

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NO. PAC-E-22-07**  
**OF ROCKY MOUNTAIN POWER )**  
**REQUESTING APPROVAL OF THE ) ORDER NO. 35436**  
**ANNUAL REVISION TO QF VARIABLE )**  
**ENERGY PRICES PURSUANT TO TERMS )**  
**OF THE 1992 AMENDMENTS TO POWER )**  
**PURCHASE AGREEMENTS BETWEEN )**  
**PACIFICORP AND IDAHO QFS )**  
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On April 13, 2022, Rocky Mountain Power, a division of PacifiCorp (“Company”), applied for Commission approval to update the variable energy portion of avoided cost rates for Qualifying Facilities (“QFs”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) with the 1992 Amendment (“Amendment”) to certain Idaho QFs’ power purchase agreements. Specifically, the Company requested Commission approval for a variable energy rate of \$22.44 per megawatt hour (“MWh”).

The Company represented that thirteen QF contracts were affected by the Amendment that outlined the methodology used for determining the variable energy component of the avoided cost rate. However, the Company stated that only one QF contract affected by the Amendment remains in effect, the Marsh Valley Hydro contract, which is effective through February 28, 2028.

The Company represented that the variable energy rate is calculated as the sum of the Company’s fuel costs and Colstrip variable Operation and Maintenance (“O&M”) cost, with the fuel costs defined as the average cost of fuel consumed in the Utah Division plants, specifically the Naughton, Huntington, and Hunter coal plants. The Company represented that the variable O&M costs were set based on the variable costs associated with the operation of the coal power generating facility Colstrip, excluding the generation tax and the line loss adjustments. Based on that calculation, the Company proposed that the variable energy rate applicable to deliveries commencing July 1, 2022, extending through June 30, 2023, should be \$22.44 per MWh.

**STAFF COMMENTS**

Staff reviewed the variable energy rate of the avoided cost rate for PacifiCorp contracts with 1992 amendments contained in the Application and believed that the proposed rate was correct and complied with Commission Order No. 29316. Staff noted that the average cost of fuel was calculated using the data reported in the Company’s FERC Form 1, resulting in a variable

energy rate of \$22.44 per MWh. Staff recommended that the Commission approve the variable energy rate of \$22.44 per MWh applicable to the energy delivered under the Marsh Valley Hydro contract, commencing July 1, 2022, extending through June 30, 2023.

### **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, 2022, through June 30, 2023, for Company QF contracts having the 1992 Amendments shall be \$22.44 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 upon this Order regarding 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 and 62-619.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17<sup>th</sup> day of June 2022.



ERIC ANDERSON, PRESIDENT

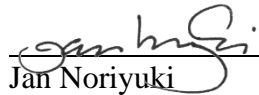


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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