

Friday, April 12, 2024 1:07:19 PM

IDAHO PUBLIC
UTILITIES COMMISSION1407 W. North Temple, Suite 330
Salt Lake City, UT 84116

April 12, 2024

VIA ELECTRONIC DELIVERYCommission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Building 8 Suite 201A
Boise, ID 83714**RE: COMPLIANCE FILING IN CASE NO. PAC-E-24-08
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER
REQUESTING APPROVAL OF THE ANNUAL REVISION TO QF VARIABLE
ENERGY PRICES PURSUANT TO TERMS OF THE 1992 AMENDMENTS TO
POWER PURCHASE AGREEMENTS BETWEEN PACIFICORP AND IDAHO QFs**

Attention: Commission Secretary

PacifiCorp d/b/a Rocky Mountain Power submits its application in the above referenced matter requesting approval of the annual revision to the qualified facility variable energy prices.

Informal inquiries may be directed to Mark Alder, Idaho Regulatory Manager at (801) 220-2313.

Very truly yours,

Joelle Steward

Senior Vice President, Regulation and Customer & Community Solutions

Joe Dallas (ISB# 10330)
PacifiCorp, Senior Attorney
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Email: joseph.dallas@pacificorp.com
Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF
ROCKY MOUNTAIN POWER REQUESTING
APPROVAL OF UPDATED VARIABLE ENERGY
PRICES FOR QFs SUBJECT TO TERMS OF THE
1992 AMENDMENTS TO CERTAIN POWER
PURCHASE AGREEMENTS**

**CASE NO. PAC-E-24-08
APPLICATION**

Rocky Mountain Power, a division of PacifiCorp (“Company”), in accordance with the Rules of Procedure of the Idaho Public Utilities Commission (“Commission”), Rule 52 and Order No. 29316,¹ hereby respectfully petitions the Commission for approval of the updated Qualifying Facility (“QF”) variable energy price pursuant to the terms of the 1992 amendments to certain Idaho QFs power purchase agreements (the “Application”). In support of this Application, Rocky Mountain Power represents as follows:

I. INTRODUCTION AND BACKGROUND

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon corporation, which provides electric service to retail customers through its Rocky Mountain Power division in the states of Idaho, Wyoming, and Utah. Rocky Mountain Power is a public utility in the state of Idaho and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Idaho pursuant to Idaho Code § 61-129. Rocky Mountain Power is

¹ *In the Matter of the Revision of QF Variable Energy Prices in Accordance with Terms of the 1992 Amendments to Power Purchase Agreements between Idaho QFs and PacifiCorp*, PAC-E-03-10, 2004 WL 316976 (Idaho P.U.C. August 19, 2003).

authorized to do business in the state of Idaho providing retail electric service to approximately 88,000 customers in the state.

2. In 2003, the Company notified the Commission of a July 1, 2003, revision to the variable energy price for QFs holding certain power sales contracts with the Company.² Thirteen QF contracts were affected by the Commission-approved 1992 Amendment (“Amendment”) that outlined the methodology used for determining the variable energy component of the avoided cost rate.³

3. Of the 13 QF contracts originally subject to the Amendment supporting the annual variable energy rate update, only one QF contract remains in effect. The Marsh Valley Hydro contract is in effect through February 28, 2028. The other 12 QF contracts that were originally subject to the 1992 amendment have expired, ten of which have entered into new PPAs, two did not seek new contracts.

4. As stated in the 1992 Amendment beginning July 1, 2003 and continuing throughout the term of the power purchase agreements, including any extensions, the variable energy rate would be the sum of the Company’s fuel costs and Colstrip variable O&M cost.⁴ PacifiCorp’s fuel costs were defined as the average cost of fuel consumed in the Utah Division plants, specifically Carbon, Hale, Naughton, Huntington, and Hunter coal plants.⁵

5. If any of the specified generating plants do not operate in any calendar year, those plants are excluded from the calculation of the average cost of fuel. Carbon and Hale coal plants have subsequently closed and are excluded from the calculation. The average cost of fuel was calculated using the data reported in the Company’s FERC Form 1. In the event that the FERC

² *Id.* Order No. 29316 at 1.

³ *Id.* at 1-3.

⁴ *Id.* at 1-2.

⁵ *Id.* at 2 (quoting Order No. 28708).

Form 1 ceases to include the cost of fuel or net generation data, comparable data based upon the Company's normal accounting practices shall be used.

6. Pursuant to Order No. 23738,⁶ variable O&M costs were set based on the variable costs associated with the operation of Colstrip, a coal power generating facility in southeast Montana excluding the generation tax and the line loss adjustments.

II. VARIABLE ENERGY RATE

7. The average cost of fuel consumed at the Utah Division coal plants for calendar year 2023 is \$30.25 per megawatt hour, as summarized in Attachment No. 1 filed with this Application. The variable operation and maintenance expense set for Colstrip generating facility is \$1.51 per megawatt hour. Therefore, the Company proposes that the variable energy rate applicable to deliveries commencing July 1, 2024, extending through June 30, 2025, is \$31.76 per megawatt hour. Attachment No. 1 summarizes the calculation with references to the relevant pages from the Company's FERC Form 1 for the year ending December 31, 2023.

III. COMMUNICATIONS AND SERVICE OF PLEADINGS

Communications regarding this Application should be addressed to:

Mark Alder
Rocky Mountain Power
Idaho Regulatory Affairs Manager
1407 W. North Temple, Suite 330
Salt Lake City UT 84116
Telephone: (801) 220-2313
E-mail: mark.alder@pacificorp.com

Joe Dallas (ISB# 10330)
PacifiCorp, Senior Attorney
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⁶ *In re Idaho Power Company*, Case No. PPL-E-89-3/UPL-E-89-5, 1991 WL 501613 (Idaho P.U.C. June 17, 1991).

In addition, Rocky Mountain Power respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail:
PacifiCorp
Data Request Response Center
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquires also may be directed to Mark Alder at (801) 220-2313.

IV. MODIFIED PROCEDURE

Rocky Mountain Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing in accordance with RP 201 *et seq.*

V. REQUEST FOR RELIEF

Rocky Mountain Power respectfully requests Commission Orders authorizing this matter to be processed by Modified Procedure and approving the variable energy rate of \$31.76 per megawatt hour commencing July 1, 2024, through June 30, 2025, for certain Idaho QFs power purchase agreements subject to Commission Order No. 29316.

Dated this 12th day of April 2024.

Respectfully submitted,
ROCKY MOUNTAIN POWER



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Attorney for Rocky Mountain Power

Attachment 1

PacifiCorp
Total Variable Energy Rate
for 2024 / 2025

	Naughton	Huntington	Hunter	Totals
Fuel Cost (\$)	\$ 103,923,343	\$ 85,562,122	\$ 100,261,721	\$ 289,747,186
<small>2023 FERC FORM 1 - Page 402 Line 20</small>				
Generation (MWH)	2,766,703	3,400,881	3,411,330	9,578,914
<small>2023 FERC FORM 1 - Page 402 Line 12</small>				
Average Fuel Cost (\$/MWH)				\$ 30.25 /MWH
Variable O&M				\$ 1.51 /MWH
Total Variable Energy Rate for 2024 / 2025				\$ 31.76 /MWH

For deliveries commencing July 1, 2024 extending through June 30, 2025
13 PacifiCorp/QFs contracts with approved 1992 amendment language