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August 17, 2020

IDAHO PUBLIC  
UTILITIES COMMISSION

***VIA ELECTRONIC DELIVERY***

Jan Noriyuki  
Commission Secretary  
Idaho Public Utilities Commission  
1131 W. Chinden Blvd  
Building 8 Suite 201A  
Boise, ID 83714

**Re: CASE NO. PAC-E-20-07  
IN THE MATTER OF ROCKY MOUNTAIN POWER'S APPLICATION FOR  
APPROVAL OF POWER PURCHASE AGREEMENT BETWEEN PACIFICORP  
AND BIRCH HYDRO COMPANY**

Dear Ms. Noriyuki:

Please find attached Rocky Mountain Power's reply comments in the above referenced matter.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

Joelle R. Steward  
Vice-President of Regulation

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*Attorney for Rocky Mountain Power*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF ROCKY MOUNTAIN ) CASE NO. PAC-E-20-07  
POWER'S APPLICATION FOR APPROVAL )  
OF POWER PURCHASE AGREEMENT ) REPLY COMMENTS OF  
BETWEEN PACIFICORP AND BIRCH ) ROCKY MOUNTAIN POWER  
HYDRO COMPANY )**

Pursuant to Rule 202.01(d) of the Rules of Procedure of the Idaho Public Utilities Commission ("Commission") and the Commission's June 26, 2020, Notice of Application and Modified Procedure, Rocky Mountain Power a division of PacifiCorp (the "Company") hereby submits its reply comments in the above-referenced case.

**I. BACKGROUND**

1. On May 29, 2020, Rocky Mountain Power filed an Application with the Commission requesting approval of a 20-year Purchase Power Agreement ("PPA") between the Company and Birch Hydro ("Seller") who owns, operates, and maintains a small hydro-electric power plant located in Clark County, Idaho with a nameplate capacity rating of 2.65 megawatts (the "Facility"). Seller operates the Facility as a Qualifying Facility ("QF") under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 ("PURPA").

2. On June 26, 2020, Commission Order 34709 was issued which noticed the application, established a procedural schedule with comments due August 10, 2020, and reply

comments due August 17, 2020, and authorized the case to be processed under Modified Procedure.

3. On August 10, 2020, Commission staff filed comments with the following recommendations: (1) Update Exhibit A to include correct monthly estimate information; (2) Incorporate the 82.4 percent discount for purposes of converting firm market prices to non-firm market prices throughout the PPA; and (3) Correct mistakes and errors in Exhibit K. With those corrections Staff recommended the Commission approve the amended PPA and also recommended that, if the updates described above are made by the Company, the Commission declare that the avoided cost prices set forth in the Agreement are just and reasonable, in the public interest, and that the Company's incurrence of such costs are legitimate expenses.

## **II. REPLY COMMENTS**

4. The Company agrees with Staff's comments that Exhibit A should be updated to correct the monthly estimate information and is working with the Seller to file an updated Exhibit A as soon as possible.

5. The Company accepts Staff's recommendation to use 82.4 percent as the discount rate rather than 85 percent for purposes of converting firm market prices to non-firm market prices throughout the PPA. The Company is working with the Seller to update and file the contract as soon as possible.

6. The Company accepts Staff's recommendation to correct Exhibit K to reference the Firm Market Price Index instead of Index Price and PV-85 rather than Mid-C-85. The Company is working with the Seller to file an updated contract and Exhibits as soon as possible.

### III. CONCLUSION

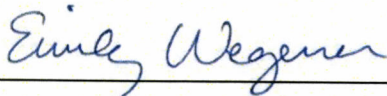
The Company and Seller will work expeditiously to file an updated contract and exhibits incorporating Commission Staff's comments as soon as possible.

### IV. REQUEST FOR RELIEF

Rocky Mountain Power respectfully requests that the Commission issue an order approving the avoided cost prices set forth in the Revised Agreement as just and reasonable, in the public interest, and that the Company's incurrence of such costs are legitimate expenses to recover.

DATED this 17<sup>th</sup> day of August 2020.

Respectfully submitted,  
ROCKY MOUNTAIN POWER



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