

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )**  
**PACIFICORP DBA ROCKY MOUNTAIN )** **CASE NO. PAC-E-11-01**  
**POWER FOR A DETERMINATION )**  
**REGARDING A FIRM ENERGY SALES )**  
**AGREEMENT BETWEEN ROCKY )**  
**MOUNTAIN POWER AND CEDAR CREEK )**  
**WIND, LLC (RATTLESNAKE CANYON )**  
**PROJECT) )**  


---

**IN THE MATTER OF THE APPLICATION OF )**  
**PACIFICORP DBA ROCKY MOUNTAIN )** **CASE NO. PAC-E-11-02**  
**POWER FOR A DETERMINATION )**  
**REGARDING A FIRM ENERGY SALES )**  
**AGREEMENT BETWEEN ROCKY )**  
**MOUNTAIN POWER AND CEDAR CREEK )**  
**WIND, LLC (COYOTE HILL PROJECT) )**  


---

**IN THE MATTER OF THE APPLICATION OF )**  
**PACIFICORP DBA ROCKY MOUNTAIN )** **CASE NO. PAC-E-11-03**  
**POWER FOR A DETERMINATION )**  
**REGARDING A FIRM ENERGY SALES )**  
**AGREEMENT BETWEEN ROCKY )**  
**MOUNTAIN POWER AND CEDAR CREEK )**  
**WIND, LLC (NORTH POINT PROJECT) )**  


---

**IN THE MATTER OF THE APPLICATION OF )**  
**PACIFICORP DBA ROCKY MOUNTAIN )** **CASE NO. PAC-E-11-04**  
**POWER FOR A DETERMINATION )**  
**REGARDING A FIRM ENERGY SALES )**  
**AGREEMENT BETWEEN ROCKY )**  
**MOUNTAIN POWER AND CEDAR CREEK )**  
**WIND, LLC (STEEP RIDGE PROJECT) )**  


---

**IN THE MATTER OF THE APPLICATION OF )**  
**PACIFICORP DBA ROCKY MOUNTAIN )** **CASE NO. PAC-E-11-05**  
**POWER FOR A DETERMINATION )**  
**REGARDING A FIRM ENERGY SALES )** **NOTICE OF APPLICATIONS**  
**AGREEMENT BETWEEN ROCKY )**  
**MOUNTAIN POWER AND CEDAR CREEK )** **NOTICE OF**  
**WIND, LLC (FIVE PINE PROJECT) )** **MODIFIED PROCEDURE**  


---

**ORDER NO. 32192**

On January 10, 2011, PacifiCorp dba Rocky Mountain Power filed Applications requesting acceptance or rejection of five 20-year Firm Energy Sales Agreements (Agreements) between Rocky Mountain Power and Cedar Creek Wind, LLC for its Rattlesnake Canyon, Coyote Hill, North Point, Steep Ridge and Five Pine wind projects. All five projects (Facilities) are located near Bingham County, Idaho. The projects will all be “qualifying facilities” (QFs) under the applicable provisions of the federal PURPA.

### **NOTICE OF APPLICATIONS**

YOU ARE HEREBY NOTIFIED that, on December 22, 2010, Rocky Mountain Power and each of the five wind projects entered into their respective Agreements. Under the terms of the Agreements, the wind projects each agree to sell electric energy to Rocky Mountain Power for a 20-year term using the current non-levelized published avoided cost rates as currently established by the Commission in Order No. 31025 for energy deliveries of less than 10 aMW. Applications at 8-9. The nameplate rating of Rattlesnake Canyon, Coyote Hill and North Point is 27.6 MW each. The nameplate rating of Steep Ridge and Five Pine is 25.2 MW each. Under normal and/or average conditions, each Facility will not exceed 10 aMW on a monthly basis. Rocky Mountain Power warrants that the Agreements comport with the terms and conditions of the various Commission Orders applicable to PURPA agreements for wind resources. Order Nos. 30415, 30488, 30738 and 31025.

#### ***A. The Agreements***

YOU ARE FURTHER NOTIFIED that each Facility has selected October 1, 2012, as its Scheduled Commercial Operation Date. Applications at 9. Rocky Mountain Power asserts that various requirements have been placed upon the Facilities in order for Rocky Mountain Power to accept the Facilities’ energy deliveries. Rocky Mountain Power states that it will monitor the Facilities’ compliance with initial and ongoing requirements through the term of the Agreements. Rocky Mountain Power asserts that it has advised each Facility of the Facility’s responsibility to work with Rocky Mountain Power’s transmission unit to ensure that sufficient time and resources will be available for delivery to construct the interconnection facilities, and transmission upgrades if required, in time to allow each Facility to achieve its October 1, 2012, Scheduled Commercial Operation Date.

YOU ARE FURTHER NOTIFIED that Rocky Mountain Power asserts that each Facility has been advised that delays in the interconnection or transmission process do not

constitute excusable delays and if a Facility fails to achieve its Scheduled Commercial Operation Date delay damages will be assessed. *Id.* at 11. The Applications further maintain that each Facility has acknowledged and accepted the risk inherent in proceeding with its Agreement without knowledge of the requirements of interconnection and possible transmission upgrades. *Id.* The parties have each agreed to delay liquidated damages and security provisions. Agreement ¶¶ 2.5.1, 11.1.2. Rocky Mountain Power states that each Facility has also been made aware of and accepted the provisions in each Agreement regarding curtailment or disconnection of its Facility should certain operating conditions develop on Rocky Mountain Power’s system. Agreement ¶ 6.3.

YOU ARE FURTHER NOTIFIED that, by their own terms, the Agreements will not become effective until the Commission has approved all of the terms and conditions and declares that all payments made by Rocky Mountain Power to the Facilities for purchases of energy “are just and reasonable, in the public interest, and that the costs incurred by [Rocky Mountain Power] for purchases of capacity and energy from [Cedar Creek] are legitimate expenses, all of which the Commission will allow [Rocky Mountain Power] to recover in rates in Idaho in the event other jurisdictions deny recovery of their proportionate share of said expenses.” Agreement ¶ 2.1.

YOU ARE FURTHER NOTIFIED that Rocky Mountain Power’s Applications specifically note the Joint Petition it filed with the Commission on November 5, 2010, requesting an immediate reduction in the published avoided cost rate eligibility cap from 10 aMW to 100 kW. Applications at 3. Rocky Mountain Power states that it is aware of and in compliance with its ongoing obligation under federal law, FERC regulations, and Commission Orders to enter into power purchase agreements with PURPA QFs. *Id.* at 4. However, Rocky Mountain Power “is concerned with the increase in power supply costs, and the resulting increase in rates to its customers, that the current published SAR-methodology avoided cost prices causes as compared to applying the IRP-methodology or the results from a competitive request for proposal solicitation.” *Id.* at 5. Rocky Mountain Power points out that published rate purchases “result in an inherent overpayment to the extent that the project does not offer the same delivery attributes as the proxy resource on which the avoided costs are calculated. . . . Because a contract under the published QF rate has minimal flexibility to adjust pricing or the terms and conditions in the contract based on the project’s characteristics, wind resources have found the QF path more

conducive to gaining a long term power purchase agreement without the project specific adjustments they would encounter through the IRP-methodology or a competitive request for proposal solicitation.” *Id.* at 6.

**NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing for these five Applications and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on these Applications or any individual Application may file a written comment in support or opposition with the Commission **no later than March 24, 2011**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning any of these Applications shall be mailed to the Commission and Rocky Mountain Power at the addresses reflected below:

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Daniel E. Solander  
Rocky Mountain Power  
201 South Main, Suite 2300  
Salt Lake City, UT 84111  
E-Mail: [daniel.solander@pacificorp.com](mailto:daniel.solander@pacificorp.com)

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Ted Weston  
Rocky Mountain Power  
201 South Main, Suite 2300  
Salt Lake City, UT 84111  
E-Mail: [ted.weston@pacificorp.com](mailto:ted.weston@pacificorp.com)

Comments should contain the case captions and case numbers shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission’s home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the “Comments and Questions” icon and complete the comment form using the case numbers as they appear on the front of this document. These comments must also be sent to Rocky Mountain Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that Rocky Mountain Power may file reply comments (if necessary) **no later than March 31, 2011**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider each Application on its merits and enter Orders without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the five Applications have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Applications are also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that all proceedings in these cases will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

YOU ARE FURTHER NOTIFIED that all proceedings regarding these Applications will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

### **ORDER**

IT IS HEREBY ORDERED that these cases be processed under Modified Procedure. Interested persons and the parties may file written comments no later than March 24, 2011.

IT IS FURTHER ORDERED that Rocky Mountain Power may file reply comments no later than March 31, 2011.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24<sup>th</sup>  
day of February 2011.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:PAC-E-11-01\_PAC-E-11-02\_PAC-E-11-03\_PAC-E-11-04\_PAC-E-11-05\_ks