



Case No: IPC-E-19-12

Order No: 34298

Contact: Matt Evans

Office: (208) 334-0339

Cell: (208) 520-4763

matt.evans@puc.idaho.gov

Idaho Power requests approval of energy sales agreement for hydro facility

BOISE (April 10, 2019) – State regulators are accepting written comments on a proposed energy sales agreement between Idaho Power and Little Mac Power Company for energy generated at a hydropower facility near Twin Falls.

The agreement before the Idaho Public Utilities Commission covers the energy output at the Cedar Draw Hydro project, which has a nameplate capacity of 1.55 megawatts, and would replace an existing sales agreement that was signed in 1984 and is set to expire May 31.

Cedar Draw is a qualifying facility (QF) under the provisions of the Public Utility Regulatory Policies Act (PURPA), which was enacted in 1978 to lessen the country's dependence on foreign oil and to encourage the promotion and development of renewable energy technologies.

PURPA requires regulated utilities to buy energy from QFs at a rate established by state commissions.

That rate is referred to as the avoided cost rate because it is based on the cost the utility avoids by not having to generate the energy itself or purchase from another source.

The proposed energy sales agreement for Cedar Draw would be in effect for 20 years at non-levelized, non-seasonal hydro published avoided cost rate established by the Commission.

The rate varies based on the season and the load on Idaho Power's system, ranging from \$41.57 per megawatt-hours (MWh) during light load hours in 2019, to \$125.97 per MWh during heavy load hours in 2039.

Capacity payments are included throughout the life of the proposed agreement since the facility is receiving capacity payments under the current contract with Idaho Power.

QFs that receive capacity payments are recognized as part of the utility's resource stack, or plan for meeting the long-term demand for energy, thereby reducing the utility's need to add capacity.

If the output of the Cedar Draw facility exceeds 10 aMW on a monthly basis, Idaho Power will accept the surplus energy but will not pay for the inadvertent energy.

The Commission is accepting written comments on Idaho Power's proposal through May 8. Go [here](#) to submit a comment electronically. Please include the case number, IPC-E-19-12. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

All documents filed in this case, including Idaho Power's [application](#), can be accessed [here](#). Or go to the Commission's web site, www.puc.idaho.gov. Click on "Open Cases" under the "Electric" heading and scroll down to case number IPC-E-19-12.