

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE ANNUAL) CASE NO. PAC-E-20-08
REVISION TO QF VARIABLE ENERGY)
PRICES PURSUANT TO THE 1992)
AMENDMENT TO POWER PURCHASE) ORDER NO. 34820
AGREEMENTS BETWEEN IDAHO QFS)
AND PACIFICORP)

On June 4, 2020, Rocky Mountain Power, a division of PacifiCorp (“Company”) asked the Commission to approve the Company’s annual update to the variable energy portion of avoided cost rates under the 1992 Amendment to the Company’s power purchase agreements with qualifying facilities (“QFs”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”). The Company requested an effective date of July 1, 2020.

On June 26, 2020, the Commission issued a Notice of Application, Notice of Suspension of Proposed Effective Date, and Notice of Modified Procedure that established deadlines for interested persons to file comments on the Application. Order No. 34706.

Now, having reviewed the record, the Commission approves the Application.

BACKGROUND

The 1992 Amendment to the Company’s power purchase agreements describes how to calculate the variable energy price component of the avoided cost rate for 13 QFs. Order No. 28708. The variable energy rate is calculated by summing the average of the Company’s fuel costs for its Carbon, Hale, Naughton, Huntington, and Hunter coal-fired generation plants with the variable operations and maintenance costs for Colstrip. *See e.g.*, Order Nos. 24253, 28708, 29316. The 1992 Amendments began adjusting the variable energy price component annually in 2003. The Company is to file its revised variable energy costs by June 1 of each year, and the update takes effect on July 1. Order No. 29316.

In prior years, the Commission would approve the annual update by order after Commission Staff sent a letter to the Company asking the Company to review and confirm Staff’s updated calculation. This year, and similar to newly adopted procedures to other annual updates to avoided cost rates, the Commission decided to process this annual update via Modified Procedure. *See* GNR-E-20-01, AVU-E-20-04, and IPC-E-20-24.

COMMENTS

Commission Staff filed the only comments. Commission Staff reviewed and confirmed the Company correctly calculated the variable energy rate. Staff noted that the Carbon and Hale plants no longer operate and were properly excluded from the calculations. Staff recommended the Commission approve the change to the variable energy rate from \$23.84 per MWh to \$23.07 per MWh for the 13 QFs with the 1992 Amendments, effective July 1, 2020 through June 30, 2021.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Company, an electric utility, under Title 61 of the Idaho Code and PURPA. The Commission has authority under PURPA and Federal Energy Regulatory Commission (“FERC”) regulations to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from QFs, and to implement FERC rules.

The Commission has reviewed and considered the record. The Company has correctly calculated its proposed revision to the adjustable portion of the avoided cost rate in its QF contracts with the 1992 Amendment. We find the resulting adjusted rate to be fair, just, and reasonable.

ORDER

IT IS HEREBY ORDERED that the variable energy rate for deliveries from July 1, 2020 through June 30, 2021, for Company QF contracts having the 1992 Amendment shall be \$23.07 per MWh.

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 with regard to 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 21st
day of October 2020.



PAUL KJELLANDER, PRESIDENT

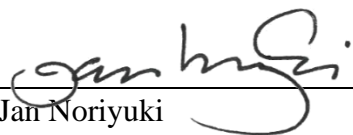


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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