

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: DAPHNE HUANG
DEPUTY ATTORNEY GENERAL

DATE: JULY 14, 2016

SUBJECT: PACIFICORP'S APPLICATION TO APPROVE ADDENDUM TO THE
LOWER VALLEY ENERGY INC. POWER PURCHASE AGREEMENT,
CASE NO. PAC-E-16-11

On July 7, 2016, PacifiCorp dba Rocky Mountain Power (the Company) filed an Application asking the Commission to approve an Addendum to its Power Purchase Agreement (PPA) with Lower Valley Energy, Inc. Under the existing PPA, approved by the Commission in 2014, Lower Valley sells, and the Company purchases, electric power generated from Lower Valley's three facilities – the Upper Facility, the Lower Facility, and the Culinary Facility – which are run-of-river hydroelectric generating facilities in or near Afton, Lincoln County, Wyoming. PPA (Attachment 2 to Application); Order No. 33107. The facilities – each a separate qualifying facility under the Public Utility Regulatory Policies Act – are deemed a single generating facility for purposes of the PPA. *Id.*

Under the Addendum, the parties agree to extend the term of the PPA, set to expire on September 30, 2016, for one additional year, using applicable Idaho rates.¹ Addendum (Attachment 1 to Application). The applicable rates are the non-levelized² avoided cost rates for non-seasonal hydro projects less than 10 average megawatts, approved by the Commission in December 2015 in Order No. 33435 (Case No. PAC-E-15-12). For energy deliveries in 2016, the rate is \$34.06 per megawatt-hour (MWh). Application at 3. For energy deliveries in 2017, until the PPA expires on September 30, the rate is \$34.42 per MWh. *Id.*

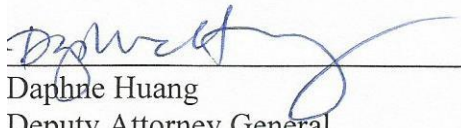
¹ The Company indicates it will correct an erroneous reference to "Idaho Schedule 37" in its Addendum.

² The Company will file an errata clarifying that the parties agree to non-levelized, not levelized avoided cost rates.

The Company asks that its Application be processed by Modified Procedure. Staff recommends that the Application be processed by Modified Procedure with a 21-day comment period.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure establishing a 21-day comment period?



Daphne Huang
Deputy Attorney General

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