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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF)	
IDAHO POWER COMPANY FOR AN)	CASE NO. IPC-E-05-22
ORDER TEMPORARIL Y SUSPENDING)	
IDAHO POWER' S PURP A OBLIGATION)	
TO ENTER INTO CONTRACTS TO)	PETITION FOR
PURCHASE ENERGY GENERATED BY)	RECONSIDERATION BY
WIND-POWERED SMALL POWER)	ENERGY VISION LLC
PRODUCTION FACILITIES.)	

Energy Vision LLC (EnVision) hereby respectfully petitions for reconsideration of the Commission's Order 29839 in the subject case. Specifically, EnVision believes the July 1, 2005 cut-off date established for grandfathering is inconsistent with prior Commission policy. In the matter of Earth Power Resources, Inc vs. The Washington Water Power Company (Case WWP-E-96-6) the Commission established the standard for grandfathering contracts which are in negotiation at the time of a major change in circumstances. In its Order 27231 (Page 6), the Commission states, "Earth Power must demonstrate that "but for" the actions of Water Power, Earth Power was otherwise entitled to a power purchase contract."

Idaho Power was required to enter into PURPA wind contracts by Order 29632 issued on November 22, 2004. That requirement was in full force and effect until modified by the Commission's Order 29839, dated August 4, 2005. EnVision requested its power contract applications on June 24, 2005 and that request was confirmed by Idaho Power on June 30, 2005, both prior to the Commission's cut-off date. Energy Vision (through its affiliates Bennett Creek Windfarm, LLC and Hot Springs Windfarm, LLC) submitted two signed contracts to Idaho Power on July 14, 2005. Those contracts

were identical to previously approved wind contracts, other than project specific information related to the locations, start dates and energy delivery patterns. Therefore, EnVision believes it was entitled to the power contracts "but for" the actions of Idaho Power.

COMMUNICATION WITH STAFF

After Idaho Power filed its Petition to Suspend its PURPA Wind Obligations, EnVision contacted Rick Sterling of the IPUC staff to help it understand the issues it now faced. The following is an excerpt from his reply of June 22, 2005:

"I must correct one serious apparent misunderstanding. Idaho Power's petition is simply a REQUEST for a temporary moratorium. To date, the Commission has not taken any action whatsoever on the petition, so a moratorium HAS NOT been approved. Even if the Commission decides to consider the petition, a moratorium could not be implemented without a Commission order. The Commission could approve a moratorium based just on what Idaho Power has filed, but the likelihood is that the Commission would either open a public comment period or require Idaho Power to make a prima facie showing before considering whether to approve a moratorium. Until and unless the Commission approves a moratorium, Idaho Power continues to have all its obligations for PURPA contracts. Furthermore, even if the Commission does approve a temporary moratorium, it is probable that proposed projects that have progressed beyond some specified stage in the contracting process will be allowed to continue to negotiate contracts within a reasonable time period. I think the chances of the Commission closing the door on projects that have already been seriously negotiating is extremely remote and most likely difficult from a legal standpoint. Determining which projects get in and which get left out would be the difficult part if a moratorium is approved." (*underscores added*)

Based on this guidance, EnVision believed that it should follow the normal process for requesting power contracts instead of rushing in with unilaterally signed agreements, which it could have done prior to the Commission's cut-off date. However, after realizing that no contracts would be sent by Idaho Power, EnVision prepared and sent unilateral contracts on July 14, 2005. We believe Idaho Power still had an obligation to sign such contracts on that date.

BACKGROUND

EnVision is a small wind energy developer. It's three main partners have over 50 years of combined wind energy experience and have successfully developed and financed hundreds of MWs of wind projects. It has invested hundreds of thousands of dollars in internal and external costs on developing wind projects in Idaho in reliance on Order 29632. EnVision has primarily focused on developing two 20 MW projects in the Mountain Home area. The project assets are held by Bennett Creek Windfarm, LLC and Hot Springs Windfarm, LLC; both Idaho limited liability companies. Two projects were necessary to economically connect the projects to the 138 kV transmission line on the site. Substantial development progress has been made in the following areas:

Land Rights. A master Easement with the landowners was signed on 4/20/2005 covering approximately 4,200 acres.

Wind Resource. The site was selected because it is adjacent to a state anemometer site with publicly available data. The site has been continuously monitored since 11/26/02. A meteorologist was hired to support all of EnVision's work in Idaho on 1/26/05. As the projects near financing, a wind report will be prepared, but EnVision does not require written wind reports before that time. Instead, EnVision continuously integrates detailed input from its meteorologist throughout the development process.

The base case meteorological assumptions were established by EnVision before 2/15/2005. This estimate was later confirmed by EnVision's consulting meteorologist on 6/9/2005. The meteorologist visited the site on 4/14/05.

Financing. EnVision was concerned about its ability to finance a wind power contract with the 90/110 performance band. Because of this complexity, EnVision decided to retain a specialist London based investment banking firm. They are one of the premier financial arrangers in the wind energy industry. Glenn Ikemoto (an EnVision principal) traveled to London on 3/1/05 to discuss the financing with the bankers. After discussing structural approaches and months of structuring, analyses and due diligence, EnVision and its bankers agreed on a detailed Term Sheet. The final Term Sheet provided for turbine deposits and project financing for all of EnVision's projects in Idaho.

Permits. EnVision has had ongoing permit discussions with the relevant officials in Elmore County. These are demonstrated by EnVision's appearance at a County Commissioner's Meeting on 7/27/05. The appearance was scheduled before Idaho Power's suspension filing.

Interconnection. Initial contact with Idaho Power's transmission group was made on 4/29/05. The issue was whether the transmission request should be

for a 40 MW substation or two 20 MW projects. Each option has a different path and financial requirements under FERC rules.

Chronology:

11/22/04	IPUC Order 29632 – U.S. Geothermal Complaint
12/13/04	Petition For Reconsideration (90/110 Performance Band)
01/10/05	Reconsideration Order
01/26/05	Consulting Meteorologist Hired
02/15/05	Base Case Energy Production and Economics Established
03/01/05	Meeting in London with Investment Bankers
04/14/05	Site Visit by Consulting Meteorologist
04/20/05	Land Easement Signed
04/29/05	Discussions with IPC Regarding Transmission Application
05/09/05	Project Companies Formed
06/09/05	Confirmation of 80 Meter Wind Speed Assumptions by Consultant
06/17/05	IPC Petition to Suspend PURPA Wind Projects Filed
06/21/05	Financial Term Sheet Sent to Bankers
06/22/05	IPUC Staff Guidance on Suspension Issues
06/24/05	Request for Power Contract Application from IPC
06/27/05	Initial Permit Presentation to Elmore County Commissioners
06/30/05	IPC Confirmation of Power Contract Request
07/01/05	IPUC Notice to Parties
07/14/05	Unilateral Signed Contracts Mailed (USPS Priority) to IPC
08/04/05	IPUC Order 29839

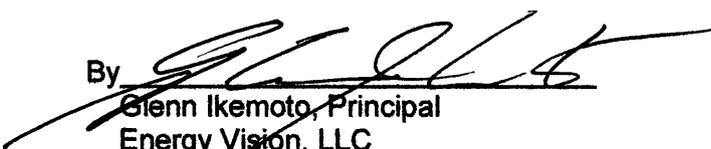
CONCLUSION

EnVision began its development activities in Idaho as a result of the Commission's Order 29632. In reliance on that Order, EnVision has made substantial investments in Idaho wind projects. EnVision has complied with all rules and proceeded in good faith. EnVision believed that the power contract execution was ministerial, as the Commission noted in its Earth Power Resources Order 27231 (Page 6), "The significance of the posted rates is that they require no negotiation ... " EnVision had not previously requested contracts because of the expected continuing availability of such contracts, and in that respect believed that contracts should be requested after transmission feasibility studies are completed. In effect, EnVision is being punished for conducting itself professionally.

The Commission established the standard for grandfathering transitional projects in the Earth Power Resources case. A utility's obligation to enter into PURPA contracts under existing prices and terms continues until those prices or terms are changed by subsequent Commission order, not by Commission notice. EnVision has met that standard. Therefore, EnVision respectfully requests the Commission to reconsider its order in the above docket by changing the power contract cut-off date to August 4, 2005, the effective date of Order 29839. In compliance with its Rule 331.03, requiring Petitions for Reconsideration to state "whether the petitioner or cross-petitioner requests reconsideration by evidentiary hearing, written brief, comments or interrogatories", EnVision asks the Commission to initiate written briefs to consider the appropriate cut-off date for grandfathered projects.

Submitted this 25th day of August 2005:

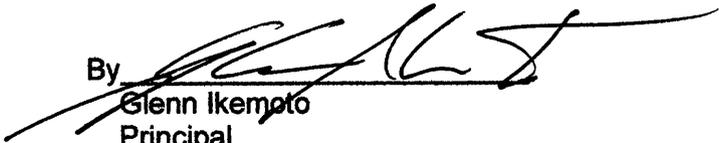
By


Glenn Ikemoto, Principal
Energy Vision, LLC

CERTIFICATE OF SERVICE

I hereby certify that on the 25th day of August, 2005, true and correct copies of the PETITION FOR RECONSIDERATION OF ENERGY VISION LLC were delivered to the persons on the attached Service List via the method of service noted.

By


Glenn Ikemoto

Principal

EnVision Systems, LLC

SERVICE LIST

Via Overnight (and courtesy email):

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