

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN) CASE NO. PAC-E-25-20
POWER’S APPLICATION FOR A WAIVER)
OF THE SOLICITATION REQUIREMENTS) ORDER NO. 37049
PROPOSED IN CASE NO. GNR-E-25-01)
)

On October 20, 2025, PacifiCorp, d/b/a Rocky Mountain Power (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting an order approving a waiver from the Request for Proposal (“RFP”) solicitation procedure (“Solicitation Procedure”) proposed by Commission Staff (“Staff”) in Case No. GNR-E-25-01,¹ in connection with the Company’s power purchase agreement (“PPA”) concerning the Natrium Reactor Plant, Kemmerer Power Station Unit 1 (“KU1”) (“Application”).

On January 15, 2026, the Commission issued a Notice of Modified Procedure setting written comment deadlines. Order No. 36907. Commission Staff (“Staff”) filed comments to which the Company replied. The Commission also received one public comment.

With this Order, the Commission approves the Company’s Application with additional directives detailed below.

THE APPLICATION

According to the Company, US SFR Owner, LLC, a subsidiary of TerraPower, LLC, was in the process of obtaining approval from the Nuclear Regulatory Commission to construct the KU1 project near the Company’s Naughton Power Plant (“Naughton”). Application at 3. The Company stated that “[t]he KU1 project is a 345-megawatt sodium-cooled nuclear steam electric generating plant coupled with a molten salt integrated energy storage system.” *Id.*

Due to the time-sensitive nature of the KU1 project, the Company was seeking a waiver from the Solicitation Procedure proposed by Staff in Case No. GNR-E-25-01. *Id.* The Company stated that under Staff’s proposals, prior to the acquisition of an electrical resource of 100 megawatts or greater for a duration of at least 10 years that will be subject to recovery from Idaho ratepayers, a utility must solicit resources by issuing an RFP. *Id.* at 4. Staff’s proposed RFP process

¹ Case No. GNR-E-25-01 was pending at the time the Company filed the Application. On January 2, 2026, the Commission issued Order No. 36898, modifying the RFP oversight process for the acquisition of large supply-side electrical resources.

also included a mechanism by which the Commission would grant waivers to the Solicitation Procedure upon the utility's showing of a unique economic opportunity that justifies bypassing the usual requirements. *Id.*

The Company characterized its PPA related to KU1 as a unique economic opportunity due to: (1) the significant advancements in nuclear technology embodied in KU1, which allow for uncommon energy dispatchability and operational flexibility; (2) comprehensive risk management and safety provisions included in the PPA, including significant protections for unknown performance risks associated with KU1 and the federal safety oversight inherent in a nuclear project; and (3) cognizable long-term benefits, such as operational knowledge that the Company can deploy in future opportunities. *Id.* at 4–7.

The Company represented that forgoing the Solicitation Procedure for the PPA was in the public interest and necessary for several reasons that are unique to the KU1 project. *Id.* at 7. Specifically, the Company stated that federal funding requirements, the unique commercial opportunity, the geographic and infrastructure limitations connected to the Company's use of Naughton, and a lack of viable alternatives with the same benefits make the PPA a time-sensitive opportunity and obviate the need for an RFP process. *Id.* at 7–9. The Company stated that the KU1 project has been included in its three most recent Integrated Resource Plans (“IRP”) as part of the least-cost, least-risk portfolio of resource options. *Id.* at 9.

STAFF COMMENTS

After reviewing the Application, its confidential attachments (including the PPA, Water Use Agreement, and Governance Memorandum), and the Company's discovery responses, Staff recommended that the Commission approve the Company's request for a waiver of the Solicitation Procedure, subject to additional directives. Staff Comments at 3. Staff believed that the Commission should require the Company to file a case for determining the prudence of the PPA in advance of the commercial operation date (“COD”) of the KU1 project and to provide updates regarding the progress of the project in future IRPs. *Id.*

To guide its analysis concerning the appropriateness of the requested waiver, Staff focused on the waiver policy outlined in Order No. 36898, which allows for a waiver of the Solicitation Procedure “[f]or unsolicited economic-based, or large customer-funded, opportunities outside of the RFP process” upon the utility's application to the Commission justifying “the need and/or the

economic value of the opportunity, and why the normal RFP process should not apply.” *Id.* (quoting Order No. 36898, Attachment A at 2–3).

First, Staff believed the Company has demonstrated a need for new resources. *Id.* at 4. The Company’s most recent Commission-acknowledged IRP projected sustained load growth for the 20-year planning period. *Id.* “Staff did not dispute that thousands of [megawatts] of new resources must be acquired to reliably serve future load, and that nuclear power is part of the preferred resource portfolio.” *Id.*

Additionally, Staff believed that the KU1 project would provide economic and long-term operational benefits. *Id.* at 4–6. Staff stated that the Company’s reasonably estimated Net Power Cost savings resulting from the PPA met the economically beneficial waiver criteria, while noting the projected savings were modest. *Id.* at 4–5. According to Staff, the PPA would provide more substantial benefits in the form of reliable, long-term baseload dispatchable power, fuel diversity, carbon-free energy, and operational nuclear sector insight and experience. *Id.* at 5.

Staff further believed that the Company had adequately sought to mitigate potential risks associated with the PPA. *Id.* at 5–6. Staff listed cost overruns, construction delays, and the gravity of nuclear accidents as historic risks associated with nuclear resources. *Id.* at 5. However, Staff stated that the Company and its customers are sufficiently protected from these risks under the PPA because the developer assumed all risks for cost overruns, Naughton will continue operating in the event of delays to the KU1 project, and the use of liquid metal coolant (avoiding the need to operate the system at high pressure) and PPA indemnification provisions mitigate the risks associated with nuclear incidents. *Id.* at 6–8. Staff also believed the developer bore the risk of interconnection costs associated with the KU1 project. *Id.* at 8.

According to Staff, the Company’s usual process for attaining PPA cost recovery approval through a general rate case (“GRC”) or Electric Cost Adjustment Mechanism (“ECAM”) proceeding might not suffice for the KU1 project. *Id.* at 9. Staff believed that the unique qualities of the KU1 project and accompanying PPA warranted a dedicated resource prudence filing. *Id.* Staff stated that prudence filing “*should occur as near to the COD as possible.*” *Id.* (emphasis in original).

PUBLIC COMMENTS

Ruveon LLC, an affiliate of Bayer Corporation (“Bayer”), filed a public comment expressing non-opposition to a one-time waiver of the Solicitation Procedure for the KU1 project.

Bayer Comments at 1. However, Bayer recommended that the Commission clearly state that granting a waiver should not be interpreted as a determination that the project is prudent for ratemaking purposes. *Id.*

COMPANY REPLY COMMENTS

Although the Company generally supported Staff's recommendations and agreed with its analysis, it opposed the recommendation requiring a prudence review filing for the KU1 PPA. Company Comments at 2. The Company stated that the Solicitation Procedure's post-selection process expressly grants the utility discretion to forgo a pre-operation resource prudence review. *Id.* The Company contended that there was no legal or policy justification to revisit the recently established Solicitation Procedure. *Id.* The Company further argued that prudence reviews should involve analyzing the information available when the resource decision was made—not by using updated information available closer to the COD, as Staff's recommendation implied. *Id.* at 4.

To alleviate Staff's concerns about an expedited prudence review of the PPA in a GRC or ECAM docket, the Company proposed providing the following information concerning the KU1 project 90 days in advance of the first GRC or ECAM filing following the COD:

1. All documents and presentations that were provided to management, senior management and the Board of Directors of the utility and its affiliates related to the plant addition.
2. Details of the PPA resource including its location, capacity, technologies used, project milestones or progress dates, and projected in-service date.
3. Description of any changes, modifications, etc. to the existing utility plant/system that may be necessary to integrate the resource with the utility's system.
4. Information establishing the prudence of the Company's decision to execute the PPA.
5. Information establishing how the PPA aligns with the Integrated Resource Plan and its Action Plan.
6. Copies of the PPA, including any amendments or associated contracts.
7. Information within the Company's possession regarding all clearances, permits or other government regulatory authorizations necessary, to be modified and completed for the resource.
8. Information on whether there are any integration costs or fees (transmission, etc.)
9. The impacts of the resource on any utility power cost and production cost dispatch models. If any models are revised to accommodate the resource, the revised models will be available to the parties participating in the application proceeding.

Id. at 5–6.

The Company also provided updates concerning its KU1-related filings in other jurisdictions. *Id.* at 7. The Wyoming Public Service Commission has approved the Company's Waiver of Solicitation Requirement and Water Right Disposition Approval applications. *Id.* The Company has similar pending proceedings in California, Oregon, and Utah. *Id.* Generally, the Company noted a lack of opposition, if not explicit support, at this stage among relevant parties. *Id.*

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501, -502, and -503.

Having reviewed the record, we find it fair, just, and reasonable to grant the Company's request for a limited, one-time waiver of the Commission's Solicitation Procedure. While we expect electric utilities to abide by the Solicitation Procedure to ensure least-cost, least-risk resource acquisition, the Commission concludes that the Company has met the standard for a waiver by demonstrating an imminent need for new resources and that KU1 is a unique, time-sensitive project that could provide long-term benefits to the Company and its customers. While the Commission has concerns about the potential for cost overruns and delays, particularly considering the new technology employed by the KU1 project, we find that the PPA adequately mitigates the risks posed to the Company and its customers.

As acknowledged in each comment filed in this case, neither the waiver granted here nor commencement of commercial operations permit the Company to recover costs associated with the PPA through customer rates. To recover such costs, the Company must seek a prudence review in an appropriate docket. The Commission will not prescribe the process the Company must use to seek a prudence determination of the PPA. However, the unique nature of KU1 that helps justify a waiver of the Solicitation Procedure also presents atypical challenges to Staff in the project auditing process. The Commission appreciates the Company's commitment to provide Staff with specified project information at least 90 days before the filing seeking a prudence determination and adopts this commitment as a condition of the waiver granted.

Despite declining to require a dedicated prudence filing for the PPA, as recommended by Staff, we note Staff's ability to request and obtain information regarding the PPA, independent of any proceeding before the Commission. Under *Idaho Code* § 61-610, Staff maintains "the right at any and all reasonable times to inspect the accounts, books, papers and documents of any public utility." Commission Rule of Procedure No. 227 confirms Staff's right "to review and inspect the books, records and premises of regulated utilities..." and Staff's ability to exercise the right "whether or not a formal proceeding is ongoing or a regulated utility or carrier is party to a formal proceeding before the Commission." Rule 227 also provides that "[i]nformation obtained from statutory examination and audit may be used in formal proceedings or for any other regulatory purpose."

Additionally, we instruct the Company to provide status updates as to the progress of the KU1 project in each future IRP and to otherwise apprise Staff of significant project developments. Such developments would include, but are not limited to, cost overruns and construction and permitting delays.

ORDER

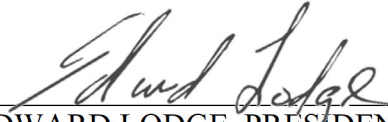
IT IS HEREBY ORDERED that the Company's request for a waiver of the Commission's Solicitation Procedure for the PPA associated with the KU1 project is granted.

IT IS FURTHER ORDERED that the Company shall provide to Staff all KU1 project information described in the Company's reply comments at least 90 days in advance of the GRC or ECAM filing in which the Company seeks a prudence determination regarding the project.

IT IS FURTHER ORDERED that the Company provide status updates as to the progress of the KU1 project in each future IRP and that the Company keep Staff apprised of significant project developments.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21 days of the service date of this Order regarding any matter decided in this Order. Within seven days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* §§ 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 22nd day of May 2026.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

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