

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF

FROM: KRISTINE SASSER
DEPUTY ATTORNEY GENERAL

DATE: FEBRUARY 15, 2011

SUBJECT: IN THE MATTER OF THE COMMISSION'S INVESTIGATION INTO
DISAGGREGATION AND AN APPROPRIATE PUBLISHED AVOIDED
COST RATE ELIGIBILITY CAP STRUCTURE, CASE NO. GNR-E-11-01
(the 2nd phase of GNR-E-10-04)

BACKGROUND

On November 5, 2010, Idaho Power Company, Avista Corporation and PacifiCorp dba Rocky Mountain Power (Utilities) filed a Joint Petition requesting that the Commission initiate an investigation to address various avoided cost issues related to the Public Utility Regulatory Policies Act of 1978 (PURPA). The Petitioners requested that, while the investigation was underway, the Commission “lower the published avoided cost rate eligibility cap from 10 aMW to 100 kW [to] be effective immediately. . . .” Petition at 7.

The Commission declined to immediately reduce the published avoided cost rate eligibility cap and determined that the Joint Petition should be processed under Modified Procedure. On February 7, 2011, following the submission of comments, reply comments and oral argument, the Commission issued an Order *temporarily* reducing the published avoided cost rate eligibility cap from 10 aMW to 100 kW for wind and solar QFs only. Order No. 32176. The Commission expressed concern over large QFs disaggregating into smaller projects in order to qualify for a published avoided cost rate that does not accurately reflect the utility's true avoided cost. Consequently, the Commission initiated additional proceedings to investigate a published avoided cost rate eligibility cap structure that: (1) allows small wind and solar QFs to avail themselves of published rates for projects producing 10 aMW or less; and (2) prevents large QFs from disaggregating in order to obtain a published avoided cost rate that exceeds a

utility's avoided cost. *Id.* at 11. The Commission directed the parties to meet informally to establish a schedule consistent with a technical hearing to occur during the week of May 9, 2011.

THE PROPOSED SCHEDULE

Pursuant to the Commission's directive in Order No. 32176, Staff contacted the parties to propose a schedule. None of the parties to the GNR-E-10-04 case opposed the following procedural schedule:

Deadline for intervention	7 days from the issuance of the Notice in this case
Prefiled testimony deadline	March 25, 2011
Rebuttal testimony deadline	April 22, 2011
Technical hearing	week of May 9, 2011

The parties also agreed that answers to discovery should be provided as soon as possible but no later than 21 days from the date of the discovery request. Current parties to the GNR-E-10-04 case will be added as parties to the GNR-E-11-01 docket automatically.

COMMISSION DECISION

Does the Commission wish to adopt the schedule proposed by the parties and issue a Notice of Inquiry?



Kristine A. Sasser
Deputy Attorney General

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