BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR APPROVAL OF SPECIAL CONTRACT AND TARIFF SCHEDULE 28 TO PROVIDE ELECTRIC SERVICE TO MICRON IDAHO SEMICONDUCTOR MANUFACTURING (TRITON) LLC	))))))))	**CASE NO. IPC-E-24-44** **ORDER NO. 37039**

On December 6, 2024, Idaho Power Company ("Company") filed an application ("Application") with the Idaho Public Utilities Commission ("Commission") requesting an order approving the Micron FAB Special Contract for Electric Service (hereinafter referred to as the "Energy Service Agreement" or "ESA") between the Company and Micron Idaho Semiconductor Manufacturing (Triton) LLC ("Micron"), for Micron's new memory manufacturing fabrication complex ("Micron FAB"), and approving the rates proposed in tariff Schedule 28. Micron is a wholly-owned subsidiary of Micron Technology, Inc. ("Micron Technology").

On January 27, 2025, the Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 36446. The Commission granted intervention to Micron Technology, the Idaho Irrigation Pumpers Association, Inc. ("IIPA"), the Industrial Customers of Idaho Power ("ICIP"), and Clean Energy Opportunities for Idaho ("CEO"). Order Nos. 36460, 36479, 36483, 36554.

On February 20, 2025, IIPA filed an Objection to Modified Procedure, Demand for Hearing, and Motion to Consolidate for Hearing with Interrelated Cases ("Motion"). IIPA requested oral argument on the Motion. After hearing oral arguments, on April 15, 2025, the Commission issued Order No. 36547 granting in part and denying in part IIPA's Motion. On July 15, 2025, the Commission issued a Notice of Schedule and Notice of Technical Hearing. Order No. 36689. On October 28, 2025, the Commission held a Technical Hearing. On November 20, 2025, the Commission issued a Notice of Briefing Schedule and Notice of Deadline to Request Intervenor Funding. Order No. 36853.

THE APPLICATION

The Company represented that the ESA was executed on November 21, 2024, and is subject to final regulatory approval by the Commission. Application at 3. The Company

represented that the Service Effective Date under Schedule 28 is applicable beginning the earlier of (1) the first day of the month in the first month that the aggregate power requirement at the Micron FAB exceeds 20,000 kW, or (2) June 1, 2026. *Id.* The Company represented that under the ESA the Company agreed to furnish Micron's total requirements for electric service and energy delivered to the Micron FAB, and that the rates and charges for electrical power, energy, and other service provided pursuant to the ESA were identified by component in the proposed Schedule 28. *Id.* at 3-4.

The Company represented that Micron has agreed to pricing provisions to ensure the incremental cost to serve the Micron FAB is covered. *Id*. at 5-6. This recognizes that the Company is adding to its system capacity and securing new resources to serve the Micron's load based on its projected annual peak demand. *Id.* at 6; *see also* ESA at 9-12, at § 5. The Company also asserted the ESA protects other customers from financial harm by requiring Micron to pay a termination payment if it terminates the ESA for any reason or because of Micron's material breach of its terms. *Id*. at 5-6; *see also* ESA at pp. 7-8, § 3. The Company claimed this ensures "Micron and Micron Technology are liable for the remaining financial obligation related to Idaho Power's commitment to make Contract Demand available" Application at 5.

The Company asserted that Micron is funding the construction of Interconnection Facilities needed because of its request for service from the Company. *Id.* at 6; *see also* ESA at p. 12, § 6. The Company also stated Micron and Micron Technology must maintain adequate security and credit support to cover the requirements of the ESA. Application at 6; *see also* ESA at pp. 14-16, § 10. Based on the foregoing, the Company requests that the Commission approve: (1) the Micron FAB ESA; (2) the Contract Demand and Billing Demand charges set forth in Schedule 28, included as Attachment 2, adjusted to reflect the composite rate change authorized for special contract customers in Case No. IPC- E- 24- 07; (3) the Energy Charge set forth in Schedule 28 through May 31, 2024; and (4) the requested accounting treatment of energy sales under the ESA. Application at 11.

TESTIMONY

Company

The Company provided testimony from Pricing and Tariff Administration Leader in the Regulatory Affairs Department, Grant Anderson; Policy and Pricing Director in the Regulatory Affairs Department, Connie Aschenbrenner; and Transmission, Distribution and Resource

Planning Director for the Planning, Engineering and Construction Department, Jarod Ellsworth in support of the Application.

On direct, Anderson testified as to how the pricing components were developed for the ESA, including demand charges to recover Micron's share of system capacity costs, and a marginal cost-based Energy Charge to serve the additional load. Tr. vol II, 157-71. Anderson stated the Company used the forecasted load provided by Micron to set specific levels of Contract Demand[1] and Minimum Billing Demand[2] during the ramp period[3] to provide certainty for planning and cost recovery. *Id.* at 159. Anderson testified that locking in demand levels protects other customers from potential cost shifting. *Id*. at 159-60. Anderson also represented that Micron's ability to revise its Schedule Ramp Contract Demand and Minium Billing Demand are limited, further protecting other customers. *Id*. at 160.

Anderson asserted that the pricing for the Micron FAB is meant to collect Micron's fixed capacity-related costs through demand and its variable energy-related costs through energy charges. *Id*. Anderson stated demand charges include take-or-pay Contract Demand Charge and a Billing Demand Charge, which also includes a take-or-pay component that can be triggered if Micron's levels of demand are lower than the contracted levels of Minimum Billing Demand. *Id*. Anderson also testified that the pricing components for the ESA will be updated over time, as authorized by the Commission through Company rate cases and other rate proceedings. *Id*. at 163-64. Anderson testified that the Company conducted a no-harm analysis to demonstrate that the ESA pricing and methodology would not cause cost-shifting to other customers. *Id.* at 171.

Anderson represented that the Company used AURORA's Long-Term Capacity Expansion model to compare two different cases based on 2023 Integrated Resource Plan ("IRP") assumptions. *Id*. at 172. The "base case" or with Micron includes the forecasted load for the Micron FAB, and the counterfactual, without the Micron FAB forecasted load. *Id*. Anderson asserted the primary finding of the analysis was that the cost to serve all other customers was slightly lower in the scenario that included the Micron FAB. *Id.* Anderson also stated that the ESA also includes security provisions in the event of early termination. *Id.* at 176.

[1] Contract Demand is defined as "the level of MW that Idaho Power has agreed to make available to the Micron FAB and shall mean either (a) the Scheduled Ramp Contract Demand, in the case of the period from the Service Effective Date until October 1, 2030, or (b) the Embedded Contract Demand, in the case of the period from and after October 1, 2030." ESA at p. 3, § 1.6.

[2] Minimum Monthly Billing Demand is set forth in Exhibit 3 to the ESA.

[3] Ramp period otherwise known as the Scheduled Ramp Contract Demand is set forth in Exhibit 3 to the ESA.

Aschenbrenner testified to the Company's approach to evaluating large-load requests for service and how the Company ensures that new large-loads do not cause upward pressure on other customers' rates. Tr. vol II, 314-21. Aschenbrenner also provided an overview of the ESA, focusing on the terms the Company believed provided adequate safeguards for the Company's other customers. *Id.* at 321-31. Aschenbrenner explained that because the Micron Fab's load exceeds 20 megawatts it requires a special contract rather than standard tariff rates. *Id*. at 314-15. Aschenbrenner alleged that the ESA mitigates rate impacts on existing customers by using marginal cost-based pricing for energy and embedded cost-based pricing for demand to ensure that the Micron FAB load does not increase costs for existing customers. *Id.* at 324-25. Aschenbrenner, like Anderson, also pointed out the take-or-pay provisions, guaranty of Micron's parent company, Micron Technology and sufficient credit support, and termination penalties to shield other customers from financial risks. *Id*. at 325, 329-331. Finally, Aschenbrenner described the Company's proposed accounting treatment for energy-related charges under the Special Contract. *Id.* at. 331-32.

Ellsworth testified as to the Company's use of long-term capacity expansion modeling to evaluate the effects of Micron's expected load on the Company's resource needs, and to explain how the Company used its models to compare resource portfolios both with, and without, the Micron FAB. Tr. vol II, 65-75. Ellsworth also testified to how the Company evaluates interconnections needs and customer driven upgrades. *Id.* at 75-77.

On rebuttal, Anderson testified to Intervenors' positions and recommendations related to the proposed pricing structure for the Special Contract, the marginal cost-based Energy Charge, the design of the demand charges, and the Company's no-harm analysis. *Id.* at 180-205. With respect to pricing structure and cost allocation, Anderson testified that he generally agreed with Commission Staff ("Staff") witness Michael Eldred's comments on pricing structure and cost allocation. *Id.* at 182-85. However, Anderson testified that he did not agree with IIPA witness Lance Kaufman's testimony because Anderson believed that the methodology used deviated from accepted ratemaking practices, incorporated inaccurate assumptions, and failed to reflect how pricing decisions are generally made. *Id.* at 185-90.

With respect to the marginal cost-based Energy Charge, Anderson testified that he did not oppose Staff witness Eldred's suggestions, however, Anderson did not believe such clarification was necessary and that the current language of the contract was sufficient. *Id.* at 192-93. Anderson

testified that the Company supported the continued refinement of its marginal cost methodology over time; however, he testified that any major changes, such as using long-run marginal costs, or implementing a true-up, should be addressed holistically through the annual update process. *Id.* at 195. Anderson also testified that the Company was not opposed to a time-of-use structure, so long as the same underlying data relied upon for the proposed Energy Charge was used to calculate a weighted average by time period for the time periods, consistent with tariff Schedule 19. *Id.* at 196. However, Anderson did not support CEO witness Courtney White's recommendation to shift fixed capacity cost recovery into the Energy Charge applied during high-risk hours. *Id.* at 197.

With respect to demand charge pricing, Anderson testified that he agreed with Eldred's comments on demand charges. *Id.* at 199-200. However, Anderson believed that Kaufman's position was based on the flawed IRP comparison and assumed that Micron's pricing would remain unchanged over time. *Id.* at 200. Anderson also did not agree with White's recommendation to eliminate the demand charge structure. *Id.*

With respect to the no-harm analysis, Anderson testified that he generally agreed with Eldred's comments on the no-harm analysis and that the no-harm analysis is not intended to function as a pricing mechanism, rather, it is a directional evaluation performed at a specific point in time. *Id.* at 201-02. Anderson testified that Kaufman used the no-harm analysis in an unintended manner to draw absolute conclusions, which ignored the actual purpose of the analysis and overlooked the role of future general rate cases ("GRC") and compliance filings to allocate costs as they materialize. *Id.* at 203-04.

Ellsworth testified to cost to serve and Kaufman's IRP characterization, incremental resource comparisons, transmission costs, energy imports, and the Company's resource surplus. Tr. vol II, 80-92. Ellsworth argued that Kaufman's testimony contained critical errors in his use and interpretation of the Company's IRP; mischaracterization of the portfolio comparison; incorrect assumptions about the Company's capacity contribution to serve Micron; misinterpretation of reliability planning standards, and overstatement of potential financial risk. *Id.* at 92.

On Surrebuttal, Ellsworth testified in response to CEO's testimony on Transmission Expansion and Cost Responsibility, arguing that Section 6.1 of the ESA did not need to be amended to include broader transmission costs as it already appropriately addressed additional infrastructure needs and confirmed that Micron FAB was responsible for funding the

interconnection facilities necessary to meet its demand. *Id.* at 96-97. With respect to the updated IRP no-harm modelling, Ellsworth testified that to address concerns raised by intervenors regarding the staleness of the assumptions relied on in the original no-harm analysis, the Company relied on its 2025 IRP Preferred Portfolio for the "With Micron" scenario in the updated analysis. *Id.* at 98.

Anderson testified that the Schedule 28 structure is updated annually using Commission-approved marginal cost data and embedded cost-based Demand Charges updated in GRCs, and Anderson argued that class allocators and direct assignment belonged in a future GRC when Micron FAB was in the test year. *Id.* at 208-16.

Anderson also testified that energy pricing in the 20-year IRP portfolio averages are not customer prices, that time-of-use Energy Charges based on the same approved marginal cost data could be implemented, and recommended addressing long-run energy cost and marginal cost market risk in a separate docket. *Id.* at 217-24. Finally, Anderson testified concerning the purpose and limits of the no-harm check, and the updated analysis using 2025 IRP inputs and updated Micron FAB forecast. *Id.* at 224-29.

Aschenbrenner testified that the ESA expressly affirms the Commission's full ratemaking jurisdiction, that any potential legislation is speculative and should not influence the Commission's decision in this case, and that cost allocation issues should be, and will be, considered in the Company's next GRC *Id.* at 334-45. Aschenbrenner also testified that no impacts of the Planned Micron FAB load were present in the Company's most recent GRC, Case No. IPC-E-25-16. *Id.* at 345-49. Finally, Aschenbrenner testified that future load growth, and the announcement of Micron's second FAB facility, play no role in the current Special Contract. *Id.*at 350-51.

Commission Staff

Staff provided the testimony of Utilities Analyst Michael Eldred. Eldred testified to the upfront costs of the Micron FAB's specific infrastructure; the pricing components, no-harm analysis, and future rate case treatment; Special Contract terms regarding costs and the impacts on other customers; and the aspects of the requested accounting treatment. Tr. vol III, 810.

On direct, Eldred recommended that the Company isolates any effects of new Special Contract customers when cost allocation and rates will be set in future GRCs; that the Commission condition approval of the Special Contract on modifications to the terms related to: (1) the marginal cost-based Energy Charges; and (2) the Minimum Monthly Billing Demand. *Id.* at 810-12.

Eldred also recommended that the Commission approve the Company's proposed method for determining the marginal cost-based Energy Charge and order the Company to update the Energy Charge included in the proposed Schedule 28 tariff through a compliance filing. *Id.* at 812. Eldred recommended that the Commission approve the Company's proposed method for determining the Demand Charges and order the Company to update the Demand Charges included in the proposed Schedule 28 tariff through a compliance filing. *Id.* Finally, Eldred recommended that the Commission approve the PCA accounting treatment proposed in the Application. *Id.*

On surrebuttal, Eldred agreed that there was a potential for a reduction in embedded energy costs but testified that there was also the potential for an increase in embedded energy costs, thus the speculative nature of trying to forecast future energy costs. *Id.* at 844. Eldred also testified that the Company should be required to evaluate and provide justification that moving from a marginal cost basis to an embedded cost would not harm other customers after the Micron FAB's scheduled ramp period. *Id.*

With respect to the take-or-pay provision, Eldred testified that both the "strongest customer protections the Company has ever implemented" and additional protections were required because this was the largest single load the Company has proposed to bring on the system during a time when the Company has near term capacity deficits that require the Company to make large investments in new capacity resources. *Id.* at 844-48.

CEO

CEO provided the testimony of Managing Director Courtney White and Policy Director Michael Heckler. On direct, White recommended that the Commission deny the proposed rate structure for Proposed Tariff Schedule 28, and that the Commission order a process for modifying the rate structure to more accurately reflect the hourly, time-varying nature of cost causation. Tr. vol III, 692. On rebuttal, Hecker testified that the proposed ESA and its associated rate features merited more extensive review and modifications in order to adequately serve the public's interest. *Id.* at 737.

On surrebuttal, Heckler testified that the no-harm analysis was the analytical basis for protecting non-Micron Fab customers, and that the analysis as presented was insufficient to meet that requirement and should be updated to provide protection to non-Micron Fab customers from inappropriate cost allocations. *Id.* at 797.

Heckler testified that the next GRC was not the appropriate forum for resolving Micron FAB specific issues as GRC's can be used to determine how much revenue should be collected from Micron FAB based on test year data, but they should not be relied upon to determine the Micron FAB-specific method for calculating the amount of revenue that should be collected from Micron FAB. *Id.* Finally, Heckler testified that questions related to Micron FAB's share of future revenue requirements should be resolved within a follow-on process set up within this docket. *Id.*

White recommended that the Commission deny the proposed rate structure in Schedule 28 and that the Commission order a process for modifying the rate structure to more accurately reflect the hourly, time-varying nature of cost causation. *Id.* With respect to energy costs, White requested that the Commission direct either Staff or the Company to propose a revised Schedule 28 Time of Use ("TOU") Energy Rate and the associated update methodology that; more accurately reflect the hourly, time-varying nature of cost causation; and requires the lowest price time period for a Schedule 28 TOU rate be informed by forward-looking analysis, specifically market price forecasts, and should not exceed six hours. *Id.* at 719-20.

With respect to capacity costs, White testified that for the proposed determination of monthly Demand Charges, shifting a portion of generation and transmission capacity costs out of the monthly Demand Charge and into volumetric Energy Rates during higher risk hours would more accurately reflect that both capacity and energy benefits flow from those costs, and would provide a more accurate price signal reflecting the time-varying nature of capacity cost causation. *Id.* at 721. White recommended that the determination of the appropriate portion to shift out of monthly Demand Charges and into Energy Rates for Schedule 28 could be evaluated in the context of the follow-on process requested by witness Heckler. *Id.* at 721-22.

Finally, White recommended that the language in the Special Contract should explicitly allow the ability to update the method used to determine Energy and Demand charges. *Id.* at 722.

IIPA

IIPA provided the testimony of Dr. Lance Kaufman, Representative Stephanie Jo Mickelsen, and Representative Dan Garner.

On direct, Kaufman recommended that the Commission find that the Company's proposed prices would harm existing customers. Tr. vol III, 497. Kaufman recommended that the Micron FAB generation revenue requirement be set equal to $95 per MWh, which is the cost of an incremental 500 MW industrial load according to the Company's 2025 IRP, and that non-

generation revenue requirement should be set using the cost allocation model approved in each GRC. *Id.* Kaufman also recommended that if short run marginal cost energy pricing was retained, then Micron's energy cost should be subjected to an annual true-up to avoid shifting forecast risk to other customers. *Id.*

Finally, Kaufman recommended that the termination payment should be subject to a floor amount equal to five times the annual difference between revenue and net energy value to reduce the risk of financial insolvency if the contract was terminated during a period when the contract minimum billing was only 20 MW. *Id.* at 497-98.

Representatives Mickelsen of District 32 and Garner of District 28 for the State of Idaho testified that the Idaho legislature was making continued progress on developing laws to ensure that new large electric loads bear the incremental cost of service and to avoid subsidization by existing customers, and they recommended that the Commission take into consideration regulatory policy found in Idaho House Bill 395 proposed in 2025,[4] and alternative examples of legislation when evaluating Micron's ESA and that the Commission minimize the cost burden on existing customers associated with the new Micron load. Tr. vol II, 277-91.

On rebuttal, Kaufman testified that Staff's recommendation left the allocation of incremental costs ambiguous. Tr. vol III, 552. Kaufman believed that Staff's recommendation of approval of the Special Contract should only be granted if the terms of the contract were modified to be consistent with the proposed legislation in Exhibit 204, Idaho House Bill 395 and Exhibit 205, Proposed Draft Legislation, or in the alternative, Commission approval of the Special Contract should be temporary pending resolution of those outstanding issues. *Id.* at 534-52.

On surrebuttal, Kaufman recommended that the Commission find that the Company's proposed prices would harm existing customers, and to mitigate that harm, the generation revenue should be set to $95 per megawatt-hour. *Id.* at 470. Kaufman recommended that section 13.2 of the ESA be changed to add the words "and methodologies" and that the Commission direct the Company to identify incremental costs attributable to Micron in the next case. *Id.* at 470. Kaufman recommended that section 7.2 of the ESA be modified to clarify that marginal cost energy rates may address short- or long-run marginal cost as determined in a standalone docket. *Id.* at 470-71.

[4] On April 10, 2026, Governor Brad Little signed H.B. 911 (sponsored by Representatives Mickelson and Michale Leman Veile), which in large part codifies the Commission's existing review process of contracts like the ESA to ensure the contracting party is paying its costs so those costs are not borne by other ratepayers. This law becomes effective on July 1, 2026.

Kaufman continued to recommend a floor for the termination payment based on an evaluation for the revenue difference between the lost revenue of a termination and the replacement revenue from selling the excess power or reducing imports. *Id.* Finally, Kaufman supported Staff's recommendations addressing costs of new contracts in the cost allocation model and additional guardrails for transitioning away from marginal costs energy and modifying the monthly billing demand ramp-down in 2030. *Id.* at 471.

Micron

Micron provided the testimony of Michael Gorman. On rebuttal, Gorman testified that he had significant concerns with Kaufman's recommendations, and some concerns with Eldred's recommendations. Tr. vol III, 428. Gorman stated that the Commission has the responsibility to approve just, reasonable, and nondiscriminatory rates. *Id.* at 429. Micron was also concerned that if some of the other recommendations were approved, Micron would be forced to pay rates that were far higher than the cost to serve Micron. *Id.* On surrebuttal, Gorman testified against the recommendations made by Heckler. Specifically, Gorman argued that several of Heckler's recommendations were unsupported by evidence or relied on flawed economic or policy analysis. *Id.* at 407. Gorman testified that Heckler's recommendations could result in Micron being subject to rates that were unjust, unreasonable, and potentially discriminatory. *Id.*

POST HEARING BRIEFS

Micron

Micron argued that the ESA contains robust customer protection mechanisms and will result in just and reasonable rates for all the Company's customers. Micron Brief at 6. Micron noted that the construction and procurement agreements require Micron to pay the initial cost for transmission and distribution facilities necessary to interconnect and serve the Micron FAB. *Id.* at 7-9. Micron argued that the ESA requires Micron to pay marginal Energy Charges consistent with other recent Special Contracts, and that the ESA allocates Micron's share of embedded demand charges and imposes 21-year take-or-pay provisions to protect other customers. *Id.* at 9-13.

Micron contended that the Company's no-harm analysis supported the reasonableness of the ESA and proposed rates, and that the ESA termination payment protected other customers if Micron terminated the ESA. *Id.* at 13-14. Micron argued that the ESA credit support requirements also protect other customers from any potential Micron default. Micron argued that the Company's proposed PCA accounting was reasonable. *Id.* at 15-16. Finally, Micron noted that even in the

event of a Micron default, another entity could operate the Micron FAB, and the Commission retains jurisdiction over the ESA. *Id.* at 16-17.

With respect to IIPA's arguments, Micron argued that the Company is not developing any generation or transmission resources to exclusively serve Micron, and that IIPA's proposed pricing methodology was flawed and inconsistent with Commission precedent. *Id.* at 17-20. Micron argued that IIPA's proposal to use long-run marginal energy pricing was undeveloped and flawed, and that Kaufman's alternative no harm analyses, which was presented for the first time at hearing and was not subject to rebuttal evidence. *Id.* at 20-23. Finally, Micron believed that IIPA's proposed termination payment was an unreasonable penalty against Micron. *Id.* at 23.

With respect to Staff's recommendations, Micron argued that the current language was sufficient but presented alternative language in the event the Commission agreed with Staff. *Id.* at 23-27.

IIPA

IIPA recommended that the Commission order that the rates of the existing Company customers should not increase because of new large-loads subject to an ESA. IIPA Brief at 2. IIPA requested that the Commission order the Company to identify all incremental costs associated with planning for and serving the Micron ESA and allocate it to the Schedule 28 load in the Company's GRC. *Id.* IIPA recommended that the Commission order the Company to follow this standard when assessing or entering into any new special contracts. *Id.*

IIPA recommended that: (1) the Commission open a new docket to address the concerns raised regarding marginal energy costs, including long run impacts of the Micron ESA on energy costs, and the risk of net power cost forecast error; (2) that the demand charge as filed by the Company, in response to IIPA DR 5-2, be accepted as a temporary compromise on the monthly billing charge pending the development of a revised incremental cost allocation model; and (3) that cost allocation for Micron ESA's demand costs be addressed in a future docket. *Id.* at 3.

Additionally, IIPA requested that the Commission revise the ESA's terms to: (1) provide for a 0.057 ($/kWh) Energy Charge as a temporary Energy Charge pending the outcome of the marginal energy cost docket; (2) to amend Section 13.2 to ensure that the rates and methodologies are subject to further revision by the Commission; (3) amend Section 7.2 to clarify that the marginal cost energy rate may address short-run or long-run marginal costs; (4) amend Section 3.3 to provide a minimum termination payment equal to the 5 year average demand, energy and rates

as of the date of ESA termination; and (5) adopt all of Staff's proposed revisions to terms of the Micron ESA. *Id.*

CEO

CEO recommended that the Commission not approve the ESA as proposed, and that questions related to the FAB's share of future revenue requirements should be resolved within a follow-on process set up within this docket, with a temporary pricing structure for use until those questions are resolved and implemented. CEO Brief at 16.

CEO proposed three changes to the proposed ESA; (1) revise Schedule 28 TOU Energy Rate and the associated update methodology to more accurately reflect the hourly, time-varying nature of cost causation; (2) amend section 6.1, and any other relevant portions of the ESA, to make clear that any additional transmission costs, not limited to those needed as traditional Interconnection Facilities, be covered by Micron making additional upfront CIAC payments; and (3) explicitly allow the ability to update the method used to determine Energy and Demand charges. *Id.* at 17.

As part of CEO's recommended follow up process, CEO believed that the Commission should direct Staff to lead that process. *Id.* CEO argued that the next GRC was inappropriate for resolving such issues. *Id.* CEO requested that the Commission provide guidance on questions: (1) what constitutes a new large-load customer; (2) when does a new large-load customer transition from new to existing; (3) which incremental costs caused by the new large-load customer should be charged to that customer, and how those costs should be measured. *Id.* at 17-18. CEO also requested that the Commission issue guidelines on: (1) how customers that disproportionately cause upward pressure on ROE and financing costs should pay for those impacts; (2) how to prepare a no-harm scenario analysis for large-load customers; (3) considerations for how alternatives such as whether payments made in the form of self-supply or CIAC could protect existing customers; and the degree to which generation and transmission infrastructure provide energy benefits and the means of reflecting those in energy rates. *Id.* at 18.

Staff

Staff continued to support its initial recommendations.

Company

The Company argued that the Micron FAB ESA was developed consistently with a growth pays for growth principle and provides a timely and targeted framework ensuring that Micron's

costs are recovered fairly and consistently with cost causation principles. Company Brief at 37. The Company stated that while the parties have agreed to address certain issues related generally to marginal energy costs and cost allocation in follow-up proceedings, further regulatory process was not necessary for the Commission to issue a decision in this docket. *Id.* at 37-38,

The Company argued that there is substantial and competent evidence in the record supporting approval of the Micron FAB ESA subject to the modifications recommended by Staff and an updated Schedule 28. *Id.* at 38. The Company requested that the Commission direct the Company to submit a compliance filing including a revised Schedule 28 to update: (1) the initial Energy Charge to $0.04084 per kWh, consistent with the revised workpaper reflecting the 2025 Marginal Cost Update-Single Run Method approved in Case No. IPC-25-17; and (2) the Contract Demand charge to $3.12 per kW and the Billing Demand charge to $20.25 per kW to reflect the 2025 GRC Settlement Stipulation Class Cost-of-Service ("CCOS"). *Id.*

The Company proposed that if the Commission supported Staff's recommendations to modify the ESA contract terms related to the marginal cost-based Energy Charges and the Minimum Monthly Billing Demand, the Company requested that the Commission direct the Company to amend the ESA with its compliance filing revising Section 5.5(b) and Section 7.2 consistent with the amendments proposed by Micron at hearing in Micron Exhibits 304 and 305. *Id.*

INTERVENOR FUNDING REQUESTS

CEO

On December 26, 2025, CEO filed a Petition for Intervenor Funding. CEO's Petition includes a list of expenses totaling $7,037.40 for legal expenses. CEO argues that these expenses are reasonable given that they were necessarily incurred in participating in the case.

CEO represents that it, and its legal counsel Kelsey Jae, were active participants in the proceeding and reviewed multiple data sets; reviewed and submitted discovery; and engaged in lengthy analytic efforts internally and with other parties. CEO ultimately submitted recommendations in its closing brief.

CEO represents that it is a nonprofit organization and dedicates significant time to energy issues and policy making at the Commission, and that CEO does not have any financial interest in the outcome of this proceeding. CEO argues that the cost of its time and hiring legal counsel is a significant financial commitment and hardship for a nonprofit organization.

CEO notes that its recommendations materially differed from those of Staff, other intervenors, and the Company. CEO represents that its participation addressed issues of concern to the general body of users or consumers on the Company's system. CEO states that it presented benefits to all customers, in every class, except the FAB in Schedule 28.

IIPA

On December 29, 2025, IIPA filed an Application for Intervenor Funding. IIPA's application includes a list of expenses totaling $99,648.46 including expert witness fees and legal expenses. IIPA argues that these expenses are reasonable given that they were necessarily incurred in participating in the case.

IIPA's states that its legal counsel, Eric L. Olsen, and expert witness Dr. Lance Kaufman reviewed the Company's Application, prepared and served written discovery, prepared multiple rounds of written testimony and rebuttals, traveled to attend multiple hearings, and prepared a closing brief. IIPA ultimately submitted recommendations in its closing brief.

IIPA represents that the costs it incurred in this case constitute a financial hardship for the association, which is a 501(c)(5) nonprofit and represents farming interests in eastern and central Idaho through voluntary contributions by its members and that such contributions have been falling.

IIPA notes that its recommendations materially differed from those of Staff, other intervenors, and the Company. IIPA represents that its participation addressed issues of concern to the general body of users or consumers on the Company's system. IIPA represents the irrigation class of customers under Schedule 24 on the Company's system.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501 through 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 -503. Specifically, "[t]he Commission, as part of its statutory duties, determines reasonable rates and investigates and reviews contracts." *Empire Lumber Co. v. Washington Water Power Co.,* 114 Idaho 191, 192, 755 P.2d 1229, 1230 (1987). The Commission has previously exercised its authority to review both special contracts and power programs. *See, e.g.*, Order Nos. 35893 and 35929.

Having reviewed the Application, the record, all comments, and all testimony, the Commission finds it fair, just and reasonable to approve the Company's Application and ESA as modified below.

The Company shall submit a compliance filing including a revised Schedule 28 updating: (1) the initial Energy Charge to $0.04084 per kWh, consistent with the revised workpaper reflecting the 2025 Marginal Cost Update-Single Run Method approved in Case No. IPC-E-25-17; and (2) the Contract Demand charge to $3.12 per kW and the Billing Demand charge to $20.25 per kW to reflect the 2025 GRC Settlement Stipulation CCOS. Additionally, the Company shall modify the ESA contract terms related to the marginal cost-based Energy Charges and the Minimum Monthly Billing Demand, revising Section 5.5(b) and Section 7.2 consistent with the amendments proposed by Micron at the hearing in Micron Exhibits 304 and 305.

The Commission recognizes the importance of the issues presented in this case as evidenced by the robust participation of all parties and the depth and breadth of the testimony submitted by the Company, Staff, and all intervenors. Protecting customers from cost shifting due to new large-load entrants is one of the key aspects to determining fair, just, and reasonable rates. The Commission believes that strong protections are required particularly when the Company faces the requirements of new large-loads at a time when the Company has near-term capacity deficits that require large investments in new capacity resources. The principle of cost causation provides that, when possible, costs be direct billed and paid, and directly assigned or allocated to the cost causing party or class.

With the contract protections and ongoing cost assignments, the rates of the existing Company customers should not unreasonably increase because of the cost of new large-loads on the system. To that end, the Company is directed to identify all incremental costs associated with planning for and serving the Micron ESA, and any future large-load, so that those costs may be correctly allocated in the Company's GRCs.

In reviewing the Application, the Commission finds that it is generally in line with previous Commission-approved special contract terms that were designed to prevent cost shifting. The pricing for capacity and energy, including take or pay provisions, termination payment obligations of Micron, the guaranty of Micron Technology and Micron's payment of all upgrades necessary to serve its requirements provides protection for other customers. Approval of this ESA does not come without risk though. The analysis at this point shows that direct payments by, and rates

charged to, Micron will cover all incremental and marginal costs incurred by the Company to serve this new large load. Thus, after this ESA is implemented, should the Company become aware that the rates provided for by this ESA are unjust or unreasonable and/or are causing unreasonable cost-shifting to other customers the Company shall notify the Commission by filing the appropriate case to make necessary adjustments.

The Commission also notes that the rates and terms of the ESA are subject to change in the future as any additional impacts of new large-loads are identified. In addition to the modifications herein, the Commission finds that the provisions of the ESA in this case expressly allow for updating with Commission review. Notably, there is currently a separate docket initiated, Case No. IPC-E-26-07, to evaluate CCOS methodology and alternative studies, and to determine cost of service considerations for new large-load customers. All aspects of cost recovery with respect to the ESA shall be reviewed in the Company's relevant GRCs. The Commission notes that other customer rates are not changing due to this approval. No other customer base rates will change until a GRC is filed.

The Commission will continue to review all utility applications and contracts, including large-load customer applications, to ensure least-cost, least-risk principles are applied, and to ensure that other customers are not detrimentally impacted through cross-class subsidization.

Intervenor Funding

Commission decisions benefit from robust public input; thus, it is "the policy of this state to encourage participation at all stages of all proceedings before the commission so that all affected customers receive full and fair representation in those proceedings." *Idaho Code* § 61-617A(1). Recoverable costs can include legal fees, witness fees, transportation, and other expenses so long as the total funding for all intervening parties does not exceed $40,000.00 in any proceeding. *Idaho Code* § 61-617A(2). The Commission must consider the following factors when deciding whether to award intervenor funding:

(1) That the participation of the intervenor materially contributed to the Commission's decision;
(2) That the costs of intervention are reasonable in amount and would be a significant financial hardship for the intervenor;
(3) The recommendation made by the intervenor differs materially from the testimony and exhibits of the Commission Staff; and
(4) The testimony and participation of the intervenor addressed issues of concern to the general body of customers.

Id.

To obtain an award of intervenor funding, an intervenor must further comply with Commission's Rules of Procedure 161-165, IDAPA 31.01.01.161-165. Rule 162 of the Commission's Rules of Procedure provides the form and content requirements for a petition for intervenor funding. The petition must contain: (1) an itemized list of expenses broken down into categories; (2) a statement of the intervenor's proposed finding or recommendation; (3) a statement showing that the costs the intervenor wishes to recover are reasonable; (4) a statement explaining why the costs constitute a significant financial hardship for the intervenor; (5) a statement showing how the intervenor's proposed finding or recommendation differed materially from the testimony and exhibits of the Commission Staff; (6) a statement showing how the intervenor's recommendation or position addressed issues of concern to the general body of utility users or customers; and (7) a statement showing the class of customer on whose behalf the intervenor appeared.

Commission Rule 165.02-.03 requires the payment of awards of intervenor funding to be made by the utility and is an allowable expense to be recovered from ratepayers in the next GRC. IDAPA 31.01.01.165.02-.03.

CEO

The Commission finds that CEO's petition satisfies the intervenor funding requirements. CEO intervened and participated in all aspects of the proceeding. CEO's petition for intervenor funding was timely filed and no party objected to CEO's petition.

The Commission finds that CEO materially contributed to the Commission's final decision. CEO's recommendations materially differed from the request in the Company's Application and Staff's recommendation. CEO's participation addressed issues of concern to the general body of customers. Finally, we find the legal fees incurred by CEO are reasonable in amount for this case, and that CEO, as a non-profit organization, would suffer financial hardship if the request is not approved. Accordingly, we find it reasonable to award CEO $7,037.40 in intervenor funding, and we hereby authorize a total of $7,037.40 to be paid to CEO.

IIPA

The Commission finds that IIPA's application satisfies the intervenor funding requirements. IIPA intervened and participated in all aspects of the proceeding. IIPA's application for intervenor funding was timely filed and no party objected to IIPA's application.

The Commission finds that IIPA materially contributed to the Commission's final decision. IIPA's recommendations materially differed from the request in the Company's Application and Staff's recommendation. IIPA's participation addressed issues of concern to the general body of customers. Finally, we find the expert witness fees, legal fees, paralegal fees, and soft costs incurred by IIPA are reasonable in amount for this case, and that IIPA, as a non-profit organization, would suffer financial hardship if the request is not approved.

However, IIPA's request for intervenor funding exceeds the statutory maximum award allowed in any single case. Accordingly, we find it reasonable to award IIPA $32,962.60 in intervenor funding. We hereby authorize a total of $32,962.60 to be paid to IIPA.

ORDER

IT IS HEREBY ORDERED that the Company's Application is granted as modified above. The Company shall file a compliance filing within 30 days of the date of this order updating: (1) the initial Energy Charge to $0.04084 per kWh; (2) the Contract Demand charge to $3.12 per kW and the Billing Demand charge to $20.25 per kW; and (3) the ESA contract terms related to the marginal cost-based Energy Charges and the Minimum Monthly Billing Demand, revising Section 5.5(b) and Section 7.2 consistent with Micron Exhibits 304 and 305.

IT IS FURTHER ORDERED that CEO's petition for intervenor funding is granted in the amount of $7,037.40. *See Idaho Code* § 61-617A(2), IDAPA 31.01.01.165.01. The Company is ordered to remit said amount to CEO within 28 days from the date of this Order. IDAPA 31.01.01.165.02. The Company shall be permitted to recover the cost of this intervenor funding in its next GRC from all customer classes except Schedule 28. *See Idaho Code* § 61-617A(3).

IT IS FURTHER ORDERED that IIPA's application for intervenor funding is granted in the amount of $32,962.60. *See Idaho Code* § 61-617A(2), IDAPA 31.01.01.165.01. The Company is ordered to remit said amount to IIPA within 28 days from the date of this Order. IDAPA 31.01.01.165.02. The Company shall be permitted to recover the cost of this intervenor funding in its next GRC from its Schedule 24 irrigation customer class. *See Idaho Code* § 61-617A(3).

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 8th day of May 2026.

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Monica Barrios-Sanchez
Commission Secretary
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