



Idaho Public Utilities Commission

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Case No. SUP-E-24-01
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NEWS RELEASE: Idaho Supreme Court affirms Idaho Public Utilities Commission orders denying recovery of costs associated with Washington state's Climate Commitment Act.

BOISE (Nov. 21, 2025) – The Idaho Supreme Court ruled in favor of the Idaho Public Utilities Commission in an appeal challenging the Commission's decision to deny an electric utility's application to increase rates to recoup costs caused by Washington state's Climate Commitment Act (CCA).

PacifiCorp, doing business in eastern Idaho as Rocky Mountain Power, filed the appeal with the Idaho Supreme Court. The utility owns and operates a natural gas-fired powerplant in Chehalis, Washington, that supplies electricity to Idaho customers. The CCA requires the utility to purchase greenhouse gas "allowances" to operate the Chehalis powerplant.

When PacifiCorp sought permission to raise its Idaho rates to recover the operating costs of the Chehalis power plant, it included \$2,306,040 as Idaho's share of the costs of CCA allowances purchased to operate the plant. The Commission approved recovery of more than \$60 million in other costs but denied recovery of the CCA allowance costs. The Commission concluded, among other things, that it would not be just or reasonable for Idaho customers to pay for these allowances when Washington provides its own residents with free allowances.

On appeal, PacifiCorp argued that its CCA allowance costs are similar to other generation-related expenses, such as dispatch costs or taxes, that are already shared across states it serves under a Commission-approved cost allocation protocol. PacifiCorp also claimed that because the Chehalis power plant provides Idaho customers with the lowest-cost power, Idaho customers should share in the CCA-related costs.

The Idaho Supreme Court rejected these arguments and upheld the Commission's decision to block PacifiCorp from recovering its CCA allowance costs. The Court concluded that the Commission had the authority to decide who should pay for expenses created by another state's laws, and that PacifiCorp had not shown anything more than a policy disagreement about how costs should be shared in utility markets. In short, the decision confirmed the Commission's

authority to shield Idaho customers from unfairly bearing costs created by another state's legislation.

Additional information is available at: puc.idaho.gov/case/Details/7458.