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IDAHO PUBLIC
UTILITIES COMMISSION

DONOVAN WALKER
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November 11, 2022

VIA ELECTRONIC FILING

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg 8,
Suite 201-A (83714)
PO Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-22-29
In the Matter of Idaho Power Company's Application for Approval of a Power
Purchase Agreement with Pleasant Valley Solar, LLC

Dear Ms. Noriyuki:

Attached for electronic filing please find Idaho Power Company's Application in the
above matter.

Attachment 1 contains confidential information and will be provided separately via an
encrypted email to parties who sign the protective agreement.

Please feel free to contact me directly with any questions you might have about this
filing.

Very truly yours,

Donovan E. Walker

DEW:cd
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR)	CASE NO. IPC-E-22-29
APPROVAL OF A POWER PURCHASE)	
AGREEMENT WITH PLEASANT VALLEY)	APPLICATION
SOLAR, LLC.)	
_____)	

Idaho Power Company ("Idaho Power" or "Company"), in accordance with RP 52 and *Idaho Code* §§ 61-502 and 61-503, hereby requests that the Idaho Public Utilities Commission ("Commission") issue an order approving the 20-year Power Purchase Agreement ("PPA") between Idaho Power and Pleasant Valley Solar, LLC ("Pleasant Valley Solar" or "Seller") entered into with the expectation of assigning the associated energy and Green Tags/Environmental Attributes to Brisbie LLC ("Brisbie") under the provisions contained in the Special Contract submitted for Commission review and approval in Case No. IPC-E-21-42. Idaho Power's Application is based on the following:

I. BACKGROUND AND BRISBIE SPECIAL CONTRACT

1. Brisbie is constructing a new enterprise data center near Kuna, ID¹ that will exceed 20,000 kW of electric service at a single facility making it a Large Power Service customer requiring a Special Contract to take service. Idaho Power and Brisbie have negotiated a Special Contract for the provision of electric service to Brisbie by Idaho Power. The Special Contract between Brisbie and Idaho Power is also referred to herein and in testimony as the Energy Services Agreement (“ESA” or “Brisbie ESA”). The ESA was filed with the Commission for its review and approval in Case No. IPC-E-21-42 and is provided as Confidential Exhibit No. 1 to the Direct Testimony of Timothy E. Tatum (“Tatum Direct”) in that docket which is currently pending a Final Order from the Commission.

2. Brisbie, and its parent company Meta Platforms, Inc. (“Meta”), has a sustainability objective to support 100 percent of the new data center operations with new renewable resources. To accomplish the goal of serving Brisbie’s load with 100 percent renewable energy Idaho Power will have to add new renewable resources to its system. Brisbie’s Special Contract encompasses the pricing associated with retail electric service from Idaho Power, cost and credit components associated with new renewable resources to support Brisbie’s load, and terms and conditions governing the structure of this new arrangement, including provisions that will hold other Idaho Power customers harmless.

3. Under the proposed Special Contract, Idaho Power would procure enough renewable resources to provide Brisbie with 100 percent renewable support on an annual basis for Brisbie’s facility. See, Tatum Direct, p 7-8. Brisbie is in turn required to pay

¹ On February 16, 2022, after the initial filing of the Brisbie ESA in Case No. IPC-E-21-42, Meta, f/k/a Facebook Inc. and Brisbie, publicly announced the development of its new 960,000+ square foot data center in Kuna, Idaho.

Idaho Power the costs associated with these resources. Brisbie will pay the costs associated with and provide security for the new renewable resources acquired under the ESA as described in Tatum Direct, p 10-11.

4. As summarized in the Special Contract filing² to accomplish the goal of supporting 100 percent of the data center operations with renewable energy the Brisbie ESA provides for a tailored acquisition of the right amount of renewable generation while also ensuring reliable electric service to the customer. As an enterprise data center, Brisbie's energy will remain high and consistent throughout the day. In contrast, renewable resources are intermittent (e.g., solar only generates electricity during daylight hours). To reconcile this mismatch of energy service requirements and renewable generation but still achieve Brisbie's renewables objective, the renewable resources for Brisbie must be appropriately sized to ensure that the total renewable generation output over the year matches or slightly exceeds Brisbie's annual energy consumption. The renewable resources will not serve Brisbie directly but will be procured on the customer's behalf by Idaho Power and connected directly to the Company's transmission system. Brisbie will pay for the costs associated with the renewables required to support their load and will also be credited for the value those resources bring to Idaho Power's system. To this end, Brisbie's associated renewable resources are incorporated into the base planning analysis of the 2021 IRP (presumed to be solar resources for purposes of this analysis). See Tatum Direct, p 12-13. Inclusion of the renewables in the IRP modeling allows them to be treated as system resources for modeling purposes and enables Idaho Power to quantify their value to the Company and its broader customer base.

² IPC-E-21-42.

II. PLEASANT VALLEY SOLAR PPA

5. On October 27, 2022, Idaho Power and Pleasant Valley Solar entered into a PPA for the sale and purchase of 200 MW AC of renewable solar electric generation for a term of twenty years from the Commercial Operation Date, scheduled to be March 2, 2025. Under the terms of the PPA, Pleasant Valley Solar will build, own, operate, and maintain a 200 megawatt ("MW") alternating current ("AC") solar photovoltaic generation facility ("Renewable Resource") and will supply the output to Idaho Power's system. Brisbie is identified in the PPA as a third-party beneficiary receiving energy and Green Tags associated with the facility's Net Output. The PPA is provided as Confidential Attachment No. 1 to this Application and incorporated herein by this reference. Exhibit 5 to the PPA sets forth the Contract Price for Contract Years 1 through 20 on a dollars per megawatt-hour ("MWh") basis.

6. The PPA is similar in many ways to the numerous energy sales agreements approved by the Commission pursuant to the Company's obligations under Public Utility Regulatory Policies Act of 1978 ("PURPA"), but also contains additional other terms and conditions consistent with industry standard, non-PURPA power purchase agreements including pricing, security, and other terms of service. Under Article 7 of the ESA either Brisbie or Idaho Power may solicit and present Renewable Resource Projects either from third-party developers or as Idaho Power owned resources for negotiation and procurement to meet Brisbie's load under the ESA. Renewable Resource PPAs procured under the ESA shall be substantially in the form of the PPA template provided as Exhibit 6.2(a) to the ESA. The Pleasant Valley Solar PPA is based upon the contract template that is attached as Exhibit 6.2(a) to the Special Contract. This template was developed

from and is substantially similar to the Commission-approved PPAs for both the Jackpot Solar and Black Mesa projects.

7. The PPA provides for a Scheduled Commercial Operation Date of March 2, 2025. Section 1.126. The PPA provides for a Guaranteed Commercial Operation Date, which is 180 days after the Scheduled Operation Date under Section 1.55. Section 9 of the PPA contains provisions requiring the Seller to post and maintain security, both Facility Development Security and Default Security. Project Development Security in the amount of \$90,000 per MW of Nameplate Capacity Rating must be in place within 30 days of a final order of the Commission approving the Agreement. Project Development Security is to remain in place to ensure the project meets its Commercial Operation Date. Default Security in the initial amount of \$90,000 per MW of Nameplate Capacity Rating must be in place at the Commercial Operation Date and must be maintained through the entire term of the Agreement. Default Security may be used for any Deficit Damages if the project is brought online at less than the Expected Nameplate Capacity or for any other damages Idaho Power suffers if the Agreement is terminated because of the Seller's Default.

8. The PPA also contains a performance requirement in the form of an Output Guarantee. Section 7.12. Under the Output Guarantee, the Seller is obligated to deliver 90 percent of the Expected Energy of the Facility on a monthly basis. Similar to recent provisions from PURPA agreements, the PPA allows the Seller an adjustment of Estimated Monthly Net Output Amounts by the 25th day of the preceding month in Section 7.12.1.2. If the project delivers less than the Output Guarantee during any month, the Seller must pay the Output Shortfall for that month multiplied by Idaho Power's Cost to Cover as liquidated damages in Section 7.12.2.3. If the delivered Net Output is equal to

or greater than the Output Guarantee, then the Seller is deemed to have satisfied the Output Guarantee in Section 7.12.2.1. Section 7 of the PPA contains standard provisions for operation and control of the project. These include such things as planned outages, forced outages, and maintenance outages, as well as scheduling, forecasting, generator output limit control ("GOLC"), and metering. For forecasting, the Agreement provides the same allocated portion of the total cost of Idaho Power's Solar Energy Production Forecast model that is used for all solar projects that are under contract to provide energy to Idaho Power. Under the PPA, Idaho Power will receive 100 percent of the Green Tags or Environmental Attributes associated with the Facility, which will be claimed by Brisbie pursuant to the Special Contract.

9. Section 3.1.1 provides that the PPA can be terminated by Idaho Power if it has not received Commission approval of all the PPA's terms and conditions and declared that all payments Idaho Power makes to Seller for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes; Commission approval of the Special Contract between Idaho Power and Brisbie; and OPUC approval of a waiver of the application of its procurement rules. This section provides that if Commission approval is not obtained within six months of filing of the PPA with the Commission for approval, the Scheduled Commercial Operation Date and Guaranteed Commercial Operation Date may be extended on a day-for-day basis until approval is obtained. Should Commission approval not be obtained within one-year of filing the PPA with the Commission, then the Seller has the right to terminate the Agreement.

III. MODIFIED PROCEDURE

10. Idaho Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.* Additionally, the Pleasant Valley Solar PPA needs to be online in coordination with Brisbie's load service by the Scheduled Commercial Operation Date of March 2, 2025, and the developer of the Pleasant Valley Solar project requires sufficient lead time for financing, procurement, and construction once Commission approval of the PPA is obtained in order to meet the Scheduled Commercial Operation Date. The PPA provides for day-for-day extension of the March 2, 2025, Scheduled Commercial Operation Date if Commission approval of the PPA is not obtained by May 11, 2023. Consequently, Idaho Power respectfully requests the Commission consider a procedural schedule that would allow for a final Order prior to May 11, 2023.

IV. COMMUNICATIONS AND SERVICE OF PLEADINGS

11. Communications and service of pleadings with reference to this Application should be sent to the following:

Donovan E. Walker
Regulatory Dockets
Idaho Power Company
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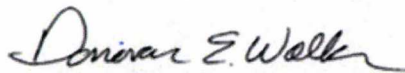
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V. CONCLUSION

12. Approval of the Pleasant Valley Solar PPA is in the public interest. Idaho Power and Brisbie have worked together to establish a framework that will take a meaningful step towards accomplishing Brisbie's renewable energy goals, while ensuring the related pricing appropriately assigns the costs and benefits of procuring the Renewable Resource to Brisbie. All costs associated with the Pleasant Valley Solar PPA will be paid for by Brisbie, which ensures other customers are not harmed by the arrangement. The rates are just, reasonable, consistent with past cost-of-service determinations, and in the public interest.

13. THEREFORE, Idaho Power respectfully requests that the Commission issue an Order prior to May 11, 2023 approving the 20-year PPA between Idaho Power and Pleasant Valley Solar, which was negotiated with the expectation of assigning that energy to Brisbie under the Special Contract and that all payments to be made to Seller thereunder shall be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 11th day of November 2022.



DONOVAN E. WALKER
Attorney for Idaho Power Company

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-22-29

IDAHO POWER COMPANY

ATTACHMENT 1

SEE ATTACHED CONFIDENTIAL DOCUMENT