

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF IDAHO POWER ) CASE NO. IPC-E-23-22**  
**COMPANY’S APPLICATION FOR )**  
**APPROVAL OF A THIRD AMENDMENT TO )**  
**THE ENERGY SALES AGREEMENT WITH ) ORDER NO. 36040**  
**THE HAZELTON A HYDRO PROJECT )**  
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On September 22, 2023, Idaho Power Company (“Company”), applied for approval of a third amendment (“Third Amendment”) to its energy sales agreement (“ESA”) with North Side Energy Company (“Seller”) for energy generated by the Hazelton A Hydro Project (“Facility”).

On October 23, 2023, the Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 35965. Commission Staff (“Staff”) submitted the only comments.

Having reviewed the record, the Commission issues this Order approving the Company’s Application as follows.

**BACKGROUND**

The Company has had an ESA for the purchase and sale of energy generated by the Facility since 2010. The ESA has been amended twice since its formation. *See* Order Nos. 33053 and 34639 (approving previous amendments updating the “Mid-Columbia Market Energy Cost Definition” and changing the notification period for Net Energy Amount monthly adjustments). According to the Company, the proposed revisions contained in the Third Amendment will not affect conditions, rates, or other terms of the ESA.

**THE APPLICATION**

The Company indicated that it recently became aware of discrepancies between the nameplate capacity of three generating units listed in Appendix B of the ESA and the manufacturer’s “nameplate” capacities attached to the units. Specifically, the nameplate capacity listed in Section B-1 “Description of the Facility” indicates each of the generating units has a nameplate capacity of 2,700 Kilowatts (“kW”), but the manufacturer’s “nameplate” attached to each unit specifies a capacity of 2,898 kW. According to the Company, this discrepancy likely

resulted from a prior owner of the Facility replacing the original nameplates due to an error in those plates.<sup>1</sup>

The Company also discovered additional discrepancies between the Project's Maximum Capacity Amount contained in Section B-4 "Maximum Capacity Amount," the cumulative manufacturer Revised Nameplate Capacity rating for the units, and the total project output the parties agreed upon in their Generation Interconnection Agreement ("GIA"). While Section B-4 lists a maximum capacity of 8.1 megawatts ("MW"), the cumulative manufacturer's Revised Nameplate Capacity rating is 8.694 MW (2,898 kW x 3), and the GIA indicates a total facility output of 7.7 MW. Regardless of the origin of these discrepancies, the Seller has expressed the intent to operate the Facility according to output listed in the GIA.

Additionally, the Company noted the Commission has indicated in prior cases that Article XXIII "Modifications" of the ESA requires revision to address certain situations involving future Facility modifications. Specifically, these proposed modifications would ensure that, following a modification, the Facility operates under an appropriate contract with correct descriptions of the modified Facility and the rate recovered from customers.

In light of the above, the Company seeks approval of the Third Amendment to: (1) revise Section B-1 to describe the generating units using the manufacturer's Revised Nameplate Capacity rating (2,898 kW) and remove superfluous language; (2) revise Section B-2, Location of the Facility, to remove superfluous language; (3) revise Section B-4, Maximum Capacity Amount, to make it consistent with the output listed in the GIA (7.7 MW); and (4) revise Article XXIII "Modifications" to conform with Commission approved language. The Company included a copy of the Third Amendment as an attachment to the Application.

#### **STAFF COMMENTS**

Staff reviewed the Third Amendment with a focus on the proposed revisions to nameplate capacity, maximum capacity amount, and Article XXIII "Modifications" and recommends approval. Staff believed it was reasonable to revise the nameplate capacity for each of three generating units listed in the ESA from 2,700 kW to 2,898 kW as shown on the manufacturer's nameplate. Likewise, Staff believed it was reasonable to replace the maximum capacity amount listed in the ESA (8.1 MW) with the maximum output to which the Seller agreed

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<sup>1</sup> The Seller represents that the generating units have not been overhauled since installation, but the manufacturer's nameplates were replaced with revised ones ostensibly because of an error in the capacity amounts listed in the original nameplates.

to in the GIA (7.7 MW) as the actual maximum output does not change and will not necessitate updating avoided cost rates. Staff also believed the proposed revisions to Article XXIII “Modifications” are both reasonable and compliant with Order No. 35705.

### **COMMISSION DISCUSSION AND FINDINGS**

The Commission has jurisdiction over the Company’s Petition and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, 502, and -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, 61-503. Based on our review of the record, including the Application, proposed Third Amendment, and Staff’s comments, we find it reasonable to grant the Company’s Application.

Accurate description of the nameplate capacity of the individual generating units in the Facility will aid in future interpretation and application of the ESA by reducing the risk of future confusion or error. Accordingly, we find it reasonable to revise the nameplate capacity of the units contained in the ESA as proposed in the Third Amendment.

Similarly, the proposed Third Amendment revises the ESA to indicate that, although the cumulative Nameplate Capacity of the three generators at the Facility is 8.694 megawatts (“MW”), the Seller has agreed to operate the Facility according to the 7.7 MW total project output contained in the GIA. Because these proposed revisions accurately describe the Facility and its operation without changing the maximum output of the Facility or necessitating an update to avoided cost rates, we find it reasonable to revise the Maximum Capacity Amount in the ESA as proposed in the Third Amendment.

Finally, Staff has previously indicated that the ESA’s Article XXIII “Modifications” requires revision. *See e.g.*, Case Nos. IPC-E-23-02, IPC-E-23-15, IPC-E-23-22. The proposed Third Amendment complies with Order No. 35705, in which we identified certain concerns with an article in another ESA that similarly addressed facility modifications. Accordingly, based on our review, we find it fair, just, and reasonable to approve the Company’s Third Amendment to its ESA with the Seller for energy generated by the Facility.

### **ORDER**

IT IS HEREBY ORDERED that the Third Amendment to the ESA revising (1) Section B-1 to describe the generating units using the manufacturer’s Revised Nameplate Capacity rating

(2,898 kW) and remove superfluous language; (2) Section B-2, Location of the Facility, to remove superfluous language; (3) Section B-4, Maximum Capacity Amount, to make it consistent with the output listed in the GIA (7.7 MW); and (4) Article XXIII “Modifications” to conform with Commission approved language is approved.

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. *See Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29<sup>th</sup> day of December 2023.

  
ERIC ANDERSON, PRESIDENT

  
JOHN R. HAMMOND JR., COMMISSIONER

  
EDWARD LODGE, COMMISSIONER

ATTEST:

  
Monica Berrios-Sanchez  
Interim Commission Secretary

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