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Idaho Conservation League

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IDAHO PUBLIC
UTILITIES COMMISSION

May 19, 2014

Via Hand Delivery and Electronic Transmission

Honorable Paul Kjellander
Honorable Marsha Smith
Honorable Mack Redford
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Idaho Power Company Petition to Suspend Purchase of Solar Powered Energy, IPC-E-14-09.

Dear Commissioners:

I am writing to express the Idaho Conservation League's (ICL) opposition to Idaho Power's request to suspend their obligation to enter into PURPA contracts. The purpose of this letter is to make ICL's position known prior to the Commission's decision meeting today, May 19th, to discuss Idaho Power's petition. ICL notes this discussion comes before any public notice of, and just three business days after, Idaho Power's filing. As the Commission considers this filing ICL expects all stakeholders will have a full and fair opportunity to be heard prior to any Commission decision.

Based on our review of Idaho Power's filings and applicable law ICL believes this filing is premature. First, the claimed flood of solar projects requesting PURPA contracts is in reality a trickle. The testimony of Randy Alphin notes that only 60 MW of solar projects have signed power purchase agreements with Idaho Power, a small fraction of the 501 MW the Company alleges are "attempting" to sign agreements.¹ And Idaho Power has repeatedly rejected ICL and others request to consider potential PURPA projects during the Integrated Resource Plan process as entirely speculative. The Commission should reject Idaho Power's attempt to have it both ways, either prospective PURPA projects are a virtual certainty, as Idaho Power alleges here, or they are mere speculation as Idaho Power claims during the IRP process.

Second, Idaho Power's petition makes several factual allegations and legal conclusions the Commission should test through a properly noticed and convened public process. Chief among

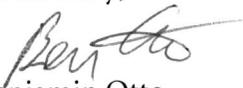
¹ Direct Testimony of Randy Alphin at 3, IPC-E-14-09.

these allegations is the appropriate integration costs. Idaho Power discloses they are still at the “data gathering” phase of their integration cost study and have yet to conclude even reviewing this data.² At this stage Idaho Power has no credible claim as to the actual integration costs. The study could conclude the costs are substantial. But the study could also conclude the costs are de minimus, especially at the exceedingly low penetration level of 60 MW. Until Idaho Power can establish that solar integration costs are high enough to be meaningful, the Commission should withhold dedicating time and resources to this issue. At the very least, before granting Idaho Power’s request to suspend their PURPA obligation, the Commission should require a factual showing that some meaningful harm to Idaho Power truly exists. Because suspending PURPA will immediately harm other businesses in Idaho, independent power developers, as well as Idaho counties who stand to collect royalties from PURPA projects.

Third, the Commission should deny Idaho Power’s attempt to get through Commission order what the Company is free to negotiate for on its own. Mr. Alphin states the “none of these contracts or potential contracts/obligations include any reductions related to solar integration costs”[.]³ ICL acknowledges the Company’s solar integration study intended to determine the actual costs is incomplete. But that does not prevent the Company from negotiating a rate or a contractual placeholder with PURPA developers. The Commission should refrain from using scare resources when Idaho Power has a method to protect themselves and customers without Commission intervention.

ICL recommends the Commission reject Idaho Power’s request for an immediate suspension of PURPA obligations. The alleged harm to the Company is uncertain, while the harm to independent power developers from granting the request is certain. The Company’s request is based on several factual and legal allegations the Commission should test through a full public process. And Idaho Power is free to protect themselves through negotiating an interim rate or contractual placeholder with developers. Because the harm is speculative and the facts and law unclear, the Commission should deny Idaho Power’s request.

Yours truly,


Benjamin Otto
Energy Associate
Idaho Conservation League

Cc: via electronic mail
Jean Jewell, Commission Secretary
Kris Sasser, Deputy Attorney General
Donovan Walker, Idaho Power Company
Joe Miller, Idaho Clean Energy Association

² Direct Testimony of Phil Devol at 7.

³ Direct Testimony of Randy Alphin at 3.