjusting the term of the agreement. *See* Order No. 32850.

The Second Amendment deletes Section B-1 of the previous ESA and replaces it with the following language:

The Facility shall consist of four (4) Suzlon model S88 Wind turbines with individual generator ratings of 2.1 MW for each unit, for a total Facility generator rating of 8.4 MW.

The original ESA provided a Facility generator rating of 10.5 MW with five Suzlon model S88 units as opposed to four.

In addition, the Second Amendment deletes Section B-4 of the previous ESA and replaces it with the following language:

B-4 MAXIMUM CAPACITY AMOUNT: This value will be 8.4 MW which is the maximum energy (MW) that potentially could be delivered by the Seller’s Facility to the Idaho Power electrical system at any moment in time.

STAFF REVIEW

Staff recommends approval of the Second Amendment, because (1) it reflects the actual nameplate capacity of the Facility and (2) the update does not affect pricing.

Nameplate Capacity

The Second Amendment reflects the actual nameplate capacity of the Facility of 8.4 MW after fire damage rendered one of its five turbines inoperable on or around June 8, 2019. Immediately after the fire, on July 3, 2019, the Seller provided notice of revised Net Energy Amounts based on the remaining four turbines. On September 9, 2019, the Company accepted the Seller’s claim of force majeure. Later, the Parties agreed with the revised Net Energy

Amounts. The Facility has not updated its Net Energy Amounts since then. *See* Response to Staff's Production Request No. 1(b).

Staff believes the immediate revision of Net Energy Amounts minimized impacts of the loss of Tower 5 on the Company's planning process. Staff also agrees with the Company that the ESA does not contain any obligations tied to the total nameplate capacity. *See* Response to Staff's Production Request No. 1(a). However, Staff believes it is a good practice to immediately update the nameplate information in the ESA to ensure the description of the Facility matches the actual operating parameters, instead of postponing the update until three years later.

In addition, Staff agrees with the amended Maximum Capacity Amount based on the current nameplate capacity.

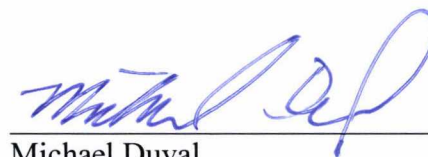
Pricing and Compensation for Avoided Cost

Staff believes that the pricing in the ESA will continue to fairly compensate the Seller for the costs the Facility avoids in the Company's system. The change to the Facility was a decrease in the nameplate capacity, which has resulted in a reduction in its total output. Because the avoided cost rates in the ESA are based on a dollar/kilowatt-hour basis, the reduction in the amount of output is commensurate with the amount of compensation the Seller is receiving.

STAFF RECOMMENDATIONS

Staff recommends that the Commission approve the Second Amendment of the ESA as filed.

Respectfully submitted this 31st day of October 2022.



Michael Duval
Deputy Attorney General

Technical Staff: Yao Yin

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 31ST DAY OF OCTOBER 2022, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-22-23, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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