

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-24-36
COMPANY’S APPLICATION FOR)	
APPROVAL OF A FIRST AMENDMENT TO)	ORDER NO. 36428
THE ENERGY SALES AGREEMENT FOR)	
THE SALE AND PURCHASE OF ELECTRIC)	
ENERGY FOR THE MILE 28 HYDRO)	
PROJECT)	
)	

On September 18, 2024, Idaho Power Company (“Company”) applied for an order approving the First Amendment (“Amendment”) to the Energy Sales Agreement (“ESA”) between the Company and Wood Hydro, LLC (“Seller”) for electric energy generated by the Seller’s Mile 28 Hydro Project (“Facility”) (“Application”). The Company requested that its Application be processed via Modified Procedure.

On October 18, 2024, the Commission issued a Notice of Application and Notice of Modified Procedure establishing public comment and reply deadlines. Order No. 36366. Commission Staff (“Staff”) filed the only comments in this case.

With this Order, we approve the proposed First Amendment to the ESA as filed.

BACKGROUND

The Company and Contractor’s Power Group, Inc. (“CPG”) entered the original ESA in 1993. The ESA had a 35-year term with levelized, non-seasonal hydro published avoided cost rates and was approved on January 12, 1994. Order No. 25354.

The Company, Seller, and CPG entered a Consent, Assignment, and Assumption Agreement on August 22, 2018, transferring the interests, rights, and obligations relative to the Facility to the Seller.

THE APPLICATION

The Company stated that the proposed Amendment to the ESA updated the provisions regarding insurance alternatives—giving the Company the ability to obtain different insurance coverage if it provides equivalent or superior protection to the Company’s customers. The Company stated this request is consistent with its practices and has been previously approved by the Commission. *See* Order No. 33404.

The Company stated that the proposed Amendment to the ESA also has updated Article XXV in compliance with the Commission's directives. *See* Order Nos. 35705 and 35767.

The Company requested the Commission approve the Amendment to the ESA without change or added conditions.

STAFF COMMENTS

Staff believed that the insurance requirements in the ESA are designed to protect customers when using levelized rates. The proposed Amendment gives the Company flexibility to accept alternative insurance arrangements. This proposed change addressed challenges in the hydropower insurance market, where carriers were withdrawing or limiting coverage. If approved, the Company would evaluate alternatives through its Insurance Program Manager to ensure adequate protection. Staff stated that similar discretion had previously been granted by the Commission in other hydro project agreements.

Staff believed that the proposed language in Article XXV complied with the requirements of Order No. 35705 regarding modifications to facilities.

Lastly, Staff recommended that regardless of the actual compensation remitted to the Seller after modification, the Company should only be allowed to recover, through the Power Cost Adjustment, the net power supply expenses reflecting the authorized rate for energy delivered as of the first operation date of the modified Facility.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Company's Application and the issues in this case under Title 61 of the Idaho Code including *Idaho Code* §§ 61-301, 302, and 303. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501, 502, and 503.

The Commission approves the Company's Application and the associated First Amendment to the ESA and finds it fair, just, and reasonable that the Facility should be granted immediate capacity payments up to the modified generation capacity over the full terms of the ESA. Finally, the Commission finds that all payments for purchases of energy under the ESA be allowed as prudently incurred expenses for ratemaking purposes.

ORDER

IT IS HEREBY ORDERED that the Company’s Application and First Amendment to the ESA is approved.

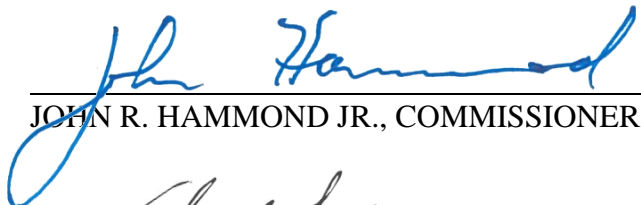
IT IS FURTHER ORDERED that, if the Facility is modified, only the net power supply expense that reflects the proper authorized rate for all energy delivered as of the first operation date of the modified Facility shall be included in the Company’s Power Cost Adjustment.

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.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 23rd day of December 2024.



ERIC ANDERSON, PRESIDENT

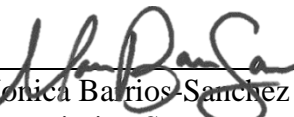


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barrios-Sanchez
Commission Secretary

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