

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 3, 2016**

REGULAR _____ CONSENT X EFFECTIVE DATE May 12, 2016

DATE: April 25, 2016

TO: Public Utility Commission

FROM: Brittany Andrus *BA*

THROUGH: Jason Eisdorfer *J* and Mike Dougherty *M*

SUBJECT: IDAHO POWER COMPANY: (Docket No. UM 1725) Changes
Schedule 85 and Energy Sales Agreements for Qualifying Facilities in
Compliance with Order No. 16-129.

STAFF RECOMMENDATION:

Staff recommends that the Commission issue an order approving Idaho Power Company's (Idaho Power) filing to Update Schedule 85, Cogeneration and Small Power Production Standard Contract Rates, and revise Standard Energy Sales Agreements, filed on April 12, 2016 in compliance with Order No. 16-129, effective May 12, 2016.

ISSUE:

The question presented is whether Idaho Power's filing complies with the Commission's previous order implementing certain changes to the Commission's PURPA policies. Staff concludes that it does.

APPLICABLE RULES, LAWS, AND ORDERS:

The Commission requires Idaho Power to offer contracts with standard terms and rates ("standard contracts" or standard power purchase agreements (PPA)) to Qualifying Facilities (QF) that are 10 MW and less for non-solar projects, and 3 MW and less for solar projects.¹ The Commission reviews utilities' forms of standard contracts to determine whether the terms comply with PURPA and state requirements.²

¹ Order No. 14-058 at 7; Order No. 15-199 at 7 reduced the eligibility cap for Idaho Power's standard contracts to 3 MW for solar QF projects to provide interim relief.

² See e.g., Order No. 07-197 (reviewing Idaho Power's standard contract to determine whether it complies with Commission orders implementing PURPA).

ANALYSIS:

On March 29, 2016, the Commission issued Order No. 16-129, which takes three actions: 1) modifies the eligibility cap for standard avoided cost prices in standard contracts to 3 MW for solar QFs; 2) requires Idaho Power to offer standard contracts with negotiated avoided cost prices to solar QFs with capacities greater than 3 MW, up to 10 MW; and 3) approves Idaho Power's application to postpone the start of its resource deficiency period from 2016 to 2021.

Idaho Power filed revised PPAs and a revised Schedule 85 in accordance with the Order on April 12, 2016. Staff reviewed the changes to Schedule 85, and to section 7.3 and Appendix D of the Company's standard QF contracts, and verified that they meet the requirements contained in Order No. 16-129.

PROPOSED COMMISSION MOTION:

Idaho Power's Compliance Filing to Update Schedule 85, Cogeneration and Small Power Production Standard Contract Rates, and Revise Standard Energy Sales Agreements, filed on April 12, 2016, in compliance with Order No. 16-129, be allowed to go into effect on May 12, 2016.