

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-10-19
APPROVAL OF A FIRM ENERGY SALES)	
AGREEMENT WITH GRAND VIEW)	NOTICE OF APPLICATION
SOLAR PV 1, LLC FOR THE SALE AND)	
PURCHASE OF ELECTRIC ENERGY)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	NOTICE OF
)	COMMENT/PROTEST DEADLINE

YOU ARE HEREBY NOTIFIED that on June 14, 2010, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a 20-year Firm Energy Sales Agreement between Idaho Power and Grand View Solar PV One, LLC (Grand View) dated June 8, 2010 (Agreement).

Under the terms of the Agreement, Grand View will sell and Idaho Power will purchase electric energy generated by the Grand View photo voltaic solar power project (Facility) located on approximately 180 acres, 16 miles west of Mountain Home, Idaho. The location of the Facility is more particularly described as Sections 4 & 5, Township 5 S, Range 4 E, Elmore County, Idaho. Appendix B-2. Grand View warrants that the Facility is a qualifying facility (QF) under applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). ¶ 3.2.

The nameplate rating of the Facility is 24 DC and 20 MW AC. Appendix B-1. The Maximum Capacity Amount is 20 MW. Appendix B-4. Under normal and/or average conditions, the Facility will not exceed 10 aMW on a monthly basis. Should the Facility exceed 10 aMW on a monthly basis, Idaho Power will accept the energy (Inadvertent Energy) that does not exceed the Maximum Capacity Amount; however, the Company will not purchase or pay for the Inadvertent Energy. ¶ 7.5.

The Agreement contains the non-levelized published avoided cost rates approved in Order No. 30744 and comports with the terms and conditions of Order Nos. 30738 (SAR non-fueled cost variables) and 30415 (daily load shape adjustment). ¶ 7.1. Grand View has selected a default Scheduled Operation Date of January 1, 2011. Appendix B-3.

NOTICE OF APPLICATION
 NOTICE OF MODIFIED PROCEDURE
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Idaho Power notes that the purchase rates set forth in the Agreement, Order No. 30744, had on the June 8, 2010, date of contract signing been replaced by the lower rates of Order No. 30125 approved by the Commission on March 16, 2010, in Case No. GNR-E-10-01. Idaho Power recites that the Commission has previously determined grandfathering eligibility for (older and higher) published avoided cost rates by requiring (1) a signed power sales agreement be executed prior to the change in rates; or (2) a meritorious complaint filed with the Commission demonstrating project maturity and that but for the actions of the utility a sales agreement would have been signed prior to the change in rates. Although not filing a complaint with the Commission, by signing the Agreement and voluntarily presenting it to the Commission, Idaho Power has nevertheless concluded that Grand View meets the second test of the Commission and should be entitled to the rates established by Order No. 30744.

In determining that Grand View was entitled to grandfathering under the higher rates of Order No. 30744, the Company concluded that Grand View satisfied the following grandfathering criteria prior to March 16, 2010:

a. Interconnection and Transmission

- i. Filed an interconnection application; and
- ii. Received and accepted an interconnection feasibility study report for the project and paid any requested study deposits (or established credit) for the next phase of the interconnection process in accordance with Schedule 72; and
- iii. Received confirmation from Idaho Power that transmission capacity is available for the project and/or received accepted transmission capacity study results and cost estimates.

b. Purchase Power Agreement

- i. An agreement was materially complete prior to March 16, 2010, and except for routine Idaho Power final processing, an agreement would have been executed by both parties prior to March 16, 2010.

It is Idaho Power's opinion that the Grand View Facility meets all of the above-referenced criteria.

With respect to the Power Purchase Agreement criteria, the Company contends that Grand View and Idaho Power had resolved all material outstanding contract issues prior to

March 16, 2010. However, the Company was also evaluating an alternative non-PURPA power purchase agreement with Grand View regarding this Facility. Idaho Power completed this evaluation and review on or about May 6, 2010, and elected not to proceed with a non-PURPA contract for this project. The effect of pursuing the evaluation of a non-PURPA power purchase with the Facility, the Company states, was essentially to place the otherwise complete, but unexecuted, PURPA Agreement on hold, during which time the Commission's Order No. 31025 was issued changing the published avoided cost rate. In Idaho Power's opinion the Agreement would have been signed by both parties prior to March 16, 2010, except for the time required by Idaho Power to evaluate and pursue a possible non-PURPA power purchase agreement and, as a result, the Facility should qualify for a contract including the Order No. 30744 rates.

With respect to the Interconnection and Transmission criteria, Idaho Power represents that Grand View is current in all its interconnection study payments and so long as Grand View continues to provide requested information in a timely manner and pay invoices on time, it appears that the interconnection can be completed in time for Grand View to achieve its Scheduled Operation Date for the Facility.

In further support of its request for grandfathering, Idaho Power states that the Facility Agreement contains the most recent contract terms and conditions, including the liquidated damages and security provisions previously approved by the Commission in the contracts for the Arena Drop hydro project and the Dry Creek anaerobic digester project contracts, Order Nos. 31060 and 31034, respectively.

Agreement ¶ 20.1 provides that the Grand View Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declared that all payments Idaho Power makes to Grand View for purchases of energy from the Facility will be allowed as prudently incurred expenses for ratemaking purposes.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-10-19. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to Idaho Power's Application and the use of Modified Procedure in Case No. IPC-E-10-19 is **Thursday, August 19, 2010**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-10-19 should be mailed to the Commission and the Company at the addresses reflected below.

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

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All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. IPC-E-10-19 may be viewed at www.puc.idaho.gov by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W.

Washington Street, Boise, Idaho and at the general business office of Idaho Power Company,
1221 W. Idaho Street, Boise, Idaho.


DATED at Boise, Idaho this 30th day of June 2010.


J.M.D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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