

DECISION MEMORANDUM

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

**FROM: DAYN HARDIE
DEPUTY ATTORNEY GENERAL**

DATE: JUNE 26, 2020

**SUBJECT: IN THE MATTER OF ROCKY MOUNTAIN POWER'S APPLICATION
FOR APPROVAL OF A POWER PURCHASE AGREEMENT BETWEEN
PACIFICORP AND FALL RIVER ELECTRIC COOPERATIVE, INC;
CASE NO. PAC-E-20-10**

On June 9, 2020, Rocky Mountain Power (“Company”), a division of PacifiCorp, applied for consideration of a Power Purchase Agreement (“Agreement”) with Fall River Electric Cooperative, Inc. for energy generated by the Felt Hydro Facility¹ (“Facility”), a small hydro facility in Teton County, Idaho. Application at 1. The Facility is a qualifying facility under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) and has a nameplate capacity of 7.45 megawatts. *Id.* at 2.

THE APPLICATION

The Facility has been delivering energy to the Company in accordance with a PURPA contract dated December 4, 1984. *Id.* at 3. The existing PURPA contract will expire at midnight on March 31, 2021. *Id.* The Company states that the Agreement contains non-seasonal hydro avoided cost rates based on the surrogate avoided resource cost methodology for a 20-year term. *Id.* The replacement Agreement² also contains capacity payments for the entire term of the Agreement with no sufficiency period. *Id.* at 2-3. The Company requests the Commission declare all payments for purchase of energy under the Agreement be allowed as legitimate expenses for ratemaking purposes, all of which the Commission will allow the Company to recover in Idaho in the event other jurisdictions deny recovery for their proportionate shares. *Id.* at 3 and 5.

¹ The Facility was previously known as CDM Hydro.

² The Company references both Power Purchase Agreement and “ESA” (Energy Sales Agreement) throughout its Application.

STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure, setting an August 17, 2020 comment deadline and an August 24, 2020 reply comment deadline.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure, setting an August 17, 2020 comment deadline and an August 24, 2020 reply comment deadline?



Dayn Hardie
Deputy Attorney General

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