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 IDAHO PUBLIC  
 UTILITIES COMMISSION

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE COMMISSION'S )	
REVIEW OF PURPA QF CONTRACT )	CASE NO. GNR-E-11-03
PROVISIONS INCLUDING THE )	
SURROGATE AVOIDED RESOURCE )	AFFIDAVIT OF RANDY C.
(SAR) AND INTEGRATED RESOURCE )	ALLPHIN IN SUPPORT OF IDAHO
PLANNING (IRP) METHODOLOGIES FOR )	POWER COMPANY'S MOTION
CALCULATING PUBLISHED AVOIDED )	FOR A TEMPORARY STAY OF ITS
COST RATES. )	OBLIGATION TO ENTER INTO
)	NEW POWER PURCHASE
)	AGREEMENTS WITH QUALIFYING
)	FACILITIES
)	

STATE OF IDAHO )  
 ) ss.  
 County of Ada )

I, Randy C. Allphin, having been duly sworn to testify truthfully, and based upon my personal knowledge, state the following:

1. I am an employee of Idaho Power Company ("Idaho Power"). I am employed by Idaho Power as Senior Energy Contracts Coordinator.

2. I have personal knowledge of the inquiries Idaho Power receives from developers who are considering or intend to build Qualifying Facilities ("QF") under the Public Utility Regulatory Policies Act of 1978 ("PURPA") and sell their output to Idaho Power. Over the last several years, Idaho Power has received, and continues to receive, on a regular and steady basis, some form of inquiry from a developer or individual with some idea for a proposed QF project. Attachment No. 1 hereto is a list of inquires from developers of QFs that have moved beyond just a phone call and onto more serious inquiries within the last six months. This list does not include projects that have made inquires and have already negotiated and executed firm energy sales agreements ("FESA") with Idaho Power during this time frame; this is only the "outstanding" serious inquiries that are seeking FESAs with Idaho Power.

3. Altogether, Attachment No. 1 lists a total of 27 projects for a total of approximately 595 megawatts ("MW") nameplate capacity currently exploring FESAs with Idaho Power. Seventeen of those projects (519.7 MW nameplate rating) are inquiring into Idaho QF agreements and 10 projects (75.25 MW nameplate rating) are inquiring into QF agreements with Idaho Power in accordance with state of Oregon rules and regulations. This 595 MW of inquires is in addition to the 989 MW nameplate capacity of QF projects Idaho Power already has under contract.

4. The right column of Attachment No. 1 lists the estimated total energy payments Idaho Power would potentially make to these proposed projects over the full term of their respective FESAs. The assumptions used to calculate these estimates are included in Attachment No. 1. As indicated in Attachment No. 1, the estimated total cost of these potential new QF FESA's is estimated to be approximately

\$2.7 billion over the life of the agreements. The vast majority of these potential obligations (\$2.5 billion) are located in the Company's Idaho jurisdiction.

5. As mentioned above, Idaho Power is contacted by QF developers on a constant basis with proposed QF projects. Thus, it is likely that even more developers with proposed projects other than those shown on Attachment No. 1 will also contact Idaho Power and seek to enter into FESAs prior to the conclusion of Phase III of Case No. GNR-E-11-03, which will not likely conclude until late summer or early fall of 2012.

6. Attachment No. 2 hereto is a graph prepared at my direction showing the existing 989 MW of QF projects under contract and the magnitude (in MW of nameplate capacity) of the recent QF inquires. The shaded areas above the 989 MW horizontal line is a graphical representation of the recent QF inquires (595 MW) that potentially could request final QF FESAs with Idaho Power at any time and prior to the conclusion of Phase III of this proceeding unless the Idaho Public Utilities Commission ("Commission") grants Idaho Power's motion for a stay.

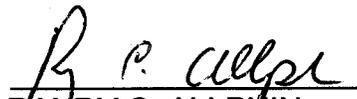
7. Idaho Power has no Idaho QF contracts that are due to expire in 2012. Therefore, a Commission order suspending Idaho Power's Idaho PURPA purchase obligation for the duration of its investigation will not harm existing Idaho QFs under contract with Idaho Power.

8. Idaho Power's direct testimony in this matter establishes that it currently has 119 Commission-approved QF power purchase agreements that represent nameplate capacity of 989 MW and with a contractual obligation of more than \$3.6 billion. Stokes, Direct, Ex. Nos. 1 and 2. The large increase in QF projects on-line and under contract since 2004 is expected to increase the power supply expense

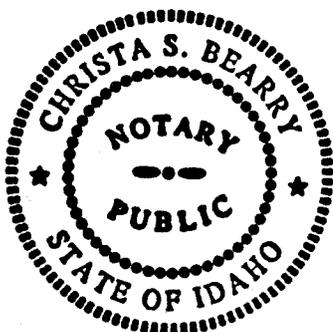
passed on to customers through the Company's annual Power Cost Adjustment from approximately \$40 million in 2004 to approximately \$60 million in 2009, and will increase to more than \$120 million in 2012. Stokes, Direct, p. 9-10. The 27 QF projects that are currently seeking power purchase agreements with Idaho Power represent **an additional** 595 MW of generation at a monetary obligation to customers of **an additional** \$2.7 billion over the numbers submitted in Idaho Power's direct testimony in this case. A stay on Idaho Power's duty to enter into new fixed-price PURPA contracts (or one of the alternative forms of relief sought in the Motion) is necessary in order to protect customers and avoid further results which are contrary to PURPA during the pendency of this case.

FURTHER YOUR AFFIANT SAYETH NAUGHT

DATED this 12<sup>th</sup> day of March 2012.

  
\_\_\_\_\_  
RANDY C. ALLPHIN

SUBSCRIBED AND SWORN to before me this 12<sup>th</sup> day of March 2012.



  
\_\_\_\_\_  
Notary Public for Idaho  
Residing at: Boise, Idaho  
My commission expires: 02/04/15

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 12<sup>th</sup> day of March 2012, pursuant to RP 256.02, that Idaho Power Company contacted one representative from each party listed below by telephone, as indicated below, and informed said party of the filing of IDAHO POWER COMPANY'S MOTION FOR, MEMORANDUM IN SUPPORT OF, AND AFFIDAVIT OF RANDY C. ALLPHIN IN SUPPORT OF IDAHO POWER COMPANY'S MOTION FOR A TEMPORARY STAY OF ITS OBLIGATION TO ENTER INTO NEW POWER PURCHASE AGREEMENTS WITH QUALIFYING FACILITIES.

Each party's representative, as indicated below, was informed by telephone of the filing requesting expedited, immediate relief, and of the procedure set forth in RP 256.02 to inform the Commission Secretary, either in writing personally delivered to the Secretary or by telephone, within the next two business days, whether they support or oppose the Motion and whether they desire to be heard on the Motion in person, in writing, or by telephone.

Additionally, I HEREBY CERTIFY that on the 12<sup>th</sup> day of March 2012 I served a true and correct copy of:

- 1. Idaho Power Company's Motion for a Temporary Stay of its Obligation to Enter Into New Power Purchase Agreements with Qualifying Facilities;
- 2. Memorandum in Support of Idaho Power Company's Motion for a Temporary Stay of its Obligation to Enter Into New Power Purchase Agreements with Qualifying Facilities; and
- 3. Affidavit of Randy C. Allphin in Support of Idaho Power Company's Motion for a Temporary Stay of its Obligation to Enter Into New Power Purchase Agreements with Qualifying Facilities.

upon the following named parties by the method indicated below, and addressed to the following:

**Commission Staff**  
 Donald L. Howell, II  
 Kristine A. Sasser  
 Deputy Attorneys General  
 Idaho Public Utilities Commission  
 472 West Washington (83702)  
 P.O. Box 83720  
 Boise, Idaho 83720-0074

- Hand Delivered
- U.S. Mail
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- Email [don.howell@puc.idaho.gov](mailto:don.howell@puc.idaho.gov)  
[kris.sasser@puc.idaho.gov](mailto:kris.sasser@puc.idaho.gov)
- Telephonic Notice to Kristine A. Sasser at (208) 334-0357, at 11:25 a.m.

**Avista Corporation**

Michael G. Andrea  
Avista Corporation  
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 Telephonic Notice to Michael G. Andrea at  
(509) 495-2564, at 12:24 p.m.

**PacifiCorp d/b/a Rocky Mountain Power**

Daniel E. Solander  
PacifiCorp d/b/a Rocky Mountain Power  
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 Telephonic Notice to Daniel E. Solander at  
(801) 220-4014, at 11:15 p.m.

**Exergy Development, Grand View Solar II,  
J.R. Simplot, Northwest and Intermountain  
Power Producers Coalition, Board of  
Commissioners of Adams County, Idaho,  
and Clearwater Paper Corporation**

Peter J. Richardson  
Gregory M. Adams  
RICHARDSON & O'LEARY, PLLC  
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[greg@richardsonandoleary.com](mailto:greg@richardsonandoleary.com)  
 Telephonic Notice to Peter J. Richardson at  
(208) 938-7901, at 2:58 p.m.

**Exergy Development Group**

James Carkulis, Managing Member  
Exergy Development Group of Idaho, LLC  
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**Grand View Solar II**

Robert A. Paul  
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**J.R. Simplot Company**

Don Sturtevant, Energy Director  
J.R. Simplot Company  
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**Northwest and Intermountain Power Producers Coalition**

Robert D. Kahn, Executive Director  
Northwest and Intermountain Power Producers Coalition  
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**Board of Commissioners of Adams County, Idaho**

Bill Brown, Chair  
Board of Commissioners of Adams County, Idaho  
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Council, Idaho 83612

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**Clearwater Paper Corporation**

Marv Lewallen  
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**Renewable Energy Coalition and Dynamis Energy, LLC**

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**Renewable Energy Coalition**

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**Dynamis Energy, LLC**

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**Interconnect Solar Development, LLC**

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(208) 639-4592, at 2:52 p.m.

Bill Piske, Manager  
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**Renewable Northwest Project and Idaho Windfarms, LLC**

Dean J. Miller  
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Megan Walseth Decker  
Senior Staff Counsel  
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**Idaho Windfarms, LLC**

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Margaret Rueger  
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**Twin Falls Canal Company and North Side Canal Company**

C. Thomas Arkoosh  
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[margaret@envisionwind.com](mailto:margaret@envisionwind.com)  
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Arkoosh at (208) 424-8872, at 2:55 p.m.

**Twin Falls Canal Company**

Brian Olmstead, General Manager  
Twin Falls Canal Company  
P.O. Box 326  
Twin Falls, Idaho 83303

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Arkoosh at (208) 424-8872, at 2:55 p.m.

**North Side Canal Company**  
Ted Diehl, General Manager  
North Side Canal Company  
921 North Lincoln Street  
Jerome, Idaho 83338

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 Telephonic Voice Mail to C. Thomas  
Arkoosh at (208) 424-8872, at 2:55 p.m.

**Birch Power Company**  
Ted S. Sorenson, P.E.  
Birch Power Company  
5203 South 11<sup>th</sup> East  
Idaho Falls, Idaho 83404

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 Telephonic Notice to Ted S. Sorenson at  
(208) 522-8069, at 3:04 p.m.

**Blue Ribbon Energy LLC**  
M.J. Humphries  
Blue Ribbon Energy LLC  
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 Email [blueribbonenergy@gmail.com](mailto:blueribbonenergy@gmail.com)  
 Telephonic Notice to M.J. Humphries at  
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Arron F. Jepson  
Blue Ribbon Energy LLC  
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**Idaho Conservation League**  
Benjamin J. Otto  
Idaho Conservation League  
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(208) 345-6933 ext. 12, at 1:12 p.m.

**Snake River Alliance**

Ken Miller, Clean Energy Program Director

Liz Woodruff, Executive Director

Lisa Young, Clean Energy Organizer

Snake River Alliance

350 North 9<sup>th</sup> Street #B610

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Telephonic Notice to Lisa Young at  
(208) 344-9161, at 2:03 p.m.



Donovan E. Walker

Attorney for Idaho Power Company

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. GNR-E-11-03**

**IDAHO POWER COMPANY**

**ATTACHMENT NO. 1**

**RECENT QF DEVELOPER INQUIRIES**

**Idaho Power Company**

**Cogeneration and Small Power Production**

**Project Inquires**

	<b>Assumed Contract State</b>	<b>Project</b>	<b>Nameplate (MW)</b>	<b>Estimated Total Contract Term MWH Production</b>	<b>Estimated Total Contract Payments</b>
1	Idaho	Biomass	3.20	515,789	\$40,080,222
2	Idaho	CHP	20.00	3,223,680	\$245,219,478
3	Idaho	CHP	97.00	15,634,848	\$1,137,010,026
4	Idaho	Hydro	0.50	29,765	\$2,381,556
5	Idaho	Solar	20.00	796,960	\$47,565,909
6	Idaho	Solar	20.00	796,960	\$48,629,052
7	Idaho	Solar	20.00	796,960	\$48,629,052
8	Idaho	Solar	20.00	796,960	\$47,565,909
9	Idaho	Solar	20.00	796,960	\$47,565,909
10	Idaho	Solar	20.00	796,960	\$47,565,909
11	Idaho	Solar	35.00	1,394,680	\$83,240,341
12	Idaho	Solar	40.00	1,593,920	\$95,238,397
13	Idaho	Solar	60.00	2,390,880	\$159,605,164
14	Idaho	Wind	20.00	1,204,158	\$59,589,612
15	Idaho	Wind	20.00	1,204,158	\$59,589,612
16	Idaho	Wind	24.00	1,444,990	\$74,253,360
17	Idaho	Wind	80.00	4,816,634	\$247,511,200
<b>Subtotal Idaho</b>			<b>519.70</b>	<b>38,235,262</b>	<b>\$2,491,240,709</b>
1	Oregon	Hydro	1.50	66,971	\$6,033,649
2	Oregon	Hydro	1.50	66,971	\$6,033,649
3	Oregon	Hydro	2.25	100,456	\$9,050,473
4	Oregon	Wind	10.00	451,643	\$34,398,183
5	Oregon	Wind	10.00	451,643	\$34,398,183
6	Oregon	Wind	10.00	451,643	\$34,398,183
7	Oregon	Wind	10.00	451,643	\$34,398,183
8	Oregon	Wind	10.00	451,643	\$34,398,183
9	Oregon	Wind	10.00	451,643	\$34,398,183
10	Oregon	Wind	10.00	451,643	\$34,398,183
<b>Subtotal Oregon</b>			<b>75.25</b>	<b>3,395,900</b>	<b>\$261,905,048</b>
<b>Total</b>			<b>594.95</b>	<b>41,631,162</b>	<b>\$2,753,145,757</b>

## Assumptions

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Idaho Contract Term	20 year contract term assumed
Oregon Contract Term	15 year contract term assumed to match with the 15 year fixed price eligibility as specified in the current Schedule 85

### Idaho Contracts estimated pricing

Solar and Wind	IRP pricing model as presented in December 15, 2012 IPUC presentation.
CHP	The proposed projects are greater than 10aMW, thus IRP pricing model as presented in December 15, 2012 IPUC presentation.
Biomass and Hydro	Current IPUC approved published avoided costs.

### Oregon Contracts estimated pricing

All Projects	Current Schedule 85
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**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. GNR-E-11-03**

**IDAHO POWER COMPANY**

**ATTACHMENT NO. 2**

**EXISTING QF PROJECTS UNDER CONTRACT  
AND  
RECENT QF DEVELOPER INQUIRIES**

**IDAHO POWER COMPANY  
PURPA Projects Under Contract & Proposed  
1982-2016**

