

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** DONOVAN E. WALKER

**DATE:** SEPTEMBER 29, 2006

**SUBJECT:** IDAHO POWER'S APPLICATION TO INSTITUTE A UNIFORM  
SCHEDULE 72 INTERCONNECTION AGREEMENT, CASE NO. IPC-E-  
06-18

On September 1, 2006, Idaho Power Company filed an Application seeking authority to revise its Schedule 72 to include a Uniform Interconnection Agreement and to make the associated tariff language changes. The Company requests that its Application be processed by Modified Procedure.

### THE APPLICATION

According to the Company's Application, it is proposing to implement a separate Uniform Interconnection Agreement to improve its internal processes and ensure the functional separation between power supply and delivery mandated by the Federal Energy Regulatory Commission (FERC). The Company states that when non-utility projects, such as PURPA qualified facilities (QFs), request interconnection to Idaho Power's distribution/transmission system the current practice is to address those issues in the power purchase agreement document and in conjunction with Schedule 72 (Interconnections to Non-Utility Generation). However, because interconnection is managed by Idaho Power's Power Delivery (Transmission) business unit, while power purchase agreements are within the purview of Idaho Power's Power Supply (Marketing) business unit and the FERC now requires a functional separation between the activities of these two business units, it is no longer possible for the marketing business unit to negotiate interconnection terms and conditions as part of the power purchase agreement.

Idaho Power's proposed Uniform Interconnection Agreement addresses the terms and conditions of interconnection and integration to the Company's transmission/distribution system, incorporates portions of the Company's template power purchase agreement, and is

patterned after the FERC's standard Small Generator Interconnection Agreement. The Company states that the Uniform Agreement is in keeping with utility industry efforts to standardize interconnection procedures and facilitate investment in needed utility infrastructures. The proposed Uniform Interconnection Agreement is included as Attachment 1 to the Company's proposed tariff.

Idaho Power states that it is not proposing any major changes to the terms and conditions of Schedule 72 other than referencing the Uniform Interconnection Agreement and adding language explicitly adopting the Institute of Electric and Electronic Engineers: IEEE Standard 1547 (IEEE 1547) for interconnection. The Company states that it has adopted IEEE 1547 internally and believes non-utility generation interconnection should adhere to these industry best practices as well.

#### **STAFF RECOMMENDATION**

Staff recommends processing the Company's Application by Modified Procedure, with a comment deadline of October 31, 2006. Staff's initial review of the Company's Application seems to indicate that the changes proposed are neutral with regard to their effect on the pending cases before the Commission regarding the integration of other QF projects, specifically wind projects, into Idaho Power's system.

#### **COMMISSION DECISION**

Does the Commission wish to process this case by Modified Procedure with comments due on October 31, 2006?



Donovan E. Walker