

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)	NOTICE OF APPLICATION
RATES AND CHARGES.)	
)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	ORDER NO. 33079

On July 1, 2014, Idaho Power Company filed an Application with the Commission seeking to implement solar integration rates and charges. The Company’s Application includes a 2014 solar integration study as well as the supporting testimony of Philip DeVol and Michael J. Youngblood. Idaho Power requests that its Application be processed by Modified Procedure.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power’s Application maintains, due to the variable and intermittent nature of solar generation, the Company must modify its system operations to successfully integrate solar power without impacting system reliability, similar to wind generation. Idaho Power states that it must provide operating reserves from resources that are capable of increasing or decreasing dispatchable generation on short notice to offset changes in non-dispatchable solar generation. The Company asserts the effect of having to hold operating reserves on dispatchable resources is that the use of those resources is restricted and they cannot be economically dispatched to their fullest capability. Idaho Power states this results in higher power supply costs that are subsequently passed on to customers.

YOU ARE FURTHER NOTIFIED that Idaho Power states that it is currently experiencing very high interest by, and rapid growth of, solar generation projects wishing to contract with and locate on Idaho Power’s system. The Company maintains the rapid growth of wind and solar generation has led to the recognition that Idaho Power’s finite capability for integrating variable and intermittent generation is nearing its limit. This situation is expected to worsen as wind and solar penetration levels increase, particularly during periods of low customer demand.

YOU ARE FURTHER NOTIFIED that Idaho Power asserts the costs associated with solar integration are specific and unique for each individual electrical system based on the amount of solar generation being integrated and the other types of resources that are used to provide the necessary operating reserves. In general terms, Idaho Power explains that the cost of integrating solar generation increases as the amount of nameplate solar generation on the electrical system increases. The Company states that failure to calculate and properly allocate solar integration costs to solar PURPA generators when calculating avoided cost rates impermissibly pushes those costs onto utility customers, making them no longer indifferent to whether the generation was provided by a PURPA qualifying facility or otherwise generated or acquired by the Company.

YOU ARE FURTHER NOTIFIED that Idaho Power proposes that a solar integration charge be established to collect the incremental cost of integration at each 100 MW of solar generation penetration. The Company proposes that the solar integration costs be set forth in a tariff schedule specifically established for intermittent generation integration charges. The solar project's scheduled operation date and nameplate capacity would determine the charge that would be imposed through the term of the proposed contract.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this matter **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate must file

a Petition to Intervene **no later than fourteen (14) days from the service date of this Order.** Persons desiring to present their views without parties' rights of participation and cross-examination at hearing are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, Staff will convene an informal prehearing conference for the purpose of discussing a schedule to process this case, the service of discovery, and other issues raised by the parties.

ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the service date of this Order.

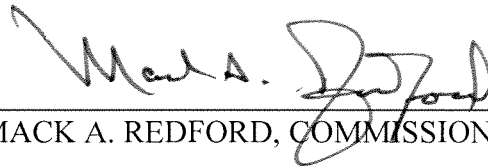
IT IS FURTHER ORDERED that the Commission Secretary issue a Notice of Parties after the deadline for intervention has passed.

IT IS FURTHER ORDERED that, once the Notice of Parties is issued, Staff convene an informal prehearing conference to discuss the processing of this case.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd
day of July 2014.



PAUL KJELLANDER, PRESIDENT



MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:IPC-E-14-18_ks