

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-25-30
COMPANY’S APPLICATION FOR)	
APPROVAL OR REJECTION OF AN)	
ENERGY SALES AGREEMENT WITH)	ORDER NO. 36863
NORTH SIDE ENERGY COMPANY, INC.)	
FOR THE SALE AND PURCHASE OF)	
ELECTRIC ENERGY FROM THE)	
HAZELTON A HYDRO PROJECT)	

On September 24, 2025, Idaho Power Company (“Company”) applied for approval of an Energy Sales Agreement (“ESA”) between the Company and North Side Energy Company, Inc. (“Seller”). Under the proposed ESA, the Seller would provide, and the Company would purchase, electricity generated by the Hazelton A Hydro Project located in Jerome County, Idaho, a qualified facility (“QF”) under the Public Utility Regulatory Policies Act of 1978.

On October 20, 2025, the Commission issued a Notice of Application and Notice of Modified Procedure, establishing public comment and Company reply deadlines. Order No. 36807. Commission Staff (“Staff”) submitted the only comments.

Having reviewed the record, the Commission issues this Order approving the Company’s Application as follows.

THE APPLICATION

The QF is an 8.694 megawatt (“MW”) irrigation-canal hydro facility now selling energy to the Company under a 2010 contract that ends February 28, 2026.¹ The Company seeks approval of a new 20-year agreement that would replace that contract. Under the ESA, the Company would buy the QF’s energy at non-levelized, seasonal hydro avoided-cost rates calculated using the Surrogate Avoided Resource method from Order No. 36416, with full capacity payments for the entire term.

STAFF COMMENTS

After reviewing the QF’s capacity-payment eligibility, avoided-cost rates, Article XXIII (Modification) of the ESA, and the timing of seasonal-hydro evaluations, Staff recommended

¹ The 2010 Agreement set both the nameplate capacity and the Maximum Capacity Amount at 8.1 MW. The ESA’s Third Amendment, approved in Order No. 36040, revised the nameplate capacity to 8.694 MW and reduced the Maximum Capacity Amount to 7.7 MW.

approval of the ESA. Staff also recommended that all energy-purchase payments under the ESA to be declared prudently incurred for ratemaking purposes.

Staff believed the immediate capacity payments the ESA allows are reasonable. While the 2010 Agreement was effective, the Company acquired substantial new capacity to address system deficiencies. Staff concluded that the QF contributed to meeting the Company's capacity needs during that time and should, therefore, receive immediate capacity payments under the ESA. Because the nameplate and Maximum Capacity Amounts under the ESA are the same as those contained in the current contract, Staff supported immediate capacity payments for the QF's full capacity throughout the term of the ESA.

Staff also verified the avoided cost rates under the ESA and that the language it contains relating to potential facility modifications complies with Order No. 35705.

A QF must generate at least 55% of its annual energy from June through August to qualify for seasonal-hydro rates. The Commission later approved evaluating this requirement over a June 1 to May 31 period. The proposed ESA follows this June-to-May timeframe, as permitted by Order No. 35908.

COMMISSION DISCUSSION AND FINDINGS

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* §§ 61-501, 502, and -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, 61-503. Based on our review of the record, including the Application, proposed ESA, and Staff's comments, we find it reasonable to grant the Company's Application.

The expiration of the 2010 contract necessitates the formation of a new ESA. Since the QF has contributed to meeting the Company's capacity needs for years and the nameplate and Maximum Capacity Amounts under the ESA are the same as those contained in the 2010 contract, the provision of immediate capacity payments under the proposed ESA is reasonable.

Furthermore, in prior cases, the Commission has approved ESAs with updated provisions relating to facility modifications in some of the Company's other ESAs if revision is necessary. The proposed ESA here complies with Order No. 35705, in which we identified certain concerns with an article in another ESA that similarly addressed facility modifications. Additionally, the

proposed ESA uses the June 1 to May 31 period for evaluation of whether its annual energy generation qualifies for seasonal hydro rates, as permitted by Order No. 35908.

Accordingly, based on our review, we find it fair, just, and reasonable to approve the proposed ESA for energy generated by the QF and that all payments for purchases of energy under the proposed ESA be allowed as prudently incurred expenses for ratemaking purposes.

ORDER

IT IS HEREBY ORDERED that the ESA between the Company and Seller for energy generated by the QF is approved.

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. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5th day of December 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Laura Calderon Robles
Interim Commission Secretary

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