

**Jean Jewell**

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**From:** BlueRibbonEnergy@gmail.com & ArronEsq@aol.com  
**Sent:** Thursday, October 21, 2010 1:23 PM  
**To:** Jean Jewell; Beverly Barker; Gene Fadness  
**Subject:** PUC Comment Form

A Comment from Blue Ribbon Energy LLC follows:

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Case Number: IPC-E-10-24  
Name: Blue Ribbon Energy LLC  
Address: 4515 South Ammon Road  
City: Ammon  
State: Idaho  
Zip: 83406  
Daytime Telephone: 208-524-4-2414  
Contact E-Mail: [BlueRibbonEnergy@gmail.com](mailto:BlueRibbonEnergy@gmail.com) & [ArronEsq@aol.com](mailto:ArronEsq@aol.com) Name of Utility Company: Idaho Power  
Acknowledge: acknowledge

Please describe your comment briefly:

The September 3, 2010 Firm Energy Electricity Sales Contract between Idaho Power and British Petroleum/Ridgeline for their Rockland Wind Project LLC, is for what some call a Large PURPA Project, but in actuality is just a PURPA Facility by definition (16 USC Chapter 12, Subchapter I, §796(17)). Blue Ribbon Energy LLC (hereafter "Blue Ribbon") has no objection to the affirmation of the Contract. Blue Ribbon would however like to make a comment about the contract.

COMMENT: THE ABOVE IP AGREEMENT SHOULD NOT SET PRECEDENT

Article VII of the Agreement contains a negotiated levelized energy price for the 25-year term, calculated to be \$71.29 per MWh, which is substantially less than the \$82.38 levelized published PURPA price set out in the March 16, 2010 Order number 31025, and concerning which there is an even greater disparity with the proposed avoided cost rates contained in the Strawman Poll, sent out recently by the IPUC staff for IP of \$85.30. The Public Utilities Commission should specifically rule in writing, as part of the Order and approval process concerning the aforesaid agreement, that the negotiated payment rate contained therein, cannot be used by Idaho Power or any other Utility, as a precedent in dealing with other developers, who do not have the resources of British Petroleum/Ridgeline, whose main objective may be the ITC Credit, rather than a cash grant or other objectives, and which other developers are financially constrained by debt and equity financing and cash grants to fund their wind projects. If Idaho Power or any other Utility is allowed to treat this contract with BP as any sort of precedent, it would have a strong, perhaps disasters, chilling affect on other private developers and on the wind industry in Idaho. The proposed rates contained in the Strawman Poll are moving in the opposite and correct direction, from the aforesaid contract rate, and into closer, but not yet full, compliance with FERC regulations and the PURPA ACT requirements, which require the utility to pay to small energy producers the ACTUAL AVOIDED COSTS - "the cost to the electric utility of the electric energy which, but for the purchase from such cogenerator or small power producer, such utility would generate..."(see 16 USC, Chapter 12, Subchapter II, §824a-3(d)). The fact that the facility is greater than 20 MW nameplate does not affect the PURPA Avoided Cost Rate, "Incremental cost of alternative electric energy" because by statutory definition., "small power production facility" "means . . . a facility which . . . is not greater than 80 megawatts" (see 16 USC Chapter 12, Subchapter I, §796(17)). Recently the Utilities filed with the IPUC their ACTUAL COSTS OF PRODUCING ELECTRICITY, the lowest of which, as Blue Ribbon understands it from the IPUC staff, was above \$84.00/MWh, and higher than the present published levelized IP rate of \$82.38/MWh, and certainly substantially higher than the negotiated rate in the

above contract between Idaho Power and BP/Ridgeline. This means that neither the presently published rate nor the negotiated rate in the above contract appear to comply with the demands and requirements of the PURPA Act as Blue Ribbon understands it.

BP, as Blue Ribbon is reasonably informed, owns Ridgeline, which can absorb a lower payment rate in order to obtain tax credits and other benefits, compared to a small developer which cannot.

Respectfully submitted,

Blue Ribbon Energy LLC

The form submitted on <http://www.puc.idaho.gov/forms/ipuc1/ipuc.html>  
IP address is 207.200.116.138

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