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DONOVAN E. WALKER
Lead Counsel
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January 25, 2012

VIA HAND DELIVERY

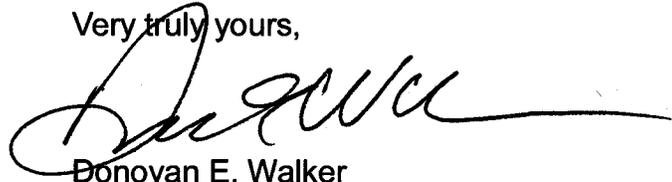
Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-11-15
*GRAND VIEW PV SOLAR TWO, LLC, COMPLAINANT, VS. IDAHO
POWER COMPANY, RESPONDENT*

Dear Ms. Jewell:

Enclosed for filing please find an original and seven (7) copies of Idaho Power Company's Answer to First Amendment to Formal Complaint by Grand View PV Solar Two in the above matter.

Very truly yours,



Donovan E. Walker

DEW:csb
Enclosures

DONOVAN E. WALKER (ISB No. 5921)
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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

GRAND VIEW PV SOLAR TWO, LLC,)	
)	CASE NO. IPC-E-11-15
Complainant,)	
)	IDAHO POWER COMPANY'S
vs.)	ANSWER TO FIRST AMENDMENT
)	TO FORMAL COMPLAINT BY
IDAHO POWER COMPANY,)	GRAND VIEW PV SOLAR TWO
)	
Respondent.)	
)	

Pursuant to the Summons issued by the Idaho Public Utilities Commission ("Commission") on January 4, 2012, and pursuant to RP 57, Idaho Power Company ("Idaho Power" or "Company"), by and through its attorneys of record, hereby submits its Answer to the First Amendment to Formal Complaint ("Amended Complaint") of Grand View PV Solar Two, LLC ("Grand View").

ANSWER

Idaho Power hereby answers Grand View's First Amendment to Formal Complaint¹ as follows. Idaho Power denies any allegation not specifically admitted and reserves the right to supplement this Answer if Grand View amends its Complaint.

1. In response to the allegations in paragraph 29 of the Amended Complaint, Idaho Power admits that the initial Complaint is focused upon Renewable Energy Credits/Certificates ("RECs"). Whether the initial Complaint was "predicated on the PPA tendered by Idaho Power to Grand View Two on March 10, 2011," is a legal conclusion and requires no response.

2. Idaho Power both admits and denies the allegations in paragraph 30 of the Amended Complaint. Idaho Power admits that the quoted language is taken from an e-mail communication between counsel for Grand View and counsel for Idaho Power. Idaho Power denies the allegation that the e-mail evidences "That the PPA tendered on March 10 and ready for execution was confirmed." The e-mail actually evidences the fact that "there is currently no agreement on the terms of the contract" as stated in the first sentence of the e-mail. Please see Attachment No. 1, July 10, 2011, e-mail from Donovan Walker to Peter Richardson. The language quoted in paragraph 30 of the Amended Complaint when viewed in the full context of the e-mail communication shows that such communication was in response to a specific offer of settlement by counsel for Grand View by which the issue of RECs could be submitted to

¹ Normally, a complainant must seek leave or permission of the court/Commission to amend its complaint once that complaint has been answered by the respondent. Additionally, Grand View has no language adopting or incorporating the content and/or allegations of its initial Complaint with its Amended Complaint. Furthermore, Grand View's request is not to supplement the initial Complaint but to amend such Complaint. Without a specific request to supplement, or a specific incorporation of and reference to the initial Complaint, the only allegations left before the Commission are those now contained in this Amended Complaint.

the Commission for its consideration. Although this course of action was requested by counsel for Grand View, it was rejected by Grand View when it instead chose to file a complaint with the Commission.

3. In response to the allegations in paragraph 31 of the Amended Complaint, Idaho Power admits that the March 10, 2011, power purchase agreement (“PPA”) was rejected by Grand View.

4. In response to the allegations in paragraph 32 of the Amended Complaint, Idaho Power admits that the March 10, 2011, PPA was rejected by Grand View. Idaho Power denies the remaining allegations of paragraph 32. Grand View did not file a complaint “seeking an order requiring Idaho Power to execute the tendered contract with language disclaiming Idaho Power’s ownership of RECs.” Grand View filed a complaint seeking an order “Requiring Idaho Power to resume inserting language in standard PURPA PPAs to the effect that Idaho Power makes no claim to REC ownership.” The initial Complaint makes no mention of any PPA tendered on March 10, 2011.

5. In response to the allegation in paragraph 33 of the Amended Complaint, Idaho Power admits that a draft Public Utility Regulatory Policies Act of 1978 (“PURPA”) PPA was sent to Grand View on December 2, 2011, for the purposes of discussion and negotiation pursuant to the Commission’s negotiated avoided cost rate process applicable to Grand View’s proposed project.

6. In response to the allegations in paragraph 34 of the Amended Complaint, Idaho Power admits that the draft PURPA PPAs sent to Grand View for the purposes of

discussion and negotiation pursuant to the Commission's negotiated avoided cost rate process applicable to Grand View's proposed project are not identical.

7. Idaho Power denies the allegations in paragraph 35 of the Amended Complaint.

8. There is no paragraph identified and numbered 36 in the Amended Complaint.

9. The allegations in paragraph 37 are legal conclusions and require no response.

10. In response to the allegations in paragraph 38 of the Amended Complaint, Idaho Power admits that the initial Complaint did not "request grandfather rights to the rates and contract terms" of the draft agreement sent to Grand View on March 10, 2011. The initial Complaint makes no mention of any "PPA tendered on March 10, 2011." Whether the initial Complaint was predicated on that draft agreement is a legal conclusion and requires no response.

11. Idaho Power denies the allegations in paragraph 35 of the Amended Complaint.

WHEREFORE, Idaho Power respectfully requests that the Commission issue its Order denying the relief sought by Grand View in its Prayer for Relief and dismissing the First Amendment to Formal Complaint, as well as the Complaint.

Respectfully submitted this 25th day of January 2012.



DONOVAN E. WALKER
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 25th day of January 2012 I served a true and correct copy of IDAHO POWER COMPANY'S ANSWER TO FIRST AMENDMENT TO FORMAL COMPLAINT BY GRAND VIEW PV SOLAR TWO upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

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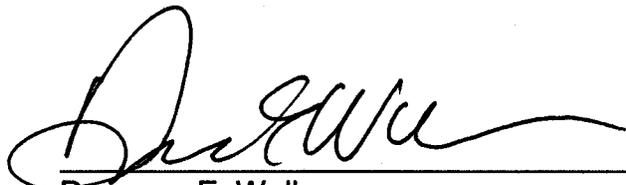
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Donovan E. Walker

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-11-15

IDAHO POWER COMPANY

ATTACHMENT NO. 1

Walker, Donovan

From: Walker, Donovan
Sent: Sunday, July 10, 2011 10:39 AM
To: 'Peter Richardson'; Allphin, Randy
Cc: Robert Paul; Williams, Jason
Subject: RE: Grand View PV Solar Two Contact

Peter,

In response to your July 9 e-mail requesting IPC to tender a contract, there is currently no agreement on the terms of the contract. I apologize that we were unable to schedule the meeting you requested last week, although trading voice mails in that regard. IPC has tendered a draft contract for this project, which was rejected by the project. Where we left, I believe, is evidenced by your June 8 e-mail that I have attached below. After the comments you filed in the Clark Canyon matter, I am assuming that this is still the project's position with regard to the REC language in the draft contract? Is that correct?

If so, pursuant to your June 8 request below, IPC would agree to submit a signed contract for the Commission's review containing the current language in the draft – to which we would include language requesting the Commission to approve or reject the Article 8 language – and the parties will accept that Commission determination. To clarify: the parties will sign the last tendered draft contract, to which you indicated the project was in complete agreement with – except for a change in the project name, and the Environmental Attribute language in Article 8. The contract would contain the current Article 8 language:

“Under this Agreement, ownership of Green Tags and Renewable Energy Certificates (RECs), or the equivalent environmental attributes, directly associated with the production of energy from the Seller's Facility sold to Idaho Power will be governed by any and all applicable Federal or State laws and/or any regulatory body or agency deemed to have authority to regulate these Environmental Attributes or to implement Federal and/or State laws regarding the same.”

To which we will add:

“As of the date of this Agreement, Idaho Power seeks inclusion of the above language in Article 8. Seller seeks to have Article 8 remain blank. The parties have agreed to all other terms and conditions of this Agreement, and hereby agree to submit the issue of whether to include the above language in Article 8 or to leave Article 8 blank in this Agreement to the Commission for its determination. The parties intend to submit comments to the Commission supporting their respective positions, and hereby agree to abide by the Commission's determination of this issue in this Agreement. The final Order of the Commission in response to the inclusion of this Article 8 language will be included and become an integral part of this Agreement, which the parties agree to support and uphold.”

Please let me know how your client wishes to proceed.

-Donovan

From: Peter Richardson [peter@richardsonandoleary.com]
Sent: Wednesday, June 08, 2011 11:01 AM
To: Walker, Donovan; Allphin, Randy
Cc: Robert Paul
Subject: Grand View PV Solar Two Contract

Donovan, we are willing to sign the contract with the REC language you have if we make it contingent upon whether the Commission specifically requires that language. In other words we sign and submit two versions of the contract; one with the language and you argue for and one without and we accept the judgment of the Commission as the final outcome. I have seen the company do that on other issues with PURPA developers.

From: Peter Richardson [<mailto:peter@richardsonandoleary.com>]

Sent: Saturday, July 09, 2011 12:05 PM

To: Walker, Donovan; Alphin, Randy

Cc: Robert Paul

Subject: Grand View PV Solar Two Contact

Donovan and Randy, this is a follow up to my prior communications relative to the contract for Grand View PV Solar Two. I know you guys are busy, but I think it is time for Idaho Power to tender the contract. Let me know when we can hear from you. -Pete