

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER</b>	)	<b>CASE NO. IPC-E-23-15</b>
<b>COMPANY’S APPLICATION FOR</b>	)	
<b>APPROVAL OF A FIRST AMENDMENT</b>	)	
<b>TO THE ENERGY SALES AGREEMENT</b>	)	
<b>WITH THE SISW LFGE PROJECT</b>	)	<b>ORDER NO. 35861</b>
	)	

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On April 28, 2023, Idaho Power Company (“Company”) applied to the Commission requesting approval of the First Amendment (“Amendment”) to its Energy Sales Agreement (“ESA”) with CAFCo Idaho Refuse Management LLC Idaho (“CAFCo”) (“Application”). The proposed Amendment would update several key descriptions of the Southern Idaho Regional Solid Waste District Landfill Gas to Energy Project (“Facility”)—including the Facility’s nameplate capacity. The Company asked that its Application be processed by Modified Procedure.

On May 31, 2023, the Commission issued a Notice of Application and established public comment and party reply deadlines. Order No. 35805. Commission Staff (“Staff”) filed comments to which the Company replied. No other comments were received.

With this Order, we approve the Amendment.

**BACKGROUND**

On June 1, 2017, the Commission approved the Parties’ ESA whereby the Company agreed to purchase electric energy generated by CAFCo’s Facility near Burley, Idaho. The Facility was described then as having an initial Maximum Capacity of five megawatts (“MW”).

The original ESA indicated that the Facility would initially consist of a single 2.6 MW unit with an option of adding an additional 2.4 MW unit within 60 months of the Facility’s initial operation date. This unit was never added.

**THE APPLICATION**

The Company represented that the Facility as built deviated slightly from the description above. The Facility consisted of two 1.307 MW generation units, instead of a single 2.6 MW unit. Also, an additional 1.307 MW generation unit was added instead of a 2.4 MW generation unit. Accordingly, if approved, the nameplate capacity for the Facility would be 3.921 MW instead of five MW. The Parties requested Commission approval for this proposed Amendment to the ESA

updating the Maximum Capacity of the Facility and revise Article XXIII Modification in conformity with the language recently approved by the Commission.

The Company stated that the proposed change does not affect rates or other related portions of the ESA.

### **STAFF COMMENTS**

Staff confirmed that the additional unit was added within the 60 months of the Facility's initial operation date. Staff believed that the rates for the Facility do not require modification because the additional 1.307 MW unit is smaller than the initially planned 2.4 generation unit. Staff also verified the description of the Facility accurately reflects that it has three 1.307 MW units.

While Staff believed that additional language proposed by the Company to Article XXIII complied with recently approved Commission mandates (*See* Order Nos. 35767 at 1 and 35750 at 4), Staff also believed that certain language in the Company's proposed Amendment that was removed from the original ESA should remain. Specifically, Staff felt the proposed Amendment should retain the provision in Article XXIII regarding modifications to the ESA. Staff noted that the updated language regarding modifications to the Facility cannot replace the language that sets forth the parameters for modifying the ESA as those are two different concepts. Staff also recommended that the Company's proposed amendment should omit the description of the Volt-Amps Reactive ("VAR") Capability from Appendix-B: Section B-1 as the description contained inaccuracies and does not affect rates.

### **COMPANY REPLY**

The Company agreed with Staff's suggestions regarding Article XXIII. The Company proposed Article 23.8 would read as follows: "[n]o modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission." Reply Comments at 3. The Company did not object to Staff's proposal to omit the VAR Capacity language from Appendix-B: Section B-1. The Company noted that it could work with CAFCo to implement these changes and then file a compliance filing with the Commission.

### **COMMISSION FINDINGS AND DECISION**

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential,

discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503. The Commission also has authority under Public Utility Regulatory Policies Act of 1978 (“PURPA”) and Federal Energy Regulatory Commission (“FERC”) regulations to set avoided cost rates, to order electric utilities to enter fixed-term obligations for the purchase of energy from QFs, and to implement FERC rules. The Commission may enter any final order consistent with its authority under Title 61 and PURPA.

The Commission has reviewed the record, including the Application, the Amendment, Staff’s comments, and the Company’s reply. The purpose of the Amendment is to ensure that the descriptions of Facility in the ESA are both accurate and comply with previous Commission rulings. The Commission finds it is in the public interest to approve the Amendment to ensure the ESA accurately describes the Facility and its nameplate capacity. The Commission also instructs the Company to update the language of Article XXIII as proposed by Staff and agreed to by the Company and submit a compliance filing showing this update within 14 days of the issuance date of this Order.


### **ORDER**

IT IS HEREBY ORDERED that the Company’s Amendment to the ESA is approved subject to its compliance with the items discussed above. The Company shall submit a compliance filing including the matters set forth within 14 days of the issuance of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this order about any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.

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DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 25<sup>th</sup> day of July 2023.



ERIC ANDERSON, PRESIDENT

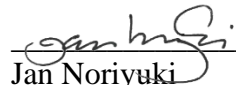


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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