

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. PAC-E-21-12
OF ROCKY MOUNTAIN POWER)
REQUESTING APPROVAL OF THE) ORDER NO. 35076
ANNUAL REVISION TO QF VARIABLE)
ENERGY PRICES PURSUANT TO THE)
TERMS OF THE 1992 AMENDMENTS TO)
PURCHASE AGREEMENTS BETWEEN)
IDAHO QFS AND PACIFICORP)

On April 22, 2021, Rocky Mountain Power, a division of PacifiCorp (“Company”) applied for approval of the Company’s annual update to the variable energy portion of avoided cost rates for Qualifying Facility (“QF”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) with the 1992 Amendments to the Company’s power purchase agreements. The Company requests that the updated rates take effect on July 1, 2021.

On May 10, 2021, the Commission issued a Notice of Application, Notice of Modified Procedure, and Order that established deadlines for interested persons to file comments on the Application. Order No. 35042. The Commission Staff (“Staff”) filed the only comments and recommended the Commission approve the Application.

Having reviewed the record, the Commission approves the Application.

BACKGROUND

The 1992 Amendments to the Company’s power purchase agreements describe 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 files its revised variable energy costs by June 1 each year, and the update takes effect July 1. Order No. 29316. Last year, like newly adopted procedures to other annual updates to avoided cost rates, the Commission decided to process this annual update by Modified Procedure. *See* GNR-E-20-01, AVU-E-20-04, IPC-E-20-24, and PAC-E-20-08.

COMMENTS

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 \$23.07 per megawatt-hour (“MWh”) to \$23.02 per MWh for the 13 QFs with the 1992 Amendments, effective July 1, 2021, through June 30, 2022.

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 fixed-term obligations for the purchase of energy from QFs, and to implement FERC rules.

Having reviewed the record, the Commission finds that the Company correctly calculated its proposed revision to the adjustable portion of the avoided cost rate in its QF contracts with the 1992 Amendments. 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, 2021, through June 30, 2022, for Company QF contracts having the 1992 Amendments shall be \$23.02 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 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.

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DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 16th day of June 2021.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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