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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION FOR APPROVAL) CASE NO. IPC-E-20-31
OR REJECTION OF A FIRST AMENDMENT)
TO THE ENERGY SALES AGREEMENT FOR)
THE SALE AND PURCHASE OF ELECTRIC) COMMENTS OF THE
ENERGY FROM NORTH GOODING MAIN) COMMISSION STAFF
HYDRO, LLC)

The Staff of the Idaho Public Utilities Commission comments as follows on Idaho Power Company's Application.

BACKGROUND

On July 21, 2020, Idaho Power Company ("Idaho Power" or "Company") filed an Application asking the Commission to approve or reject the first amendment ("Amendment") to Idaho Power's Energy Sales Agreement ("ESA") with North Gooding Main Hydro, LLC ("Seller"). The ESA falls under the Public Utility Regulatory Policies Act of 1978 ("PURPA") and is a contract for the sale and purchase of electric energy generated by the North Gooding Main Hydro project—a PURPA qualifying facility ("QF"). The Amendment addresses when the Seller must notify the Company to revise future monthly Estimated Net Energy Amounts.

The Commission approved Idaho Power's ESA with the Seller October 27, 2015. Order No. 33404. Idaho Power asked the Commission to approve or reject the Amendment to the ESA, which the Company and Seller agreed to on July 9, 2020.

The Amendment changes when the Seller must notify Idaho Power to revise future monthly Estimated Net Energy Amounts. Currently, Section 6.2.3 of the ESA requires the Seller to notify Idaho Power at least one month before the Seller revises a given month's Estimated Net Energy Amount. The Amendment states that "[a]fter the Operation Date, the Seller must revise any future monthly Estimated Net Energy Amounts by providing written notice no later than 5 PM Mountain Standard time on the 25th day of the month that is prior to the month to be revised." Application, Attachment 1. If the 25th day falls on a weekend or holiday, Idaho Power must receive written notice by the last business day before the 25th of the month¹.

STAFF ANALYSIS

Staff recommends approval of the proposed Amended Energy Sales Agreement between Idaho Power and the Seller. Section 6.2.3 of the existing ESA will be replaced to allow the Seller to adjust Estimated Net Energy Amounts, which are provided to Idaho Power to comply with 90/110 firmness requirements, with a five-day advanced notice instead of a one-month advanced notification in the currently approved ESA.

One-month advanced notice contained in the current contract can benefit longer term planning. However, the Company will have at least five years of historical generation data that it can rely upon instead. Regardless, the Commission has approved a five-day advanced notice to revise monthly generation estimates in previous cases, recognizing that Estimated Net Energy Amounts that are closer to the time of delivery can improve the accuracy of input used by the Company for short-term operational planning. *See* Case Nos. IPC-E-19-01, IPC-E-19-03, IPC-E-19-04, IPC-E-19-07, and IPC-E-19-12. Even for QFs that lack historical data, the Company expressed through an August 4, 2020 e-mail that the benefits of more accurate monthly estimates in short-term operations provided by the five-day notice outweigh the need for month-ahead adjustments from monthly estimates. Staff concurs, and believes a five-day advanced notice is appropriate for all QF projects regardless of how long a QF has operated.

¹ The First Amendment provides the following example: "[I]f the Seller[s] would like to revise the Estimated Net Energy Amount for October, they would need to submit a revised schedule no later than September 25th, or the last business day prior to September 25th."

STAFF RECOMMENDATION

Staff recommends the Commission approve the Amendment to the Energy Sales Agreement for North Gooding Main Hydro, with all other terms and conditions to remain unchanged.

Respectfully submitted this 27th day of August 2020.



Matt Hunter
Deputy Attorney General

Technical Staff: Rachelle Farnsworth
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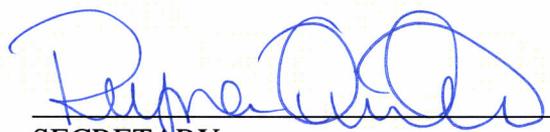
CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 27th DAY OF AUGUST 2020, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-20-31, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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