

Jean Jewell

✓ To A.V. for Int. Parties list
✓ Gen. Ack sent 4/10/02

From: Ed Howell
Sent: Friday, March 15, 2002 9:43 AM
To: Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark
Subject: Comment acknowledgement

WWW Form Submission:

Friday, March 15, 2002
9:43:20 AM

Case: GNR-02-01
Name: Bill Chisholm, IRC Energy Coordinator
Street Address: 19073E Hwy 30
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State: Idaho
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Home Telephone: 208-543-4418
E-Mail: chisholm3@mindspring.com
Company: General
mailing_list_yes_no: yes
Comment_description:

March 11, 2002

Idaho Rural Council
Bill Chisholm, Energy Coordinator
19073E Hwy 30
Buhl, Idaho 83316

Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

Comments: Case GNR-E-02-01, PURPA projects

Dear Commissioners,

The Idaho Rural Council is a grassroots organization dedicated to the preservation and enhancement of the quality of life in Idaho. We are concerned with economic viability and sustainability and with the prudent and responsible use of our state's abundant natural resources. We care about the environment, about the air, land and water which sustains us and which must also sustain future generations. It is in that context that we submit these comments regarding GNR-E-02-01.

The Idaho Rural Council supports the concept of a safe, sustainable, affordable and just energy policy for all Idahoans. We believe strongly in energy conservation and the efficient and responsible use of our energy resources. We are in favor of renewable and distributed energy production and thus believe that longer PURPA contracts in the 15 to 20 year range are essential to encourage investment in renewables such as wind and solar. We have concerns about the kind of hydro development and proposals that took place when longer PURPA contracts were available before. While small hydro projects in canal systems make sense, damming up the few remaining free flowing waters of Idaho don't make sense either in water quality terms or for protection and enhancement of fisheries. We believe that hydro projects should be limited to canal systems or other waters that have neither fish nor recreation issues. To that end, we would recommend that an environmental assessment be done for all projects to determine their impacts and allow for public comment and participation. That there be in essence a more wholistic approach to economic assessment of these projects.

The rate structure of applying avoided costs to PURPA projects up to 5 MW seems reasonable. However, in order to better reflect the true nature of the avoided costs and thus protect rate payers from paying higher prices than necessary, these costs should

reflect the seasonal fluctuations of these costs. It is important that wind and solar production projects become a part of the energy mix here in Idaho if we are to have a sustainable energy future. Idaho has abundant wind and solar resources and along with conservation and efficiency we should look to better utilize those resources. We urge you to be creative and visionary in your approach to this issue so that we truly move forward to establishing a safe, stable and sustainable energy future that is environmentally responsible, economically sound and socially just.

Bill Chisholm
IRC Energy Co-ordinator

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Jean Jewell

✓ Gen Ack sent 3/14/02
✓ To AV. J. Ind. Parkies List

From: Ed Howell
Sent: Thursday, March 14, 2002 12:34 PM
To: Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark
Subject: Comment acknowledgement

WWW Form Submission:

Thursday, March 14, 2002
12:34:21 PM

Case: GNR-E-02-01
Name: David F. Luck
Street Address: 26 Del Prado
City: Lake Oswego
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E-Mail: dfluck@aol.com
Company: statewide application
mailing_list_yes_no: yes
Comment_description: Introduction:

My name is David F. Luck, and these comments are based on both my current position with enXco, and my 28 years in the power generation industry. Those 28 years include direct experience with all technologies utilized as "Qualifying Facilities" ("QFs") under PURPA (hydro, wind, solar, waste fuel plants, and cogeneration).

EnXco is the world's leading operator of wind turbines, and has U.S. headquarters in N. Palm Springs, CA. enXco has committed significant resources to Idaho, since the summer of 2001, with the objective of developing viable wind energy projects in the state. EnXco has installed "met towers", to accurately measure wind energy (the first step in wind project development), at Notch Butte Farms (between Jerome and Shoshone, ID), and will be installing additional met towers at a number of locations in southern Idaho when the snow melts sufficiently to allow access to the higher sites. I have worked closely with the Idaho Department of Water Resources (Energy Division) to increase awareness of the benefits of wind energy by speaking at conferences on the subject, speaking to groups like Idaho Farm Bureau, speaking with state and county officials, and by meeting with ranchers and farmers interested in "harvesting the wind" on their property.

Comments:

To allow renewable energy and energy-efficient cogeneration to contribute to meeting the growing electrical energy needs of Idaho, it will be necessary to adjust the current (1994) structure of rates paid for the energy produced by such QFs. Because most Qualifying Facilities are constructed using private funding, it is essential that they be provided with a reasonable price for the product (electrical energy), and that the contract for the energy be of sufficient time to support the investment. The current specified contract duration of 5 years is insufficient, and the Commission should consider a more reasonable period of 20 years.

Like many other construction related activities, QFs benefit from "economy of scale". The current limit in Idaho of 1 megawatt is well below the size necessary for cost effective projects - either based on renewable energy technologies or cogeneration. If Idaho adopted the original Federal specification of 80 megawatts, construction of QFs of all technologies would become feasible in Idaho.

On the subject of QF size, let me note that enXco sees the future of wind energy in Idaho as based on a number of modest projects (between 20 and 80 megawatts) at locations spread across the state. Our position is based on the fact that "commercial quality" wind resources are based on localized terrain features, and on the fact that smaller, diverse sites are more beneficial to the electrical transmission system - a form of "distributed generation" which has the potential to improve electrical service in remote rural areas.

If the Commission acts to limit a revised program to projects located in Idaho, these "homegrown" wind and biomass generation projects offer the opportunity for Idaho farmers, ranchers to secure much needed alternate revenue streams, and for industrial operations to reduce their overall energy costs through cogeneration. Taking advantage of these opportunities is essential if Idaho's industry and agriculture is to continue to be competitive in the national (in many cases international) marketplace. The continued viability of farms, ranches and industry in Idaho should be of direct and critical interest to the Commission: Failure of farms and ranches will result in significant reductions reduction in utility revenues as the irrigation pumps are shut down, and shuttered industrial facilities will remove steady loads that are the lifeblood of Idaho utilities. The remaining ratepayers (residential and light commercial) will be required to pick up the "slack".

In closing, I urge the Commission to conduct public hearings on this critical matter. My extensive experience working with utilities in many places, and, more recently, with farmers and ranchers in Idaho, gives me an appreciation for the complexity of this issue. I suggest that it can only be properly acted on after the parties that will be affected have had the opportunity to present the facts.

Respectfully,
David F. Luck

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*✓ Gen Ack
sent 2/7/02*

GNR-E-02-01

Jean Jewell

From: Ed Howell
Sent: Thursday, February 07, 2002 12:45 PM
To: Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark
Subject: Comment acknowledgement

WWW Form Submission:

Thursday, February 07, 2002
12:45:21 PM

Case: GNR-E-02-01
Name: Christopher Scott Harriman
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City: Twin Falls
State: Idaho
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Home Telephone: 208-735-8233
E-Mail: harriman@pmt.org
Company: Idaho Power

Comment_description: Dear Commissioners,

As a Plant Manager for two 10MW gas turbine cogeneration facilities in southern Idaho, I have a vested personal and professional interest in this issue. The plants I manage were contracted under the old rules and would not exist under the present rules governing the contracting of power from new Qualifying Facilities.

The current rule makes it virtually impossible for a developer to retrieve the project's capital expenditure in the 5 year time frame, since the energy rate required to recover captial expenditure is much greater than that required with a contract of a longer term. Naturally, it is virtually impossible to receive project financing as well.

The 1 MW limitation eliminates nearly all viable steam Host facilities since almost without exception the steam requirements for most production facilities is at least ten fold the amount of steam a 1 MW gas turbine can provide. In fact, most industrial facilities with a steam requirement will require more than thirty times the amount a 1 MW facility is capable of providing. Such a limitation is a complete disincentive to both the potential developer and the any potential Host facility. Clearly, with only two QF contracts being issued by Idaho Power since the new rules were inacted, the proof is in the pudding. If the rule as stated was intended to promote system diversification, that certainly hasn't happened. If the rule was intended to promote opportunity for development outside the framework of the utility, that hasn't happened either.

I believe that if the Commission believes that it is desireable to see new Qualifying Facilities developed in the State of Idaho, then a return to the old rules are the minimum that should be done. An even better approach would be to survey potential Host facilities throughout the state, and from that derive a more suitable sizing limitation, which, without a doubt, would be larger than 10 MW. As I said before, the five year contract limitation dramatically raises the rate that the developer must be paid to recover the project's capital expenditures. Raising the contract term limit back to twenty years will allow the developer to operate profitably at a much lower rate to utility, and finally to the consumer.

I find it interesting that Idaho Power is very concerned with the amount they have to pay for electricity from outside sources, but is less concerned when paying for new capacity within it's own facilities as evidenced by the fact that all recent new capacity within Idaho Power is being paid for without exception, at a higher rate than they pay for the power our facilities deliver to them. I think that they now realize the true cost of developing and operating new facilities.

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✓ Ack sent 3/13/02

GNR-E-02-01

Jean Jewell

From: Ed Howell
Sent: Tuesday, March 12, 2002 11:08 AM
To: Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark
Subject: Comment acknowledgement

WWW Form Submission:

Tuesday, March 12, 2002
11:07:56 AM

Case: GNR-E-02-01
Name: Valerie K Chisholm
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E-Mail: highride@mindspring.com
Company: Idaho Power
mailing_list_yes_no: no

Comment_description: I support the reestablishment of longer contracts for PURPA projects of renewable energy sources. The solutions to our energy problems must be based on long-term planning that provides an avenue for sustainable energy sources, particularly wind and solar, to take hold. What we need are small, local (demand site) systems that can augment our energy independence and that can be more responsive to our responsibility to ensure a cleaner environment. At the same time, we must all refocus our definition of need and examine our incessant, wasteful consumption.

Thank you for your attention to this matter, and please keep focused on getting everyone, the public and the industries, to examine their energy consumption. We need education and financial support to get us out of the wasteful past and into a sustainable, green future.

Valerie K Chisholm

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