

## DECISION MEMORANDUM

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

**FROM:** JOHN R. HAMMOND JR.  
DEPUTY ATTORNEY GENERAL

**DATE:** NOVEMBER 20, 2020

**SUBJECT:** IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION  
FOR APPROVAL OR REJECTION OF AN ENERGY SALES  
AGREEMENT WITH THE CITY OF POCATELLO; CASE NO. IPC-E-20-  
37.

On November 12, 2020, Idaho Power Company ("Idaho Power" or "Company") filed an Application seeking approval of its proposed Energy Sales Agreement ("ESA") with the City of Pocatello, Idaho ("Pocatello" or "Seller") for the energy generated by the Pocatello Waste Project ("Facility"). The Facility is a qualifying facility ("QF") under the Public Utility Regulatory Policies Act of 1978 ("PURPA").

### THE APPLICATION

The Facility operated by Pocatello has a 500 kilowatt ("kW") nameplate capacity. The Facility has two Caterpillar motors operated by methane gas from the Pocatello Wastewater Treatment Plant. Application at 4. Idaho Power asserts these motors have powered a 500 kW generator since 1993/1994. The Facility currently delivers energy to the Company under an energy sales agreement dated April 24, 1985. *Id.* The existing energy sales agreement expires on December 31, 2020. *Id.* The Company and Pocatello intend the proposed ESA to replace the expiring energy sales agreement. *Id.* at 2. The Company states the proposed ESA complies with Commission orders regarding this type of agreement. *Id.*

In the proposed ESA, Pocatello has contracted for non-levelized, "Other" published avoided cost rates for a 20-year term. *Id.* at 4; *see* Order No. 34683. Idaho Power states that because this is a replacement ESA, the proposed ESA contains capacity payments for the entire

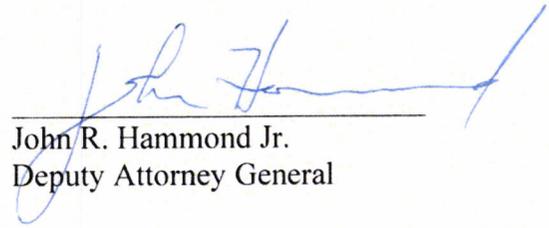
term of the Agreement. *Id.* at 5. The Company requests that its Application be processed by Modified Procedure. *Id.* at 8.

**STAFF RECOMMENDATION**

Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure. Staff recommends the Notice of Application and Notice of Modified Procedure provide for a twenty-one (21) day written comment period for itself and any other interested parties, with a seven (7) day reply comment period for the Company to follow.

**COMMISSION DECISION**

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure that establishes a twenty-one (21) day written comment period for Staff and any other interested parties followed by a seven (7) day reply comment period for the Company?



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John R. Hammond Jr.  
Deputy Attorney General

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