

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<b>IN THE MATTER OF A REVIEW OF THE SURROGATE AVOIDABLE RESOURCE (SAR) METHODOLOGY FOR CALCULATING PUBLISHED AVOIDED COST RATES</b>	) ) ) ) ) ) )	<b>CASE NO. GNR-E-09-03  NOTICE OF VACATED SCHEDULING</b>
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### BACKGROUND

On August 6, 2009, the Idaho Public Utilities Commission (Commission) opened a generic docket (Case No. GNR-E-09-03) to assess the continued viability of the Commission's existing proxy unit or surrogate avoided resource (SAR) methodology for calculating published avoided cost rates. Specifically, the Commission noticed its intent to explore the continued reasonableness of using published avoided cost rates as presently calculated for all Qualifying Cogeneration and Small Power Production Facility (QF) resource types. 18 C.F.R. § 292.101(6).

As reflected in the Commission's August 6, 2009 Notice, the appropriateness of a single avoided cost SAR methodology for published rates is being re-examined in the context of PURPA and FERC requirements<sup>1</sup> and the comparative and different generation and operation capabilities of resources being offered to Idaho utilities, e.g., capacity factor, dispatchability, intermittency. Written comments were solicited. Reply comments were authorized. All comments are available for review at the Commission's office, 472 W. Washington Street, Boise, Idaho and on the Commission's web site [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and then "Electric Cases."

At the Commission's directive, Commission Staff (Staff) prepared a straw man wind SAR proposal earlier this year and distributed it to a small universe of interested parties (QFs and utilities) for their review and comment. It was a starting point proposal intended to generate discussion of its strengths and weaknesses and to provoke the generation of new and better proposals. Those comments are now available for review at the Commission's offices and on its web site. The straw man proposal was subsequently attached to a Notice of Public Workshop

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<sup>1</sup> The Public Utility Regulatory Policies Act of 1978 (PURPA) and the implementing regulations of the Federal Energy Regulatory Commission (FERC) (18 C.F.R. § 292).

issued by the Commission on October 6, 2010, and is now available attached to that Notice on the Commission's web site.

#### *Workshop and Scheduling*

On October 6, 2010, the Commission scheduled a public workshop regarding the straw man proposal. By Amended Notice the workshop was rescheduled for November 3, 2010. The purpose of the workshop was to discuss the strengths and weaknesses of the straw man proposal and to discuss other proposals and recommendations of the parties.

Staff represents to the Commission that at the conclusion of the November 3, 2010 workshop, while it seems the parties were in agreement that continued discussions should occur on some level, it was agreed that there was no appetite or desire for further discussion of Staff's straw man proposal. Staff accordingly recommends that the November 23, 2010 deadline for filing written comments be vacated.

#### **COMMISSION FINDINGS**

For reasons set forth above, Commission Staff recommends that the deadline for filing written comments regarding the straw man wind SAR proposal currently scheduled for November 23, 2010 be vacated. The Commission agrees with Staff's recommendation. We expect Staff to make further procedural recommendations at a later date.

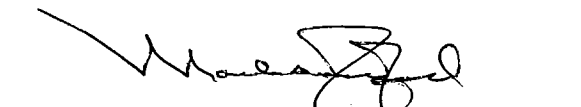
#### **NOTICE OF VACATED SCHEDULING**

YOU ARE HEREBY NOTIFIED that the November 23, 2010 deadline for filing written comments regarding the straw man wind SAR proposal is vacated.

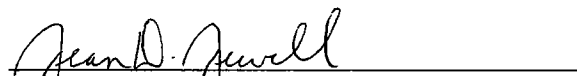
DATED at Boise, Idaho this 12<sup>th</sup> day of November 2010.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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