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IDAHO PUBLIC
UTILITIES COMMISSION

May 21, 2014

Via Hand Delivery and Electronic Transmission

Honorable Paul Kjellander
Honorable Marsha Smith
Honorable Mack Redford

Idaho Public Utility Commission
472 West Washington Street
Boise, ID 83702

Re: Idaho Power Company Petition to Suspend Solar PURPA Obligations, Case # IPC-E-14-09

Dear Commissioners:

The Sierra Club thanks you for the opportunity to submit comments to the Idaho Public Utilities Commission regarding *Idaho Power Company's Petition to Suspend Solar PURPA Obligations*.

The Sierra Club is America's oldest and largest environmental organization. The Sierra Club has more than 1.4 million members and supporters nationwide, with 2,000 members in Idaho. Founded in 1892, the Sierra Club has been working for over a century to protect communities, wild places, and the planet itself.

We believe that climate change is one of the greatest threats facing our communities and the planet, and consequently, we advocate for a transition away from traditional fossil fuel electricity generation to renewable energy resources including efficiencies, wind, and solar. We recognize, however, that fossil fuels cannot be replaced overnight, and that the intermittency of wind and solar resources present unique challenges, costs, and opportunities for ratepayers and electric utility companies.

While we acknowledge there are costs associated with integrating solar resources onto Idaho Power's system, we believe that it is premature to suspend Idaho Power's obligation to enter into power purchase agreements under PURPA for the following reasons:

- (1) Currently, Idaho Power has mechanisms at the company's disposal to protect shareholders and customers. A suspension of the company's PURPA Obligations is unnecessary as Idaho Power is free to continue to negotiate with qualifying facilities while they calculate the costs of solar integration, and/or use contractual placeholders with PURPA developers during the negotiation process.
- (2) Idaho Power acknowledges that signed contracts only become final pending PUC approval. We believe that PUC consideration of signed PURPA solar contracts is an adequate venue for Idaho Power's concerns to be vetted, and that stopping the negotiation process prior to PUC consideration is inappropriate.

- (3) Idahoans want clean energy, and PURPA is one of the primary mechanisms responsible for the growth of clean energy resources in Idaho. We believe that suspending Idaho Power's PURPA obligations, especially with regards to contracts that have already been executed, sends a chilling signal to future investors of clean energy in Idaho. Additionally, outstanding legal questions remain concerning the state's ability to suspend the implementation of PURPA, which is an existing federal law.
- (4) Idaho Power has only signed and executed contracts for approximately 60 MW of solar PURPA projects, a small fraction of the 501 MW the company alleges are "attempting" to sign contracts.
- (5) We believe Idaho's first utility scale solar projects will present a valuable opportunity for Idaho Power to learn more firsthand about the benefits and challenges of integrating utility scale solar resources onto the system.
- (6) Lastly, while we acknowledge the need to assess the costs associated with integrating solar onto Idaho Power's system, it is very possible that the actual costs may prove to be de minimis.

We would like to highlight that a recent solar integration study published by the National Renewable Energy Laboratory suggests there are enormous benefits that result from penetration levels that are significantly higher than the 60 MW of executed PURPA solar contracts Idaho Power wishes to suspend.

Currently solar accounts for 0.01% of Idaho Power Company's resource mix, and wind accounts for 10%. NREL's study finds that the integration of up to 35% wind and solar energy into the electric power system will not require extensive infrastructure if changes are made to operational practices. Additional benefits include significant fossil fuel cost reductions, reduction of operational costs, as well as allowing existing transmission capacity to be better used.

In conclusion, we believe that until Idaho Power demonstrates actual harm, it is premature to suspend the company's solar PURPA obligations. For the aforementioned reasons, we request that the Idaho Public Utilities Commission reject Idaho Power's request.

Thank you for the opportunity to submit comments on behalf of our 2,000 members statewide.

Sincerely,



Zack Waterman
Idaho Chapter Director
Sierra Club