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IDAHO PUBLIC
UTILITIES COMMISSION

MEGAN GOICOECHEA ALLEN
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March 17, 2023

VIA ELECTRONIC MAIL

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 West Chinden Blvd., Building 8
Suite 201-A
Boise, Idaho 83714

Re: Case No. IPC-E-22-28
Lower Lowline, LLC – Lowline #2 Hydro Project
Idaho Power Company's Application re Energy Sales Agreement

Dear Ms. Noriyuki:

Attached for electronic filing is Idaho Power Company's Motion for Extension of Time to Make Compliance Filing in the above-entitled matter. If you have any questions about the attached documents, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink that reads "Megan Goicoechea Allen".

Megan Goicoechea Allen

MGA:cld
Enclosures

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Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-22-28
APPROVAL OR REJECTION OF AN)
ENERGY SALES AGREEMENT WITH) IDAHO POWER COMPANY'S
LOWER LOWLINE LLC, FOR THE SALE) MOTION FOR EXTENSION OF
AND PURCHASE OF ELECTRIC ENERGY) TIME TO MAKE COMPLIANCE
FROM THE LOWLINE #2 HYDRO) FILING
PROJECT.)
_____)

COMES NOW, Idaho Power Company ("Idaho Power" or "Company") and moves the Idaho Public Utilities Commission ("Commission") for an order granting additional time for the Company to make its compliance filing pursuant to Order No. 35705. The grounds and reasons for this request are as follows:

1. On March 13, 2023, the Commission issued Order No. 35705, pertaining to the replacement Energy Sales Agreement ("ESA") between the Company and Lower Lowline LLC ("Lowline #2") for energy generated by the Lowline #2 Hydro Project, a qualifying facility ("QF") under the Public Utility Regulatory Policies Act of 1978 ("PURPA"). The Commission's Order addressed, in part, Staff's recommendation related

to Article XXIII “Modifications” as well as Idaho Power’s proposed revisions in response. In recognition of Staff’s desire for clarity and consistency, the Company had proposed a modification to Article XXIII to add more explicit language in an effort to ensure the contract description matches actual facility parameters and more clearly incorporate the Commission’s orders addressing the different types of facility modifications. However, the Commission found that the Company’s proposal did not address the Commission’s concerns: that the QF is paid the proper and authorized rate as of the first operation date after Facility modification and that the description of the Facility reflected in the final amendment describe the facility as actually modified. As a result, the Commission directed that the Company file an amended ESA within 15 days of its Order.

2. The Commission’s directives set forth in Order No. 35705 have broader implications beyond this specific case and overlap with issues raised in Staff’s comments, also issued on March 13, 2023, in the case pertaining to the Bypass Hydro Project. Both cases address a previously heretofore standard provision related to possible QF modifications and identify shortcomings with both the Company’s existing and proposed contract language. In light of the Commission’s Order, which directed that the Company add additional language to more clearly and explicitly incorporate the Commission’s objectives, Idaho Power has been considering the issues raised and determining how to fulfill the Commission’s intent in both cases and in ESAs moving forward but needs additional time to ensure a cohesive and expedient approach.

3. In addition, the Company is considering the directive (and recommendation in Case No. IPC-E-23-02) that the Company only be allowed to include net power supply expenses in its Power Cost Adjustment (“PCA”) that reflect the proper authorized rate for

all energy delivered as of the first operation date as a modified QF regardless of what is paid to the QF. The Company needs more time to evaluate how to mitigate and address the far reaching ramifications and detrimental impact of the cost recovery disallowances that could result under this proposition.

4. Because the ESA with Lowline #2 contains similar provisions as the Bypass Hydro Project ESA, the Reply Comments in the that case will address many of the same issues raised by the Commission's decision in this matter and must be evaluated in concert with the Company's forthcoming compliance filing. In both cases, Idaho Power believes it would be useful to work with Staff in an effort to reach alignment on the contract amendments but has not yet been able to arrange this.

5. In order to provide the Company adequate time to work through details and prepare both considered and appropriate filings replying to Staff's Comments and complying with the Commission's directive, Idaho Power respectfully requests that the Commission issue an order extending the deadline for the Company to make its compliance filing to March 31, 2023.¹

6. Idaho Power contacted Staff, regarding this request for extension and was advised that Staff has no objection to extending the deadline for the Company's compliance filing.

¹ Idaho Power also made a filing in Case No. IPC-E-23-02, seeking an extension to file its reply comments in that case until March 31, 2023.

Respectfully submitted this 17th day of March 2023.

A handwritten signature in black ink that reads "Megan Goicoechea Allen". The signature is written in a cursive style with a large initial 'M' and 'A'.

MEGAN GOICOECHEA ALLEN
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 17th of March 2023, I served a true and correct copy of the foregoing Idaho Power Company's Motion for Extension of Time to Make Compliance Filing upon the following named parties by the method indicated below, and addressed to the following:

Michael Duval
Deputy Attorney General
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Christy Davenport
Legal Administrative Assistant