



Idaho Public Utilities Commission

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Brad Little, Governor

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John R. Hammond, Jr., Commissioner

Edward Lodge, Commissioner

Case No. PAC-E-24-05

Order No. 36367

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NEWS RELEASE: Commission denies electric utility’s appeal seeking recovery of costs associated with Washington state’s climate commitment act.

BOISE (Oct. 22, 2024) – The Idaho Public Utilities Commission has denied Rocky Mountain Power’s request that the commission reconsider Order No. 36207, which disallowed the recovery of costs the utility incurred to comply with the Washington Climate Commitment Act (“WCCA”).

Order No. 36207 allowed Rocky Mountain Power to recover \$60,093,960 of the approximately \$62.4 million it requested through the utility’s Energy Cost Adjustment Mechanism (“ECAM”). The ECAM allows Rocky Mountain Power to regularly adjust its price for electricity to reflect fluctuations in the cost of fuel or purchased power used to supply electricity.

The Washington Climate Commitment Act establishes requirements designed to reduce certain greenhouse gas emissions from generating plants in Washington state. Rocky Mountain Power operates a natural gas-fired generating facility in Chehalis, Washington, that exports a portion of the electricity it generates there to Idaho customers. The Chehalis facility releases carbon dioxide for which the utility must purchase and retire “allowances” through the Washington Department of Ecology. Each allowance allows for the emission of one metric ton of carbon dioxide. To ensure that certain legislative emissions standards are met, Washington’s Department of Ecology will issue a decreasing number of those allowances in coming years.

In June of 2024, Rocky Mountain Power filed a petition for reconsideration of Order No. 36207. In its petition, Rocky Mountain Power argued the commission erred in disallowing recovery of its WCCA compliance costs by misinterpreting the 2020 PacifiCorp Inter-Jurisdictional Protocol in various ways, impermissibly separating the costs and benefits of the natural gas-fired generating facility in Chehalis, Washington, and discriminating against the utility for engaging in interstate commerce.

The commission, in its decision to deny the petition, said allowing recovery of costs incurred to comply with the WCCA from Idaho customers would violate the 2020 Protocol, which governs

the allocation of costs and benefits of company resources (including company-owned generating facilities like the Chehalis facility) across the jurisdictions in which the utility operates.

If it was not allowed to recover WCCA compliance costs, Rocky Mountain Power asserted the commission should revise Order No. 36207 to exclude the costs and benefits of the Chehalis facility from Idaho customers' rates, which would effectively remove Chehalis from service to Idaho customers.

Additional information on the commission's decision is available at:
puc.idaho.gov/case/Details/7292.