Office of the Secretary
Service Date
August 13, 2026

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR APPROVAL OF THE ENERGY SALES AGREEMENT WITH BOISE PROJECT BOARD OF CONTROL FOR THE SALE AND PURCHASE OF ELECTRIC ENERGY FROM THE MORA DROP SMALL HYDROELECTRIC FACILITY	**CASE NO. IPC-E-26-16** **ORDER NO. 37131**

On May 29, 2026, Idaho Power Company ("Company") applied to the Idaho Public Utilities Commission ("Commission") requesting approval of the Replacement Energy Sales Agreement ("ESA") between the Company and Boise Project Board of Control ("Boise Project"), under which Boise Project sells and the Company purchases electric energy generated by the Mora Drop Small Hydroelectric Facility ("Facility"), which is a Public Utility Regulatory Policies Act ("PURPA") Qualifying Facility ("QF") located in Kuna, Idaho. The Company requested an order be issued approving or denying the ESA by September 15, 2026.

On June 24, 2026, the Commission issued a Notice of Application and Notice of Modified Procedure, establishing deadlines for public comments and for the Company to file reply comments. Order No. 37074. Commission Staff ("Staff") filed comments. No other comments were received.

Based on our review of the record, the Commission now issues this Final Order approving the Application.

THE APPLICATION

The Facility is a 1.9 megawatt ("MW") QF currently operating under a 2006 ESA between the Company and Riverside Hydro, L.L.C. ("Riverside"), which has been amended three times to update energy pricing and Net Energy Amount adjustment provisions. Application at 2. The Company represented that the 2006 ESA will expire on September 15, 2026, at which time, ownership of the Facility will change from Riverside to Boise Project. *Id.* at 2-3.

The Company stated that the proposed ESA is a new contract with the same QF but with a new term, updated terms and conditions, and intended to replace the 2006 ESA after its expiration. *Id.* at 3. The Company also stated that the proposed ESA is for a term of 20-years and incorporates provisions required under PURPA, Federal Energy Regulatory Commission ("FERC") regulations, and Commission orders, including monthly energy production estimates subject to the 90/110 firmness standard and a five-day advance notice process for revising estimated energy deliveries. *Id.* at 5-6.

The proposed ESA also includes updated modification provisions that the Company believed were consistent with recent Commission directives and establishes procedures for maintaining Seasonal Hydro status. *Id.* at 7-8. To qualify, at least 55% of annual energy production must occur during June, July, and August, with the Company conducting annual reviews and periodic eligibility tests. *Id.* at 9. Failure to meet these requirements could result in recalculated payments or reclassification to non-seasonal hydro pricing. *Id.*

Due to the Facility's status as already interconnected and operating, the proposed ESA largely relies on existing interconnection arrangements and operational information, while allowing the Company to request updates as needed. *Id.* at 10. Boise Project would remain responsible for applicable interconnection and operational charges, and the Facility must maintain its designated network resource status to comply with transmission and FERC requirements. *Id.*

The proposed ESA would become effective only upon approval by the Commission and a determination that the Company's payments under the ESA are prudently incurred for ratemaking purposes. *Id.*

STAFF COMMENTS

Staff reviewed the proposed ESA to determine whether it should be recommended for Commission approval, focusing on the eligibility for capacity payments, the avoided cost rates, Article XXIII (Modification), and the timeframe for seasonal hydro evaluations. Staff Comments at 2. Based on its review, Staff believed that the proposed ESA complied with applicable Commission orders and recommended that the Commission approve the agreement and declare all energy purchase payments under the ESA to be prudently incurred expenses for ratemaking purposes. *Id.*

Staff believed that Boise Project would be eligible for immediate capacity payments for the Facility's full generating capacity throughout the proposed ESA's 20-year term because the Facility had historically contributed to meeting the Company's capacity needs. *Id.* Staff also confirmed that the proposed ESA's avoided cost rates were consistent with those approved in Order No. 36974. *Id.* at 3. In addition, Staff believed that Article XXIII satisfied the modification requirements established in Order No. 35705 by requiring notification of facility changes, contract amendments to reflect modifications, and appropriate payment adjustments based on the modified facility. *Id.* Finally, Staff confirmed that the ESA's June 1 through May 31 evaluation period for determining eligibility for seasonal hydro rates was consistent with Order No. 35908. *Id.* Based on this evaluation, Staff recommended approval of the proposed ESA. *Id.*

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* §§ 61-501, 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* §§ 61-501, 502, and -503.

The Commission has reviewed the Company's Application including all submitted materials and Staff comments. Based on our review of the record, we find it fair, just, and reasonable to approve the ESA between the Company and Boise Project.

The record provides that the proposed ESA is intended to replace the existing 2006 ESA upon its expiration on September 15, 2026, following the transfer of ownership of the Facility from Riverside to Boise Project. Although the proposed ESA is a new contract, it governs the continued purchase of energy from the Facility and updates the contractual terms to reflect current Commission requirements and applicable federal regulations.

We find that the proposed ESA incorporates the provisions required by PURPA, applicable FERC regulations, and prior Commission orders governing PURPA contracts. The agreement includes updated provisions addressing estimated monthly energy deliveries, firmness requirements, and procedures for revising projected deliveries. It also includes modification provisions consistent with recent Commission directives, ensuring that material changes to the Facility are reported and appropriately reflected through contract amendments and corresponding payment adjustments.

Based on the record before us, we find that the proposed ESA is consistent with PURPA, applicable Commission precedent, and the public interest. Approval of the proposed ESA will facilitate the continued purchase of energy from the Facility under updated contractual terms that reflect current regulatory requirements while providing certainty to both parties over the 20-year contract term.

Accordingly, we approve the ESA between the Company and Boise Project. We further find that all payments made by the Company for the purchase of electric energy generated by the Facility pursuant to the approved ESA shall be allowed as prudently incurred expenses for ratemaking purposes.

ORDER

IT IS HEREBY ORDERED that the ESA between the Company and Boise Project is approved.

IT IS FURTHER ORDERED that all payments made by the Company for the purchase of electric energy generated by the Facility pursuant to the approved ESA shall be allowed as prudently incurred expenses for ratemaking purposes.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21 days of the service date of this Order regarding any matter decided in this Order. Within 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 13th day of August 2026.

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Monica Barrios-Sanchez
Commission Secretary

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