

Benjamin J. Otto (ISB No. 8292)
710 N 6th Street
Boise, ID 83701
Ph: (208) 345-6933 x 12
Fax: (208) 344-0344
botto@idahoconservation.org

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for the Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF IDAHO POWER)	CASE NO. IPC-E-14-20
COMPANY FOR APPROVAL OR)	
REJECTION OF AN ENERGY SALES)	IDAHO CONSERVATION LEAGUE
AGREEMENT WITH BOISE CITY)	
SOLAR, LLC FOR THE SALE AND)	COMMENTS
PURCHASE OF ELECTRIC ENERGY)	

The Idaho Conservation League (ICL) recommends the Commission approve, without modification, this Energy Sales Agreement (ESA). ICL and our members strongly support solar development that is appropriately located and priced according to approved methodologies. The Boise City Solar project has both these features.

The Boise City Solar project is a good example of an appropriate location. While ICL recognizes the Commission does not address power facility siting, we note this project is located on city owned land and is unlikely to effect wildlife values or scenic vistas.

In terms of pricing, ICL notes Idaho Power and Boise City Solar properly applied the avoided cost methodology in effect at the time of the contract formation. In the ESA, both parties agreed to an effective date of July 17, 2014. The Federal Energy Regulatory Commission and the Idaho Supreme Court have both ruled that the date when the utility and Qualifying Facility enter into a binding obligation both parties are entitled “to receive avoided costs calculated at the time the obligation is incurred[.]” *Afton Energy Inc., v. Idaho Power Company*, 107 Idaho 781, 788 (Idaho 1984). *JD Wind 1*, 129 FERC p 61,148 at ¶ 29.

The Commission may only reject the ESA by finding it would result in an adversity to the public interest or if it is inconsistent with federal law. *Afton Energy Inc., v. Idaho Power Company*, 111 Idaho 925, 929 (Idaho 1986), *Bunker Hill v. WWP*, 98 Idaho 249 (1977), *Agricultural Products v. IPUC* 557 P.2d 617 (1976), *CDA Dairy Queen v. State Insurance Fund*, 154 Idaho 379 (2013). Here, PURPA is the applicable federal law and embodies a public policy decision to encourage QF development at fair and reasonable rates. As stated above, the Idaho Supreme Court has interpreted PURPA and the key regulation 18 C.F.R. § 292.304(d), as entitling the QF and utility to the avoided costs calculated at the time these entities enter into a binding obligation. Here that date is July 17, 2014. On December 18, 2012 the Commission determined that the IRP methodology used in negotiating this ESA results in fair, just, and reasonable rates. *Order No 32697*.

Approving the ESA is also in the public interest generally. This ESA represents a relatively minor addition to Idaho Power's overall power costs and thus will have a marginal effect on customer rates. Because this ESA will provide carbon-free power, incorporating this project into the electric system can help Idaho meet pollution control rules currently under development. Further, the ESA contains an integration charge to ensure the QF pays its share of any costs to integrate into the larger system. Most importantly, the record in the case shows a strong statement of public support for approving this ESA.

ICL respectfully requests the Commission approve the Boise City Solar ESA without modification.

Respectfully submitted this 31st day of October 2014.



Benjamin J. Otto
Idaho Conservation League