

IDAHO PUBLIC UTILITIES COMMISSION

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Paul Kjellander, President
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March 20, 2007

Jean D. Jewell
Commission Secretary
PO Box 83720
Boise, ID 83720-0074

**Re: Case No. IPC-E-07-03 (Idaho Power)
Status Report**

On February 6, 2007, Idaho Power Company (Idaho Power; Company) filed a Petition with the Idaho Public Utilities Commission (Commission) in Case No. IPC-E-07-03. Germane to the Company's Petition is its filing also in the 07-03 docket of the Company's Wind Integration Study. The Study quantifies some of the additional costs of including variable intermittent wind resources in Idaho Power's resource portfolio. Based on the results of its Study, the Company proposes an adjustment to the avoided cost rate paid to wind QFs.

On February 16, 2007, the Commission issued a Notice of Petition and Notice of Preliminary Procedure in Case No. IPC-E-07-03. In its Notice the Commission acknowledged Idaho Power's intention as a matter of preliminary procedure and prior to any procedural scheduling by the Commission to schedule and conduct at least one workshop in which its Petition and Wind Integration Study can be discussed with the Company and EnerNex, the consultant and co-author of the Study. The Commission was informed that Commission Staff would file a status report with the Commission following the workshop together with a recommendation for further procedure and scheduling.

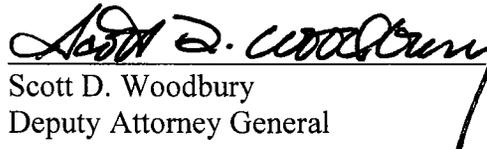
Pursuant to the Commission's February 16, 2007 Notice in Case No. IPC-E-07-03, Commission Staff, by and through its attorney of record, Scott D. Woodbury, provides the following status report regarding preliminary proceedings.

On Thursday, March 15, 2007, Idaho Power hosted a wind study workshop at the Owyhee Plaza in Boise, Idaho. Following a Company/EnerNex presentation of the Wind Integration Study and methodology, the Company presented its answers to previously submitted questions and fielded other questions and suggestions from workshop attendees. A list of action items was prepared as the Company's to do list. See Attached. Idaho Power estimates that the turn around time will be approximately six to eight weeks. Another workshop is anticipated once the Company completes its action items and provides its informational responses to workshop participants.

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It is the Company and Staff's intention that the next workshop in these proceedings will be formally noticed and open to the public. Additional workshops thereafter will be limited to formal parties and will be informally convened from time to time pursuant to informal notice and communication. An intervention deadline will be recommended to follow the next workshop.


Scott D. Woodbury
Deputy Attorney General

cc: Parties of Record

bls/L:Jewell_sw_IPC-E-07-03

Wind Study Workshop March 15, 2007

List of Action Items

1. **Windlogics to address concerns regarding west to east diversity of wind modeling (re: INL data).**
2. **What additional reserves is Idaho Power carrying to meet 98% compliance with CPS 2?**
3. **Can Idaho Power utilize existing natural gas-fired combustion peaking facilities to provide reserves and load following capability more economically than using the hydro system?**
4. **Can Idaho Power utilize the regional markets to integrate wind more economically?**
5. Moving wind remotely has built in a very high transaction cost. Needs to be investigated.
6. Can Idaho Power modulate its coal-fired projects in order to integrate wind?
7. The capacity factors used in the modeling appear to be low. Would going to a different power curve reduce variability?
8. Need to review data behind wind variability and scaling issues (re: RNP question #3).
9. Does the study double-count regulation requirements?
10. **Need to investigate using an "all down-reg" methodology as proposed by RNP.**
11. **Market prices from year 2000 should not have been used. Need to investigate other pricing alternatives?**
12. **Can the analysis be re-run at the 300 MW penetration level to account for the recently approved Elkhorn contract being in eastern Oregon rather than southern Idaho?**
13. Can a further breakdown of the costs associated with the \$10.72 be shown in regards to the amount attributed to the hour ahead forecast, the wind forecast error, reserves and transmission costs (delta between flat and variable case)?
14. Include the new Evander Andrews unit when investigating the use of combustion units to integrate wind.
15. Investigate "what-if's" associated with expanding the size of the control area.
16. **The flat wind HL/LL bias should be removed from the model.**
17. Can Idaho Power calculate the reg-down component of reserves? What about spilling wind? What about the impacts of using a 20-minute ahead forecast?
18. Run just a combustion turbine analysis (possibly using Aurora).

As discussed at the workshop, Idaho Power intends to begin working on highlighted items (1-4, 10-12 & 16) prior to addressing the non-highlighted items.