

Avista Corp.

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September 9, 2011
IDAHO PUBLIC UTILITIES COMMISSION

Via Overnight Mail

Jean Jewell
Idaho Public Utilities Commission
472 W. Washington Street
Boise, ID 93702

**Re: Petition of Avista Corporation to Intervene
IPUC Docket No. IPC-E-11-15**

Dear Ms. Jewell:

Please find enclosed for filing an original and seven copies of the Petition of Avista Corporation to Intervene in the above-referenced docket. Please let me know if you have any questions regarding this filing.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael G. Andrea".

Michael G. Andrea
Senior Counsel

Enclosures

Michael G. Andrea (ISB No. 8308)
Senior Counsel
Avista Corporation
1411 East Mission, MSC-23
Spokane, WA 99202
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Attorney for Avista Corporation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PV SOLAR TWO, LLC)	
Complainant,)	
)	NO. IPC-E-11-15
v.)	
)	PETITION OF AVISTA
IDAHO POWER COMPANY)	CORPORATION TO INTERVENE
Defendant.)	
)	

Pursuant to the Idaho Public Utilities Commission's ("Commission") Rules of Procedure 53 and 71 through 73, Avista Corporation ("Avista") hereby petitions to intervene, and to appear and participate as a party, in the above-captioned matter.

1. Name and Address of Petitioner

Avista Corporation
1411 East Mission Avenue
Spokane, WA 99202

2. Nature of Business

Avista is a corporation created and organized under the laws of the State of Washington with its principal office in Spokane, Washington. Avista is an investor-owned utility engaged in, among other things, the business of generating, transmitting, and distributing electric power to wholesale and retail customers in Idaho and Washington. Avista also provides natural gas service to customers in Idaho, Washington,

and Oregon. As such, Avista's rates, charges, services and practices are regulated, in part, by this Commission.

3. Names of Representatives

All communications, pleadings, and orders with respect to this proceeding should be directed to:

Clint Kalich
Manager, Resource Planning and Analysis
Avista Corporation
1411 E. Mission Ave., MSC-7
Spokane, WA 99202
Phone: 509-495-4532
Fax: (509) 495-4272
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Michael G. Andrea
Senior Counsel
Avista Corporation
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4. Avista's Interest in this Proceeding

On August 2, 2011, Grand View PV Solar Two, LLC ("Complainant") filed a formal complaint against Idaho Power Company ("Idaho Power") to initiate the above-captioned proceeding. In its complaint, Complainant alleges that it requested that Idaho Power "execute a standard Public Utility Regulatory Policies Act of 1978 ("PURPA") power purchase agreement ("PPA") for qualifying facilities ("QFs")." Complaint at 1. Complainant further alleges: "Idaho Power has not negotiated in good faith in response to Grand View's attempt to include terms in the standard PPA to the effect that Idaho Power does not own the environmental attributes associated with the electrical production from Grand View's proposed solar electric PURPA project." Complaint at 1-2 (footnote omitted). Accordingly, Complainant "requests that the Commission issue a declaratory judgment that it is entitled to a PPA with a clause in which Idaho Power explicitly disclaims ownership of the environmental attributes." Complaint at 2.

On September 1, 2011, the Commission issued a Notice of Review and Notice of Intervention Deadline (“Notice”) in Case No. GNR-E-11-03, which initiates phase three of the Commission’s investigation and review of PURPA issues.¹ In the Notice, the Commission stated that it “anticipates that the scope of this inquiry will also include (but is not limited to) considerations regarding . . . renewable energy credits. . . .”

Accordingly, the primary issue raised by the Complainant in the above-captioned proceeding (i.e., the treatment of RECs generated by or associated with QFs) is likely to also be at issue in Case No. GNR-E-11-03. Accordingly, in order to address the issue of treatment of RECs in a single forum, this proceeding should be stayed until such time as the issues in GNR-E-11-03 are resolved.

Ownership of environmental attributes (sometimes referred to as “RECs”) associated with PURPA QFs is not settled in Idaho. Where a utility constructs and owns a PURPA-equivalent resource, such resource would create REC’s and the value of such RECs would not come at a cost exceeding the resource. The utility’s customers would, therefore, receive the benefit of the value of the RECs generated by or associated with a utility-owned PURPA-equivalent resource. It follows that the utility’s avoided cost is inclusive of RECs and RECs generated by or associated with a QF should be assigned to the utility for the benefit of the utility’s customers. Alternatively, to the extent RECs generated by or associated with a QF are not assigned to the utility, the price paid by the utility for the PURPA power should be reduced to reflect the lost value to the utility.

¹ Phase 1 was initiated on November 5, 2010, by a request filed by Idaho Power Company, Avista, and PacifiCorp, dba Rocky Mountain Power, for the Commission to initiate an investigation to address various avoided cost issues related to PURPA in Case No. GNR-E-10-04. Phase 2 was initiated by a Notice of Inquiry, Notice of Intervention Deadline, Notice of Scheduling and Notice of Technical Hearing issued by the Commission on February 25, 2011 in GNR E-11-01.

As noted above, the issue of ownership of RECs is not yet settled in Idaho. In this proceeding, Complainant requests that the Commission order Idaho Power to expressly disclaim ownership of any environmental attributes associated with a QF. In order to resolve the dispute, the Commission may need to determine ownership of RECs associated with QFs in Idaho in this proceeding. As an investor-owned utility that does business in the State of Idaho, any determination regarding ownership of RECs by this Commission in this proceeding may create precedent that will directly impact Avista. Avista, therefore, has a direct and substantial interest in this proceeding. No other party can adequately represent Avista's interest in this proceeding. Accordingly, good cause exists to grant Avista's motion to intervene.

5. Conclusion

For the forgoing reasons, Avista respectfully requests that, if this proceeding is not stayed pending resolution of the issues in GNR-E-11-03, the Commission grant Avista's petition and allow Avista to intervene as a party in the above-captioned proceeding.

Respectfully submitted this 9th day of September 2011.

AVISTA CORPORATION



Michael G. Andrea
Senior Counsel

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of September 2011, true and correct copies of the foregoing Petition of Avista Corporation to Intervene were sent to the following persons via regular mail.

Kris Sassar
Deputy Attorneys General
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83702

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Gregory M. Adams
Richardson & O'Leary
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PO Box 7218 Boise, ID 83702

Donovan E. Walker
Jason B. Williams
Idaho Power Company
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Michael G. Andrea