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IDAHO PUBLIC
UTILITIES COMMISSION

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January 3, 2024

VIA ELECTRONIC MAIL

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

Re: Case No. IPC-E-24-01
Idaho Power Company's Application for Approval of a Power Purchase
Agreement with PVS 2, LLC

Dear Commission Secretary:

Attached for electronic filing is Idaho Power Company's Application 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 "Donovan E. Walker".

Donovan Walker

DEW:cd
Enclosures

CERTIFICATE OF ATTORNEY

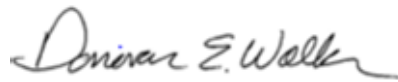
ASSERTION THAT INFORMATION CONTAINED IN AN IDAHO PUBLIC UTILITIES COMMISSION FILING IS PROTECTED FROM PUBLIC INSPECTION

**Idaho Power Company's Application for Approval of a Power Purchase
Agreement with PVS 2, LLC**

Case No. IPC-E-24-01

The undersigned attorney, in accordance with Commission Rules of Procedure 67, believes that the Attachment No. 1 to Idaho Power Company's Application, dated January 3, 2024, may contain information that Idaho Power Company and a third party claims is a confidential trade secret and/or business records of a private enterprise required by law to be submitted to or inspected by a public agency as described in *Idaho Code* § 74-101, *et seq.*, and/or § 48-801, *et seq.* As such, it is protected from public disclosure and exempt from public inspection, examination, or copying.

DATED this Wednesday, January 3, 2024,



Donovan Walker
Counsel for Idaho Power Company

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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-24-01
APPROVAL OF A POWER PURCHASE)	
AGREEMENT WITH PVS 2, LLC.)	APPLICATION
)	
_____)	

Idaho Power Company (“Idaho Power” or “Company”), in accordance with Commission Rule of Procedure¹ 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 PVS 2, LLC (“PVS 2” 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, as amended, that was approved by the Commission in Order Nos. 35777 and 35958 issued in Case No. IPC-E-21-42.

Idaho Power’s Application is based on the following:

¹ Hereinafter cited as RP.

I. BACKGROUND AND BRISBIE SPECIAL CONTRACT

1. Brisbie is developing a new data center facility at which it anticipates energy requirements will exceed the threshold for service under Schedule 19, Large Power Service, necessitating special contract arrangements with the Company.² In addition to having large load service requirements in excess of 20 megawatts (“MW”), Brisbie and its parent company, Meta Platforms, Inc. (“Meta”), have a sustainability objective to support 100 percent of its operations with new renewable resources, which will require Idaho Power to add new renewable resources to its system.

2. As such, the Company and Brisbie entered into a Special Contract Agreement dated December 22, 2021, and First Amendment thereto dated August 3, 2023, also referred to as the Brisbie Special Contract or Energy Services Agreement (“Brisbie ESA”). To facilitate its sustainability objective, Brisbie’s ESA encompasses the pricing associated with retail electric service from Idaho Power as well as 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. To accomplish its 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, which is not well aligned with the intermittent nature of

² See I.P.U.C. No. 29, Tariff No. 101, Schedule 19 (requiring customers with an aggregate power requirement of more than 20,000 kW at the same premises “make special contract arrangements with the Company.”)

renewable resources (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 sustainability 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.

4. Under the regulatory framework contemplated by the Brisbie ESA, the renewable resources are to 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 renewable resources required to support their load and will also be credited for the value those resources bring to Idaho Power's system. The Brisbie ESA also requires for each Renewable Resource PPA that Brisbie will provide security designed to secure any above-market costs associated with each Renewable Resource PPA in the event of non-performance by Brisbie. Brisbie's supporting renewable resources have been factored into portfolio modeling for the Company's 2023 Integrated Resource Plan ("IRP") (presumed to be solar resources for purposes of this analysis). 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.

5. Pursuant to Article 7 of the Brisbie Special Contract, 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 aspirational renewable resource PPA provided as Exhibit 6.2(a) to the ESA. The PVS 2 PPA is based upon this template as modified based

on Staff's recommendations in prior cases.

6. The Brisbie ESA is consistent with and reflects the regulatory framework set forth in the Clean Energy Your Way - Construction option, as approved by the Commission in Order Nos. 35893 and 35950 in Case No. IPC-E-21-40, as well as the Micron Energy Services Agreement ("Micron ESA"), which was approved by the Commission in Order Nos. 35735 and 35898 in Case No. IPC-E-22-06.

II. PVS 2 PPA

7. On December 5, 2023, Idaho Power and PVS 2 entered into a PPA for the sale and purchase of 125 MW of renewable solar electric generation for a term of twenty years from the Commercial Operation Date, scheduled to be December 31, 2026. Under the terms of the PPA, PVS 2 will build, own, operate, and maintain a 125 megawatt alternating current ("AC") solar photovoltaic generation facility ("Renewable Resource" or "Facility") and will supply the output to Idaho Power's system. Brisbie is identified in the PPA as a third-party beneficiary receiving Net Output and Green Tags generated by the Renewable Resource. 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.

8. The PVS 2 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 recent non-PURPA power purchase agreements approved by the Commission including the Black Mesa PPA stemming from the Micron ESA that was approved in Order No. 35482 in Case No. IPC-E-22-06.

9. Most significantly, the PVS 2 PPA is substantially similar to the Pleasant Valley PPA, as amended, that was also entered into pursuant to the Brisbie Special Contract and approved in Order No. 35739 in Case No. IPC-E-22-29. The PVS 2 PPA incorporates the provisions recommended by Staff in Case No. IPC-E-22-29, as implemented by the First Amendment to the Pleasant Valley PPA in that case, and other minor changes negotiated by the parties.

10. The PVS 2 PPA provides for a Scheduled Commercial Operation Date of December 31, 2026, at Section 1.123, and sets forth a Guaranteed Commercial Operation Date as 180 days after the Scheduled Operation Date under Section 1.54. 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.

11. Section 3.1 provides that the PVS 2 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. This section further 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. In the event Idaho Power has not obtained all regulatory approvals deemed appropriate by the Company by the first anniversary of the filing of the PPA with the Commission, then either party has the right to terminate the Agreement.

12. Section 7 of the PVS 2 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 PPA 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.

13. Section 7.12 of the PVS 2 PPA also contains a performance requirement in the form of an Output Guarantee. Under the Output Guarantee, the Seller is obligated to deliver 90 percent of the Estimated Net Output Amount of the Facility on a monthly basis. Similar to the provisions included in recent PURPA agreements, Section 7.12.1.2 of the PPA allows the Seller an adjustment of Estimated Monthly Net Output Amounts by the 25th day of the preceding month. 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 7.12.2.2-3. 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.

14. Section 9 of the PPA contains provisions requiring the Seller to post and maintain both Facility Development Security and Default Security. Facility Development Security, in a form acceptable to Idaho Power equal to \$90,000 per MW of Nameplate Capacity Rating, must be in place within 30 days of a final order of the Commission approving the PPA and 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 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.

III. MODIFIED PROCEDURE

15. 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 PVS 2 PPA needs to be online in coordination with Brisbie's load service by the Scheduled Commercial Operation Date of December 31, 2026, and the developer of the PVS 2 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 December 31, 2026, Scheduled Commercial Operation Date if Commission approval of the PPA is not obtained by July 3, 2024. Consequently, Idaho Power respectfully requests the Commission consider a procedural schedule that would allow for a final Order prior to July 3, 2024.

IV. COMMUNICATIONS AND SERVICE OF PLEADINGS

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

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Regulatory Dockets
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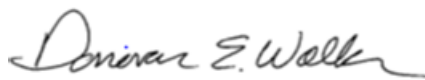
Tim Tatum
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V. CONCLUSION

17. Approval of the PVS 2 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 PVS 2 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.

18. THEREFORE, Idaho Power respectfully requests that the Commission issue an Order prior to July 3, 2024 approving the 20-year PPA between Idaho Power and PVS 2, 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 3rd day of January 2024.



DONOVAN E. WALKER
Attorney for Idaho Power Company

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-24-01**

IDAHO POWER COMPANY

ATTACHMENT 1

ATTACHMENT 1

**IS CONFIDENTIAL AND WILL BE PROVIDED TO THOSE PARTIES THAT EXECUTE
THE PROTECTIVE AGREEMENT IN THIS MATTER**