# BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	) CASE NO. PAC-E-25-07
OF ROCKY MOUNTAIN POWER	)
REQUESTING APPROVAL OF UPDATED	)
VARIABLE ENERGY PRICES FOR QFs	) ORDER NO. 36647
SUBJECT TO TERMS OF THE 1992	)
AMENDMENTS TO CERTAIN POWER	)
PURCHASE AGREEMENTS	)
	)

On April 17, 2025, Rocky Mountain Power, a division of PacifiCorp ("Company") filed an application with the Idaho Public Utilities Commission ("Commission") requesting 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.

On April 30, 2025, the Commission issued a Notice of Application and Notice of Modified Procedure, establishing a 21-day deadline for public and Commission Staff ("Staff") comments and a 28-day deadline for the Company to file reply comments. Order No. 36579. Staff filed comments on May 21, 2025. No other comments were received.

Based on our review of the record, the Commission now issues this Final Order approving the variable energy rate of \$40.89 per megawatt hour ("MWh") commencing July 1, 2025, through June 30, 2026, for certain Idaho QFs' power purchase agreements subject to Commission Order No. 29316.

## **BACKGROUND**

In 2003, the Commission approved a revision to the variable energy price for QFs holding certain power sales contracts. Order No. 29316 at 1. Of the revised QFs, 13 had Public Utility Regulatory Policies Act of 1978 ("PURPA") contracts with the Company that included a Commission approved 1992 Amendment. Application at 2. Of the 13 QF contracts originally subject to the 1992 Amendment, only the Marsh Valley Hydro contract remains in effect. *Id.* This contract will remain in effect through February 28, 2028. *Id.* 

# THE APPLICATION

The Company stated that per the 1992 Amendment, the variable energy rate is the sum of the Company's fuel costs and the Colstrip variable operation and maintenance costs. *Id.* The Company stated its average cost of fuel in 2024 was \$39.38 per MWh, and the variable operation

and maintenance expense set for Colstrip generating facility was \$1.51 per MWh. *Id.* Based on those prices, the Company proposed updating the variable energy rate applicable to deliveries to \$40.89 per MWh. *Id.* at 3

#### STAFF COMMENTS

Staff reviewed the Application and believed the proposed rate is correct. Staff Comments at 2. Staff stated that the calculation used the data reported in the Company's Federal Energy Regulatory Commission ("FERC") Form 1, and the resulting variable energy rate was \$40.89 per MWh. *Id*.

Staff recommended the Commission approve the variable energy rate of \$40.89 per MWh applicable to the energy delivered under the Marsh Valley Hydro contract, commencing July 1, 2025, extending through June 30, 2026.

## **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 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. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503.

The Commission has reviewed the record, including the Application and Staff's Comments. Based on our review, we find it reasonable to approve the Application as filed. Accordingly, the Commission finds that a variable energy rate of \$40.89 per MWh effective July 1, 2025, through June 30, 2026, is fair, just, and reasonable.

#### **ORDER**

IT IS HEREBY ORDERED that the variable energy rate for certain Idaho QFs power purchase agreements subject to Commission Order No. 29316 shall be \$40.89 per MWh commencing July 1, 2025, through June 30, 2026.

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 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.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this  $18^{th}$  day of June 2025.

EDWARD LODGE, PRESIDENT

OMN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Monica Barrios-Sanchez Commission Secretary

 $I: Legal \ ELECTRIC \ PAC-E-25-07 QF \ variable \ orders \ PACE 2507 \_final\_em. docx$