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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER	)	CASE NO. IPC-E-14-18
COMPANY'S APPLICATION TO	)	
IMPLEMENT SOLAR INTEGRATION	)	SETTLEMENT STIPULATION AND
RATES AND CHARGES.	)	MOTION TO APPROVE
	)	SETTLEMENT STIPULATION
	)	

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This settlement stipulation ("Settlement Stipulation") is entered into between Idaho Power Company ("Idaho Power" or "Company"); Idaho Public Utilities Commission Staff ("Staff"); the Idaho Conservation League ("ICL"), the Sierra Club, and the Snake River Alliance ("SRA"), hereafter jointly referred to as "Parties." The Parties hereby agree as follows.

**I. INTRODUCTION AND MOTION**

1. The terms and conditions of this Settlement Stipulation are set forth herein. The Parties agree that this Settlement Stipulation represents a fair, just, and reasonable compromise of the dispute(s) between the Parties and that this Settlement Stipulation is in the public interest. The Parties maintain that the Settlement Stipulation as a whole and its acceptance by the Idaho Public Utilities Commission ("Commission") represent a reasonable resolution of all issues between the Parties identified herein.

Therefore, the Parties hereby respectfully move the Commission, in accordance with RP 56 and RP 274-76, for an Order approving the Settlement Stipulation executed between the Parties and all of its terms and conditions without material change or condition.

## **II. BACKGROUND**

2. On July 1, 2014, Idaho Power filed an Application with the Commission requesting Commission approval of Idaho Power's proposed implementation of solar integration rates and charges as set forth in the proposed Schedule 87, Variable Generation Integration Charges, as indicated by the 2014 Solar Integration Study Report ("Solar Study") filed with the Application. On July 23, 2014, the Commission issued a Notice of Application and Notice of Intervention Deadline. Order No. 33079. ICL, the Sierra Club, and SRA petitioned for intervention which was granted. Order No. 33090; Order No. 33097.

3. On September 24, 2014, the Commission issued a Notice of Scheduling and Notice of Technical Hearing, Order No. 33137, setting forth deadlines for testimony and setting the Technical Hearing for November 13, 2014. On November 6, 2014, the Commission approved the Parties' request to suspend the procedural schedule by striking the rebuttal testimony filing deadline and Technical Hearing. The Parties agreed to meet for settlement discussions and that if settlement discussions were unsuccessful to re-establish mutually agreeable dates for the submission of rebuttal testimony and a Technical Hearing. Order No. 33173.

4. The Parties met on November 17, 2014, for settlement discussions and reached agreement resolving the issues in this case and between the Parties. Based upon the settlement discussions, as a compromise of the respective positions of the

parties, and for other consideration as set forth below, the Parties agree to the following terms:

### **III. TERMS OF THE SETTLEMENT STIPULATION**

5. Implementation of Schedule 87, Variable Generation Integration Charges -

The Parties agree to Commission approval and implementation of Schedule 87, Variable Generation Integration Charges, including the rates and charges as proposed and filed by Idaho Power in this proceeding to implement solar integration charges.

6. Initiation of a Second Solar Integration Study – The Parties acknowledge that there are disagreements with respect to the methodology used in the 2014 Solar Study. The Parties agree that Idaho Power will initiate a second solar integration study in January 2015. This second solar integration study should be completed as expeditiously as possible with the goal of not exceeding 12 months. Upon completion of the second solar integration study Idaho Power will file the same with the Commission seeking to update Schedule 87 with the results of said study.

7. Conduct of the Second Solar Integration Study - The Parties agree that the second solar integration study should utilize a Technical Review Committee (“TRC”) that generally adheres to the *Principles for Technical Review Committee Involvement in Studies of Wind Integration into Electric Power Systems* authored by the National Renewable Energy Laboratory and the Utility Wind Integration Group. The TRC should include members with expertise in solar generation, variable energy integration, and electrical grid operations. The Parties also anticipate participation in the second solar integration study from the Idaho Public Utilities Commission Staff, the Public Utility Commission of Oregon Staff, the appropriate personnel from Idaho Power, and a technical expert designated by each of the Parties herein. The Parties agree that the

TRC will assist in developing the scope of the second solar integration study and provide advice on the best available methods to analyze solar integration needs, strategies, and costs on Idaho Power's system. The Parties agree and acknowledge that Idaho Power is ultimately responsible for determining how the study is conducted, the content of the study, and any results therefrom. If Idaho Power declines TRC member suggestions for the conduct of the study, Idaho Power shall provide explanation and basis for the same in writing as part of the study process.

8. Consideration of Issues in the Second Solar Integration Study - The Parties agree that Idaho Power, together with the TRC, will consider whether the second solar integration study should include the following – and if so, what would be the appropriate methodology to be used in connection with the following:

- Alternative water-year types (e.g., low-type and high-type), range of water years or normalized water year
- Intra-hour trading opportunities
- Shortening the hour-ahead forecast lead time from 45 minutes to 30 minutes
- Clustered solar build-out scenarios
- Other solar plant technologies (e.g., tracking systems or varied fixed-panel orientation)
- Correlation between solar, wind, and load variability, uncertainty, and forecasting error.
- Improved forecasting methods
- Energy imbalance markets, or other market structures
- Voltage/frequency regulation
- Increased transmission capacity, changes in operation of hydroelectric facilities, addition of demand-side technologies

- Gas price forecast(s)
- Modeling of sub-hourly scheduling of load and generation
- Identification of the existence of low occurrence events that contribute to proportionately higher integration costs and possible remedies, including operational or contractual solutions to mitigate these events and reduce integration costs and charges.

9. The Parties submit this Settlement Stipulation to the Commission and recommend approval in its entirety pursuant to RP 274-76. The Parties shall support this Settlement Stipulation before the Commission and shall not appeal a Commission order approving the Settlement Stipulation or an issue resolved by the Settlement Stipulation. If this Settlement Stipulation is challenged by anyone who is not a Party, then each Party reserves the right to file testimony, cross-examine witnesses, and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in this Settlement Stipulation. Notwithstanding this reservation of rights, the Parties agree that they will continue to support the Commission's adoption of the terms of this Settlement Stipulation.

10. If the Commission or any reviewing body on appeal rejects any part or all of this Settlement Stipulation or imposes any additional material conditions on approval of this Settlement Stipulation, then each Party reserves the right, upon written notice to the Commission and the other Party to this proceeding within fourteen (14) days of the date of such action by the Commission, to withdraw from this Settlement Stipulation. In such case, no Party shall be bound or prejudiced by the terms of this Settlement Stipulation and each Party shall be entitled to seek reconsideration of the Commission's

order, file testimony as it chooses, cross-examine witnesses, and do all other things necessary to put on such case as it deems appropriate. In such case, the Parties immediately will request the prompt reconvening of a prehearing conference for purposes of establishing a procedural schedule for the completion of IPUC Case No. IPC-E-13-25, and the Parties agree to cooperate in development of a schedule that concludes the proceeding on the earliest possible date, taking into account the needs of the Parties in participating in hearings and preparing briefs.

11. The Parties agree that this Settlement Stipulation is in the public interest and that all of its terms and conditions are fair, just, and reasonable.

12. No Party shall be bound, benefited, or prejudiced by any position asserted in the negotiation of this Settlement Stipulation, except to the extent expressly stated herein, nor shall this Settlement Stipulation be construed as a waiver of rights unless such rights are expressly waived herein. Except as otherwise expressly provided for herein, execution of this Settlement Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory, or principle of regulation or cost recovery, including the methodology employed for the 2014 solar integration study upon which the rates and charges contained in Schedule 87 are based. No Party shall be deemed to have agreed that any method, theory, or principle of regulation or cost recovery employed in arriving at this Settlement Stipulation is appropriate for resolving any issues in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Settlement Stipulation. This Settlement Stipulation sets forth the complete understanding of the Parties, and this Settlement Stipulation includes no other promises, understandings, representations, arrangements or agreements pertaining to

the subject matter of this Settlement Stipulation, or any other subject matter, not expressly contained herein.

13. The obligations of the Parties are subject to the Commission's approval of this Settlement Stipulation in accordance with its terms and conditions and upon such approval being upheld on appeal, if any, by a court of competent jurisdiction. All terms and conditions of this Settlement Stipulation are subject to approval by the Commission, and only after such approval, without material change or modification, has been received shall the Settlement Stipulation be valid.

14. This Settlement Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

#### **IV. PROCEDURE**

15. Pursuant to RP 274, the Commission has discretion to determine the manner with which it considers a proposed settlement. In this matter, the Parties have reached agreement on a final resolution to this case. This Settlement Stipulation is reasonable and in the public interest. The Parties request that the Commission approve the Settlement Stipulation without further proceedings.

16. In the alternative, should the Commission determine that further proceedings are required to consider the Settlement Stipulation, pursuant to RP 201, the Parties believe the public interest does not require a hearing to consider the issues presented by this Motion and request it be processed as expeditiously as possible by Modified Procedure, without waiving the right to a hearing on the previously disputed matters in this proceeding should the Commission reject the settlement.

**V. REQUESTED RELIEF**

NOW, THEREFORE, the Parties respectfully request that the Commission enter its Order approving the Settlement Stipulation without material change or condition, and without further proceedings.

DATED this 7<sup>th</sup> day of January 2015.

Idaho Power Company

By   
Donovan E. Walker  
Attorney for Idaho Power Company.

Commission Staff

By   
Kristine A. Sasser  
Attorney for IPUC Staff

Sierra Club

By \_\_\_\_\_  
Dean J. Miller  
Attorney for Sierra Club

Idaho Conservation League

By   
Benjamin J. Otto  
Attorney for Idaho Conservation League

Snake River Alliance

By \_\_\_\_\_  
Kelsey Jae Nunez  
Attorney for Snake River Alliance

**V. REQUESTED RELIEF**

NOW, THEREFORE, the Parties respectfully request that the Commission enter its Order approving the Settlement Stipulation without material change or condition, and without further proceedings.

DATED this 4 day of July 2015.

Idaho Power Company

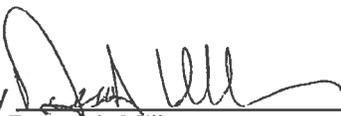
Commission Staff

By \_\_\_\_\_  
Donovan E. Walker  
Attorney for Idaho Power Company.

By \_\_\_\_\_  
Kristine A. Sasser  
Attorney for IPUC Staff

Sierra Club

Idaho Conservation League

By  \_\_\_\_\_  
Dean J. Miller  
Attorney for Sierra Club

By \_\_\_\_\_  
Benjamin J. Otto  
Attorney for Idaho Conservation League

Snake River Alliance

By \_\_\_\_\_  
Kelsey Jae Nunez  
Attorney for Snake River Alliance

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Kristine A. Sasser  
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Sierra Club

Idaho Conservation League

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Dean J. Miller  
Attorney for Sierra Club

By  \_\_\_\_\_  
Benjamin J. Otto  
Attorney for Idaho Conservation League

Snake River Alliance

By  \_\_\_\_\_  
Kelsey Jae Nunez  
Attorney for Snake River Alliance

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 9<sup>th</sup> day of January 2015 I served a true and correct copy of the SETTLEMENT STIPULATION AND MOTION TO APPROVE SETTLEMENT STIPULATION upon the following named parties by the method indicated below, and addressed to the following:

### Commission Staff

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Christa Beary, Legal Assistant