

Jean Jewell

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Sent: Thursday, September 04, 2014 4:49 PM
To: Beverly Barker; Jean Jewell; Gene Fadness
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Subject: Case Comment Form: Michael Heckler

Name: Michael Heckler
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Name of Utility Company: Idaho Power
Acknowledge public record: True

Comment: I believe the Commission should approve the Grandview solar project Energy Sales Agreement because the agreement is just and reasonable to Idaho Power electric consumers and approval is in the public interest.

The project produces multiple direct benefits, including:

- Giving Idaho Power benefits it would not otherwise receive
 - o 50% of the project RECs
- Providing Idaho residents benefits they would not otherwise receive
 - o creating new jobs,
 - o increasing property tax payments,
 - o reducing dollars flowing out-of-state for fuel or power
 - o generating value from currently fallow land (with no emissions or water use)
 - o providing the state more flexibility in meeting upcoming requirements under section 111d of the Clean Air Act
- Protecting Idaho Power rate-payers under this agreement
 - o Idaho Power will pay the solar project only for the power it produces and then only at the price Idaho Power would otherwise pay on the market
 - o all payments are reduced by the amount Idaho Power estimates it will cost to integrate variable solar output
- Protecting Idaho Power under this agreement
 - o with substantial Security deposits to guard against late performance,
 - o with availability guarantees during operation and
 - o with price reduction opportunities if the project doesn't produce what they say they will

In addition to these direct benefits approving this and other PURPA ESAs can provide indirect benefits. By harnessing competitive market forces these agreements provide a continuous reality check on utility planning.

In its 2013 IRP Idaho Power estimated that utility scale tracking type solar projects would carry a 30-year levelized cost of \$113/Megawatt-hour. The Grandview contract, subject to a more stringent 20-year levelized cost test, comes in at just over \$73/Megawatt-hour. The Grandview ESA warrants approval on its direct benefits. If that approval indirectly motivates the utility to more accurately value other local solar resources in its upcoming planning process, so much the better.