

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF IDAHO POWER**            )   **CASE NO. IPC-E-24-19**  
**COMPANY’S PETITION TO UPDATE THE**        )     
**COLSTRIP-RELATED ADJUSTABLE**            )     
**PORTION OF ITS AVOIDED COST RATES**       )   **ORDER NO. 36244**  
**FOR EXISTING PURPA CONTRACTS**            )     
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On May 9, 2024, Idaho Power Company (“Company”) petitioned the Idaho Public Utilities Commission (“Commission) for an order implementing the annual update to the Colstrip-related adjustable portion of the published avoided cost rates for certain qualifying facilities (“QF”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) (“Petition”). The annual update to the Colstrip Method is proposed to take effect on the Company’s requested effective date of July 1, 2024.

On June 3, 2024, the Commission issued a Notice of Petition and set deadlines for public and Company comments and Staff’s reply. Order No. 36205. Staff filed the only comments in this case.

Having reviewed the record, we now issue this Final Order granting the Company’s request, effective July 1, 2024.

**THE PETITION**

The Company stated that the “QF contracts with Colstrip-related fuel costs and variable O&M, future Colstrip variable cost adjustments are to be calculated by using Avista’s [Federal Energy Regulatory Commission] Form 1 Colstrip Unit Coal Costs per megawatt hour (“MWh”) and adding \$2.00 per MWh . . . .” Petition at 2. The Petition continued by stating that this \$2.00 per MWh was “[the] average variable O&M cost of Colstrip plus \$0.20 per MWh for generation taxes plus a five percent adjustment for line [loss].” *Id.* Relevant pages from Avista Corporation’s (“Avista”) Federal Energy Regulatory Commission (“FERC”) Form 1 are attached to the Company’s Petition as Attachment A.

The Company calculated that the Colstrip-related adjustable rate will change from 21.67 mills/kilowatt hour (“kWh”) to 22.74 mills/kWh, effective July 1, 2024.

As directed by the Commission in Order No. 35841, the Company stated that it was using data from Avista’s FERC Form 1 until such an approach is no longer possible. At that point, the

Company plans to use data from NorthWestern Energy’s FERC Form 1 for the remainder of the necessary updates (unless data availability becomes an issue).<sup>1</sup>

### **STAFF COMMENTS**

Staff’s comments stated that the Colstrip-related adjustable-rate change to 22.74 mills/kWh in this case was reasonable. Staff believed that the Petition and associated method complied with Order No. 28708 and should be approved effective July 1, 2024.

### **COMMISSION DECISION AND FINDINGS**

The Commission has jurisdiction over the Company under the authority and power granted to the Commission under Title 61 of the Idaho Code and PURPA. The Commission has authority under PURPA and the FERC’s implementing regulations to set avoided costs, to order electric utilities to enter fixed-term obligations for the purchase of energy from QFs, and to implement FERC rules.

The Commission has reviewed the record, all submitted materials, and Staff’s comments. Based on its review of the record, and the calculations for the adjustable portion of the avoided costs using the Colstrip Method, the Commission finds it fair, just, and reasonable to approve the updated Colstrip-related adjustable-rate change to 22.74 mill/kWh effective July 1, 2024.

### **ORDER**

IT IS HEREBY ORDERED that the adjustable portions of the avoided-cost rates for existing PURPA contracts using the Colstrip Method are changed from 21.67 mill/kWh to 22.74 mill/kWh, effective July 1, 2024.

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 regarding 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.

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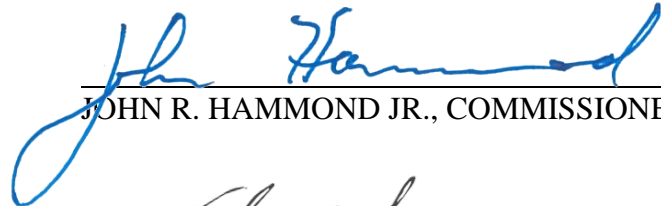
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<sup>1</sup> On January 16, 2023, Avista entered into an agreement with Northwestern Energy and will transfer its 15 percent ownership in Colstrip Units 3 and 4 to NorthWestern Energy, effective December 31, 2025. Petition at 3. If data availability becomes an issue, the Company will work with Staff to develop a new method in accordance with the Commission’s directive in Order No. 35841.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26<sup>th</sup> day of June 2024.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barnes Sanchez  
Commission Secretary

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