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IDAHO PUBLIC  
UTILITIES COMMISSION

June 8, 2021

***VIA ELECTRONIC DELIVERY***

Jan Noriyuki  
Commission Secretary  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd  
Building 8 Suite 201A  
Boise, ID 83714

**Re: CASE NO. PAC-E-21-10  
IN THE MATTER OF THE APPLICATION FOR APPROVAL OR REJECTION  
OF THE POWER PURCHASE AGREEMENT BETWEEN PACIFICORP AND  
SUNNY BAR RANCH**

Dear Ms. Noriyuki:

Please find for filing 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,

A handwritten signature in blue ink that reads "Joelle Steward".

Joelle R. Steward  
Vice-President of Regulation

Enclosures

Emily Wegener (ISB #11614)  
Rocky Mountain Power  
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*Attorney for Rocky Mountain Power*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**  
**IN THE MATTER OF TOCKY MOUNTAIN     ) CASE NO. PAC-E-21-10**  
**POWER’S APPLICATION FOR APPROVAL    )**  
**OR REJECTION OF THE POWER            ) REPLY COMMENTS OF**  
**PURCHASE AGREEMENT BETWEEN        ) ROCKY MOUNTAIN POWER**  
**PACIFICORP AND SUNNY BAR RANCH**

Pursuant to Rule 202.01(d) of the Rules of Procedure of the Idaho Public Utilities Commission (“Commission”), Rocky Mountain Power a division of PacifiCorp (the “Company”) hereby submits reply comments in the above-referenced case.

On April 1, 2021, the Company submitted its Application for Approval or Rejection of the Purchase Power Agreement with Sunny Bar Ranch (“Sunny Bar”). The Agreement at issue is a Power Purchase Agreement (“PPA”) executed March 29, 2021 (“Agreement”), under which Sunny Bar agrees to use its existing facility, a qualifying facility under the Public Utility Regulatory Policies Act of 1978, to provide power to the Company.

Commission staff filed comments on June 1, 2021 recommending the Agreement be amended to use one set of avoided cost rates with immediate capacity payments and to implement to 90/110 Rule based on that rate structure. Commission staff also recommends that the Commission allow both energy and capacity payments for the lapsed contract period, between May 1, 2021 and Commission approval of the Agreement, which becomes the effective date of the Agreement. The Company agrees with both recommendations. The Company is the process of

obtaining an amended Agreement with Sunny Bar consistent with the Commission staff recommendation, which it will file with the Commission after execution.

The original PPA, executed in June 1985, between Sunny Bar and Utah Power and Light Company stated that Sunny Bar's hydroelectric facility had a nameplate capacity rating of 350 kW. During renewal of the PPA PacifiCorp asked for verification of the qualifying facilities capacity and was provided a nameplate image by Sunny Bar with a 450 kW rating.

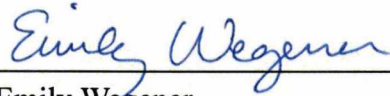
Since the original contract received a capacity payment for the full generation, which never exceeded 350 kW, and the 350 kW nameplate capacity rating was included in the Company's Integrated Resource Plan the Company proposed that Sunny Bar receive a capacity and energy payment for the original contracted amount of 350 kW and an energy payment for the additional 100 kW until the Company's first capacity deficiency date.

Staff confirmed that the PPA contains the 90/110 Rule as required by Commission Order No. 29632 and determined that the 10-day advance notice was reasonable. Staff recommended rather than having two sets of rates that only one avoided cost rate with immediate capacity payment be approved. Staff also recommended that this rate be applied to all generation from the project during the lapsed period of the contract, the Company has no objection to Staff's proposals.

Based on Staff's recommendations, the Company is working with Sunny Bar to amend the PPA with avoided cost rates that includes an immediate capacity payment. The Amended agreement will be filed with the Commission as soon as it is executed by both parties. Therefore, the Company respectfully requests that the Commission approve or reject the amended Agreement.

Dated this 8<sup>th</sup> day of June, 2021.

Respectfully submitted by,  
ROCKY MOUNTAIN POWER



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