

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER</b>	)	
<b>COMPANY'S PETITION TO INCREASE</b>	)	<b>CASE NO. IPC-E-07-03</b>
<b>THE PUBLISHED RATE ELIGIBILITY CAP</b>	)	
<b>FOR WIND-POWERED SMALL POWER</b>	)	<b>AMENDED NOTICE</b>
<b>PRODUCTION FACILITIES; AND</b>	)	<b>OF SCHEDULING</b>
	)	
<b>TO ELIMINATE THE 90%/110%</b>	)	<b>ORDER NO. 30433</b>
<b>PERFORMANCE BAND FOR WIND-</b>	)	
<b>POWERED SMALL POWER PRODUCTION</b>	)	
<b>FACILITIES</b>	)	

On February 6, 2007, Idaho Power Company (Idaho Power; Company) filed a Petition with the Idaho Public Utilities Commission (Commission) proposing a \$10.72/MWh wind integration adjustment or reduction to published avoided cost rates. In support of its proposal the Company submitted its recently completed Wind Integration Study. The Company requested a Commission order

1. Raising the cap on entitlement to published avoided cost rates for intermittent wind-powered small power production facilities that are qualifying facilities (QFs) under Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA) from the current level of 100 kW to 10 aMW per month; and

2. Authorizing Idaho Power to purchase state-of-the-art wind forecasting services that will provide the Company with forecasts of wind conditions in those geographic areas where the Company's wind generation resources are located. It is Idaho Power's proposal that the order should further provide that wind-powered QFs will reimburse the Company for their share of the cost of the wind forecasting service; and

3. Authorizing Idaho Power to require the inclusion of a Mechanical Availability Guarantee (MAG) in all new contracts to purchase energy from wind-powered QFs; and

4. In conjunction with the Commission's approval of paragraphs 1, 2 and 3 above, the Company proposes to eliminate the requirement that the 90%/110% performance band be included in new contracts for energy purchases from intermittent wind-powered QFs.

A Notice of Petition and Notice of Preliminary Procedure was issued in Case No. IPC-E-07-03 on February 16, 2007. As a matter of preliminary procedure and prior to any

procedural scheduling by the Commission, Idaho Power on March 15, 2007, hosted the first public workshop in Case No. IPC-E-07-03. Pursuant to Notice, a second public workshop was held June 20, 2007.

On June 28, 2007, the Commission issued a Notice establishing an intervention deadline of July 18, 2007. The following parties requested and were granted intervenor status: Exergy Development Group of Idaho LLC; Renewable NW Project and N.W. Energy Coalition; PacifiCorp dba Rocky Mountain Power; Ridgeline Energy LLC; Idaho Windfarms LLC; Cassia Gulch Wind Park LLC and Cassia Wind Farms LLC; Avista Corporation; Snake River Alliance; Gerald Fleischman; Renaissance Engineering & Design, PLLC; Blue Ribbon Energy LLC; and INL Biofuels and Renewable Energy Technologies.

On July 31 and August 10, 2007, Commission Staff sponsored joint settlement workshops in Case Nos. IPC-E-07-03 (Idaho Power), PAC-E-07-07 (PacifiCorp), and AVU-E-07-02 (Avista) to explore whether parties of record could agree to a common generic wind integration adjustment to published rates. IDAPA 31.01.01.272-276.

On August 22, 2007, the Commission being informed that the participants in the joint settlement workshops in the above dockets were unable to reach a compromise generic settlement, issued a Notice of Modified Procedure and Comment/Protest Deadline in Case No. IPC-E-07-03 establishing an initial comment deadline of Friday, September 21, 2007 and a reply deadline of Friday, October 5, 2007.

YOU ARE HEREBY NOTIFIED that on September 14, 2007, Renewable Northwest Project and NW Energy Coalition (collectively RNP) filed a Motion to Vacate the September 21 and October 5, 2007 comment deadlines in Case No. IPC-E-07-03 (and related Case Nos. PAC-E-07-07 and AVU-E-07-02). RNP in its Motion states that it has conferred with respective counsel for Idaho Power, PacifiCorp and Avista, and represents to the Commission that the utilities do not oppose vacation of the comment deadlines. RNP requests an extension for two reasons. First, good faith settlement negotiations have continued among the parties. RNP has reached a settlement agreement in principle with two of the three utilities, and believes that an agreement in principle can be achieved with the third utility. RNP and the utilities have discussed the proposed settlement with several other parties; however, because there are a large number of parties in these cases it will take several days at a minimum to complete these

discussions. The requested vacation of the comment deadlines will allow completion of the settlement discussions and preparation of settlement documents.

Second, in the event settlement is not achieved, RNP wishes to conduct additional written discovery in these cases. RNP's requests for production will be significant in scope, it states, and will likely require the full 28-day time for response, as provided by Rule of Procedure 225.03. The requested vacation of comment deadlines, it states, will allow the development of a more complete record in this matter.

For the foregoing reasons, RNP requests the Commission vacate the deadlines for initial and reply comments in Case No. IPC-E-07-03. If necessary, RNP states it will provide a status report (including proposed new comment deadlines) for the Commission's consideration no later than Monday, October 1, 2007.

### ***Commission Findings***

The Commission has reviewed the filings of record in Case No. IPC-E-07-03 including Renewable Northwest Project/NW Energy Coalition's Motion to Vacate the established September 21 and October 5, 2007 comment deadlines. RNP represents that it has achieved an agreement in principle with two of the three utilities with wind integration adjustment dockets before the Commission and desires additional time to pursue settlement discussions with the third utility and to solicit support from other intervening parties. We find that all parties of record were provided with electronic copies of the Motion on September 13, 2007 and hard copies by U.S. Mail. We further find that no parties have communicated opposition to the filed Motion.

The Commission considers RNP's Motion to Vacate in the context of a history of protracted proceedings that date back to Idaho Power's June 17, 2005 petition in Case No. IPC-E-05-22 requesting a temporary suspension of the Company's obligation under Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA) and various Commission Orders to enter into new contracts and purchase energy generated by qualifying wind-powered small power production facilities (QFs). On August 4, 2005, the Commission reduced the published rate eligibility cap for non-firm wind projects from 10 aMW to 100 kW. Order No. 29839. In the interim there have been public workshops, the utilities have conducted wind integration studies, utility-specific wind integration adjustments have been proposed, and the

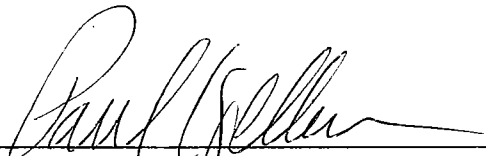
parties have engaged in settlement discussions. The Commission believes the time for further delay has ended. It is now the time for action and bringing this matter to a close.

The Commission appreciates RNP's continued efforts to achieve a proposed settlement in the three wind integration dockets. IDAPA 31.01.01.271-277 (Settlements). If agreement is to be reached, however, we find that it must be achieved quickly. Accordingly, YOU ARE HEREBY NOTIFIED that to provide a small window for the conclusion of settlement discussion, we find it reasonable to vacate the September 21, 2007 initial comment deadline. We maintain the **October 5, 2007** date for presentation of settlement documents or the filing of initial comments. We establish an **October 19, 2007** deadline for reply comments in the event that parties' efforts at settlement have been unsuccessful or that all parties have not joined in the settlement.

### ORDER

In consideration of the foregoing, IT IS HEREBY ORDERED that the Motion to Vacate of Renewable Northwest Project and NW Energy Coalition is granted in part and the additional scheduling set forth above is adopted.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19<sup>th</sup> day of September 2007.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
\_\_\_\_\_  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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