

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-25-27
COMPANY’S APPLICATION FOR)
APPROVAL OF A POWER PURCHASE) ORDER NO. 36954
AGREEMENT WITH BLACKS CREEK)
ENERGY CENTER, LLC)
)

On September 5, 2025, Idaho Power Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting: (1) approval of the 25-year Power Purchase Agreement (“PPA”) between Blacks Creek Energy Center, LLC (“Blacks Creek”) and the Company and (2) acknowledgment that the resulting expenses associated with the PPA are prudently incurred for ratemaking purposes (“Application”).

On October 6, 2025, the Commission issued a Notice of Application and a Notice of Intervention Deadline establishing a 21-day intervention period. Order No. 36791. The Commission granted intervention to the Idaho Irrigation Pumpers Association, Inc. (“IIPA”) and Micron Technology, Inc. (collectively “Intervenors”). Order Nos. 36803 and 36828.

On November 10, 2025, the Commission issued a Notice of Application and Notice of Modified establishing written comment deadlines. Order No. 36842. Commission Staff (“Staff”) and IIPA filed comments to which the Company replied. The Commission received no public comments.

On February 9, 2026, IIPA filed a late Petition for Intervenor Funding seeking \$14,923.25 (“Petition”).

Having reviewed the record in this case, we now issue this Final Order approving the PPA and deem all expenses associated with PPA prudently incurred for ratemaking purposes.

THE APPLICATION

According to the Company, the PPA represents the least-cost, least-risk resource to help meet its capacity needs beginning in the summer of 2027. Application at 4. The PPA was identified through an All-Source Request for Proposals (“RFP”) procurement process. *Id.* at 3–4. The Company represented that the RFP process adhered to the competitive bidding requirements established by the Oregon RFP guidelines, which were adopted by the Commission in Case No. IPC-E-10-03. *Id.* at 4–5.

The PPA would result in 80 megawatts (“MW”) of output from a solar powered generation facility in Ada County, Idaho supplying energy to the Company’s system. *Id.* at 6. The Company stated that the developer had latent capacity under a separate interconnection agreement, resulting in the Blacks Creek bid. *Id.* Because of this relationship and the existing facility, the PPA negotiations progressed more quickly than those concerning other bids. *Id.* During negotiations, the developer indicated an ability to advance the commercial operation date to June 1, 2027, rather than the April 1, 2028, operation date specified in the RFP. *Id.* at 6–7.

The PPA, which includes levelized, fixed pricing for 25 years, will only become effective upon a Commission order approving the terms of the PPA and finding the Company’s associated expenses prudently incurred for ratemaking purposes. *Id.* at 7. The Company requested the Commission issue a final order on or before March 5, 2026, so as not to delay the intended PPA Commercial Operation Date and Guaranteed Commercial Operation Date. *Id.* at 8–9.

STAFF COMMENTS

After reviewing the Company’s Application and supporting exhibits, including the RFP and PPA, Staff recommended the Commission approve the PPA and find the associated expenses prudently incurred. Staff Comments at 2. Staff reasoned that the Company is facing a capacity deficit in 2027 and has a need for additional resources beyond the Blacks Creek solar-powered generation facility. *Id.* Staff also believed the PPA represents a least-cost, least-risk resource, as it was selected through a fair and reasonable RFP and stochastic analysis process; compares favorably to recent Staff-recommended resource additions; and, due to leveraging an existing project, can become operational on an expedited timeframe with reduced development risks. *Id.* at 3–4. Additionally, Staff stated that the PPA contains terms that sufficiently protect ratepayers by requiring a project development security and an output guarantee. *Id.* at 5.

Though Staff noted cost causation was tangentially related to this case, Staff did not believe the issue was directly relevant to a decision on the Application. *Id.* at 5–6. According to Staff, issues of cost allocation should be decided in a separate filing dedicated to that purpose. *Id.* at 6. Nevertheless, Staff stated that unprecedented load growth “is the cause of the annual capacity deficits, and therefore it is the cause for projects procured to mitigate that capacity deficit, including this project.” *Id.*

Staff also stated that due to recent project cancellations,¹ the deficit facing the Company is likely greater than 120 MW, and the remaining bids received in response to the RFP each have a commercial operation date of 2028 or later. *Id.* Staff recommended that the Commission require the Company to outline its plan to mitigate the looming 2027 capacity deficit. *Id.* Additionally, should the mitigation plan involve firm market capacity purchases, Staff recommended the Commission require the Company to maintain distinct records of those purchases. *Id.* at 7.

INTERVENOR COMMENTS

IIPA recommended the Commission deny or defer the Company's Application. IIPA Comments at 1. According to IIPA, the Company has not met the requirements for issuance of a Certificate of Public Convenience and Necessity ("CPCN"), because it has not demonstrated a capacity need that is attributable to existing customers. *Id.* In fact, as detailed by IIPA, the Company did not evaluate whether the PPA would be needed without Additional Firm Load ("AFL"). *Id.* at 2. IIPA argued that the Commission has a duty to protect the public interest and that such interest is not served by catering to the requirements of a single new customer or small group of new customers at the expense of all legacy customers. *Id.* at 1.

IIPA's analysis concluded that the Company's entire 2027–2028 capacity deficits were created by demand from AFL. *Id.* at 2. According to IIPA, the Company's data showed AFL contributed 366% of the total claimed 2027 capacity deficit. *Id.* Using the Company's data, IIPA determined the Company has a capacity surplus of several hundred MWs in 2027 and 2028 without AFL. *Id.* at 3. IIPA further argued that the proximity of AFL concentration to planned resources confirmed AFL was the driver of new resource needs. *Id.* at 4–5.

Additionally, IIPA stated that the record in this docket fails to establish the cost of the PPA. *Id.* at 2. IIPA contended that the Commission could not make a prudence determination without cost data. *Id.* IIPA also argued that the Company did not evaluate less costly resources or non-generation alternatives. *Id.* at 6. IIPA argued that the Company's failure to evaluate possible expanded demand-side management ("DSM") programs violated Order No. 22299, which requires DSM to be evaluated alongside supply-side resources. *Id.* Furthermore, IIPA contended the

¹ For instance, on December 31, 2025, the Commission issued Order No. 36893, in which it granted the Company's petition to withdraw the Certificate of Public Convenience and Necessity for the Jackalope Wind Project due to permitting delays and uncertainty concerning federal land use policies.

Company failed to assess alternative resources, such as storage or flexible generation, that would be more suitable than solar to support the winter risk hours identified by the Company. *Id.* at 7.

Finally, IIPA argued that if the Commission were to approve the PPA, it should implement conditions to protect non-AFL customers from paying for a need they did not create. *Id.* at 9. Specifically, IIPA stated the Commission should (1) set aside AFL-driven costs for separate treatment in a future Company rate case; (2) direct the Company to create a cost-causation framework identifying the customer classes driving incremental resource needs; and (3) require the Company to obtain binding financial commitments from AFL customers that would sufficiently cover incremental capacity costs prior to adding the associated resources to rate base or power cost recovery. *Id.*

COMPANY REPLY COMMENTS

The Company agreed with Staff's recommendation that the Commission approve the PPA and declare associated payments prudently incurred expenditures. Company Reply Comments at 4. The Company stated that the Oregon Public Utilities Commission ("OPUC") approved its selection of an independent evaluator for the RFP and approved the RFP scoring and modeling methodology. *Id.* at 4–5. According to the Company, the RFP process included 95 separate proposals from 19 different bidders and 147 total resource bids. *Id.* at 5. The OPUC approved the resulting shortlist. *Id.*

Additionally, the Company supported Staff's position that this docket is not the appropriate forum to determine cost causation and recovery allocation. *Id.* at 7. The Company also committed to working with Staff to provide information concerning mitigation of any remaining deficit. *Id.* In response to Staff's recommendation that the Company maintain distinct records of any firm market capacity purchases used to mitigate capacity deficits, the Company represented that it already "maintains records to substantiate how the overall system load was served." *Id.*

The Company disputed IIPA's position that the record failed to establish incremental capacity needs. *Id.* at 8. The Company contended that its obligation to serve extends beyond current customers and that, because it may not discriminate among customer classes, capacity requirements should not be based exclusively on the loads of existing customers. *Id.* The Company added that, contrary to IIPA's representations, its resource procurement efforts correspond to overall system needs, rather than a particular customer or class of customers' locational needs. *Id.* at 9–10.

The Company also challenged several other contentions made by IIPA to support the conclusion that the Commission would be unable to make a prudence determination regarding the PPA from the record. *Id.* at 11. Specifically, the Company argued (1) the PPA was filed as a confidential attachment to the Application, negating the argument that the record does not establish the cost of the PPA; (2) resource procurement is driven by high-risk hours rather than system peak; (3) the capacity position to meet the pre-determined Loss of Load Expectation threshold is calculated from the hourly Loss of Load Probability (or high-risk hours of the year), not by subtracting peak load from resource capacity; (4) the PPA contribution to the capacity position is assessed for the entire year and addresses annual reliability needs, contradicting the argument that solar does not support winter adequacy issues; and (5) the testimony filed in support of the Application discusses the 147 RFP bids at length, contradicting IIPA's claim that alternative resources were not evaluated. *Id.* at 11–12.

IIPA'S PETITION FOR INTERVENOR FUNDING

IIPA acknowledged that in filing its Petition, it failed to adhere to the timing requirement imposed by IDAPA 31.01.01.164. Petition at 1. IIPA stated that it inadvertently missed the filing deadline. *Id.*

The Petition included an itemized list of expenses totaling \$14,923.25—including expert witness fees and legal expenses. IIPA Petition, Exhibit A. IIPA argued that these expenses were reasonably incurred given its full participation in the matter, including during the discovery process and through its preparation of extensive written comments. Petition at 2.

IIPA argued that the costs it incurred in this case constitute a financial hardship for the 501(c)(5) nonprofit association. *Id.* IIPA stated that it represents farming interests in eastern and central Idaho through voluntary contributions by its members—which have been falling. *Id.* at 2–3. IIPA stated that due to its financial constraints, its participation was focused and prudent. *Id.* at 3.

IIPA also noted that its recommendations—which included suggestions that the Commission deny or defer approval of the PPA—materially differed from Staff's recommendations. *Id.* IIPA represented that the issues addressed through its participation in the case concerned the Company's general body of customers. *Id.* at 4.

COMMISSION FINDINGS AND DECISION

1. Company's Application

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, 61-502, and 61-503. The Commission is vested with the power to “supervise and regulate every public utility in the state and to do all things necessary to carry out the spirit and intent of the [Public Utilities Law].” *Idaho Code* § 61-501. 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 61-503.

Having reviewed the Application and all submitted materials, the Commission finds it fair, just, and reasonable to approve the PPA and to declare that all expenses associated with PPA are prudently incurred for ratemaking purposes. The record demonstrates that the PPA is a least-cost, least-risk resource selected through a fair and reasonable RFP and stochastic analysis process. The PPA will help the Company combat a capacity deficit beginning in 2027. The Company is directed to meet with Staff, and all other interested parties wishing to participate, to discuss the Company's plan to mitigate the remaining 2027 capacity deficit.

We find IIPA's arguments either unconvincing or misplaced in this proceeding. It is well-established that the Company has an obligation to serve both existing and new customers without discrimination. The Company is obligated to provide safe and reliable service to all customers within its designated service territory. *See Idaho Code* § 61-302. The Company has a system-wide need for capacity, without regard to cost causation. As part of the approval of a settlement in the Company's most recent general rate case, the Company is required to “initiate a single-issue case addressing the [customer cost of service] methodology for the Commission's consideration no later than the end of the first quarter of 2026.” Order No. 36892 at 12. The dedicated customer cost of service filing will be the appropriate docket in which to raise the cost allocation arguments IIPA has raised here.

Furthermore, IIPA's contention that the record in this docket fails to establish the cost of the PPA is untenable. We note that the PPA was filed as a confidential attachment to the Application, and Staff specifically compared the PPA's per megawatt-hour pricing to that of other recently considered resources.

Finally, like its cost causation arguments, IIPA's recommendation that we require the Company to obtain binding financial commitments from AFL customers² that would sufficiently cover incremental capacity costs prior to adding the associated resources to rate base or power cost recovery is inapplicable to this docket. To reiterate, the PPA addresses a system-wide capacity need. As detailed by Staff, the PPA includes a project development security and an output guarantee—provisions intended to protect ratepayers through mechanisms that are within the control of the parties to the agreement. If IIPA believes ratepayer protections in the Company's agreements with special contract customers are inadequate, the appropriate venue to raise those concerns is the docket established to review the specific special contract at issue.

2. IIPA's Application for Intervenor Funding

Commission decisions benefit from robust public input. "It is hereby declared 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. An intervenor requesting funding must submit its request to the Commission "no later than fourteen (14) days after ... the deadline for submitting briefs ..." Commission's Rules of Procedure No. 164. Rule 162 of the Commission's Rules of Procedure provides the form and content requirements for an application

² When it references "Additional Firm Load customers," we assume IIPA is specifically commenting on new large load, special contract customers.

for intervenor funding. The application 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. IIPA’s application comports with the procedural and technical requirements of the Commission’s Rules.

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 general rate case. IDAPA 31.01.01.165.02-.03.

IIPA filed its Petition on February 9, 2026—17 days after the January 23, 2026, deadline for such requests. IIPA did not offer substantial justification for the untimely filing. It merely stated that “the delay is inadvertent and not intended to prejudice any party or delay these proceedings.” The Commission has previously denied in-full late-filed requests for intervenor funding. Case No. IPC-E-16-28.³

However, the Commission values IIPA’s participation in this case. Aside from the timing of its petition for intervenor funding, we find that IIPA’s Petition satisfies the intervenor funding requirements. IIPA intervened and meaningfully participated in all aspects of the proceeding in a manner that materially contributed to the Commission’s final decision. No party objected to IIPA’s request. 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 was not approved. In recognition of the time and resources expended to allow for such participation, we find it reasonable to grant IIPA intervenor funding in the amount of \$7,461.63—half of the amount sought in the Petition—which the Company may recover from its Schedule 24, Irrigation customer class.

³ The denial was ultimately upheld by the Idaho Supreme Court in *Idaho Power Company v. Tidwell*, 164 Idaho 571, 576–577, 434 P.3d 175, 180–181 (2018).

ORDER

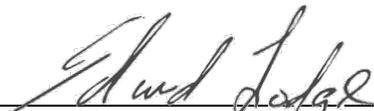
IT IS HEREBY ORDERED that the PPA is approved, and that all expenses associated with PPA are deemed prudently incurred for ratemaking purposes.

IT IS FURTHER ORDERED that the Company shall meet with Staff, and all other interested parties wishing to participate, to discuss the Company’s plan to mitigate the remaining 2027 capacity deficit.

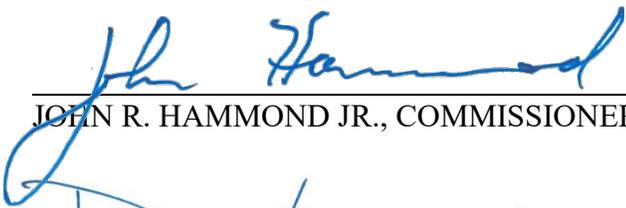
IT IS FURTHER ORDERED that IIPA’s Petition for Intervenor Funding is partially granted in the amount of \$7,461.63. *See Idaho Code* § 61-617A(2), IDAPA 31.01.01.165.01. The Company is ordered to remit said amount to IIPA within twenty-eight (28) days from the date of this Order. IDAPA 31.01.01.165.02. The Company shall be permitted to recover the cost of this intervenor funding in its next general rate case 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 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. *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5th day of March 2026.



EDWARD LODGE, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



DAYN HARDIE, COMMISSIONER

ATTEST:



Monica Barrios-Sanchez
Commission Secretary