

IDAHO PUBLIC UTILITIES COMMISSION

Case No. IPC-E-04-8, Case No. IPC-E-04-10

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Small-power producers file complaints against Idaho Power

BOISE – Two operators of wind power projects and another operator a geothermal project in Cassia County have filed complaints with the Idaho Public Utilities Commission alleging the company is not following federal PURPA contract terms.

The energy crisis of the late 1970s prompted Congress to pass the Public Utilities Regulatory Policies Act, or PURPA. Its purpose is to encourage the promotion and development of renewable energy technologies as alternatives to burning fossil fuels or the construction of new power plants.

PURPA requires electric utilities like Idaho Power to buy electricity generated by small-power producers who obtain Qualifying Facility (QF) status. The rate utilities must pay qualifying facilities is a posted rate, set by the state commission. The rate, sometimes called avoided-cost rate, is to be equal to the cost the electric utility avoids if it would have had to generate the power itself or purchase it from another source.

Bob Lewandowski, who operates a wind project east of Boise, and Mark Schroeder, who is developing a wind project in the Hagerman-Bliss area, claim the company wants to pay other than posted rates when the output from the complainants' wind projects is less than 90 percent or more than 110 percent of projected output. Lewandowski and Schroeder also object to Idaho Power's proposal that they pay for the electricity Idaho Power must acquire when output from their wind projects is less than expected. The complainants also object to an Idaho Power provision that allows the utility to terminate the contract if retail electric deregulation is enacted in Idaho.

U.S. Geothermal, owner of the 15-megawatt Raft River Geothermal Power Plant now being built in Cassia County, filed a complaint with the commission listing many of the same objections cited by Lewandowski and Schroeder. In addition, U.S. Geothermal claims Idaho Power is refusing to purchase an annual average of 10 MW per year, but, instead, will purchase only a maximum of 10 MW in any given hour at PURPA rates. U.S. Geothermal maintains there is no basis in law for such a limitation.

Because of the similarity of the complaints among the three projects, the commission issued an order Tuesday consolidating the complaints into one case.

The commission has scheduled a Sept. 2 public hearing at 9:30 a.m. in the commission hearing room, 472 W. Washington St. in Boise. The hearing may continue to Sept. 3 if necessary.

U.S. Geothermal, as well as Lewandowski and Schroeder, must file direct testimony by July 9. Idaho Power has until July 15 to file its direct testimony. Commission staff and intervenors will file their direct testimony by Aug. 5 and rebuttal testimony must be filed by Aug. 19.

Documents related to this case can be accessed on the commission's Web site at www.puc.state.id.us. Click on "File Room," then "Electric Cases," and scroll down to Case Nos. IPC-E-04-8 and IPC-E-04-10. Copies of the testimony by the parties will also be available as they come in. Documents are also available for public inspection at the commission's offices at 472 W. Washington St. in Boise.

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