

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-14-24
OF IDAHO POWER COMPANY FOR)
APPROVAL AND IMPLEMENTATION OF) NOTICE OF APPLICATION
SCHEDULE 73, COGENERATION AND)
SMALL POWER PRODUCTION.) NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 33136

In Case No. GNR-E-11-03, Order No. 32697, the Commission directed parties to participate in workshops to “begin to form a structure for fair and reasonable contracting procedures and rules.” Order No. 32697 at 48. Idaho Power and other interested parties met on several occasions and discussed procedures that would be beneficial to both utilities and qualifying facility (QF) developers in the negotiation and execution of Public Utility Regulatory Policies Act (PURPA) power purchase agreements (PPAs). Ultimately, in that docket, no procedures were agreed upon and/or finalized.

On March 27, 2014, Avista Corporation filed proposed tariff revisions with the Commission in order to incorporate PURPA contracting procedures and timelines into its existing Cogeneration and Small Power Production Schedule. On May 30, 2014, with some modifications, the Commission approved Avista’s proposed tariff (Schedule 62). The Commission also encouraged “the remaining utilities to consider progress made through the workshops and contemplate submission of a similar tariff that might eliminate or reduce the uncertainty that is somewhat inherent in negotiations between utilities and QFs.” Order No. 33048 at 5.

Idaho Power responded to the Commission’s suggestion on August 29, 2014, by filing an Application requesting that the Commission approve its proposed tariff Schedule 73, Cogeneration and Small Power Production Schedule - Idaho.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power’s proposed tariff will apply to all PURPA QFs that intend to connect to its system within the State of Idaho. Idaho Power’s proposed Schedule 73 was drafted to closely match Avista’s approved Schedule 62, and the

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majority of Schedule 73 is identical to Avista’s Schedule 62, including the identified contracting procedure “steps” and the time period set forth for response/action in each step. Idaho Power states that several changes were made to reflect differences between Idaho Power and Avista, but for all intents and purposes, the schedules are essentially the same.

YOU ARE FURTHER NOTIFIED that Idaho Power’s proposed tariff sets forth general information to be provided to the Company by a QF in Section 1.a under “Contracting Procedures.” Within 20 days of the receipt of such information, Idaho Power will provide a QF with an indicative pricing proposal for the QF. Such pricing is not final or binding on either party and is intended to provide indicative pricing early in the process to enable the QF developer to make preliminary determinations regarding its proposed project.

YOU ARE FURTHER NOTIFIED that Schedule 73, Section 1.d sets forth that the prices and other terms and conditions in the agreement are only final and binding upon full execution by the parties and approval by the Commission – or pursuant to a legally enforceable obligation determination by the Commission. This includes the Commission’s determination requiring the QF to deliver its electrical output within 365 days of a determination of a legally enforceable obligation. *Citing* Order No. 33048.

YOU ARE FURTHER NOTIFIED that if a QF desires to proceed after receiving indicative pricing, the QF may request a draft energy sales agreement (ESA). Section 1.e sets forth the information the Company will need for the preparation of the draft ESA. Fifteen days after receipt of all information, the Company will provide the QF with a draft ESA. Within 90 days of receipt of the draft ESA, a QF will notify Idaho Power whether it accepts the terms and conditions and is ready to execute an ESA or that it has comments and proposed changes to the draft ESA. If a QF seeks to provide comments or changes, Section 1.j sets forth guidelines to be used during such negotiations.

YOU ARE FURTHER NOTIFIED that when both parties are satisfied with the draft ESA and the QF provides Idaho Power with evidence that interconnection will occur prior to the requested first energy date, Idaho Power shall provide the QF with a final, executable version of the ESA within 10 business days. The QF shall then have 10 business days to execute and return the final ESA to the Company. If the QF fails to meet the timelines in the proposed tariff, the procedures shall begin anew. *Citing* Section 1.n.

YOU ARE FURTHER NOTIFIED that Idaho Power requests that its Application be processed by Modified Procedure.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or in opposition with the Commission **no later than Thursday, October 30, 2014**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application may be mailed to the Commission and Idaho Power at the addresses reflected below:

Commission Secretary Idaho Public Utilities Commission PO Box 83720 Boise, ID 83720-0074	Donovan E. Walker Lead Counsel Idaho Power Company PO Box 70 Boise, ID 83707-0070 E-mail: dwalker@idahopower.com
Street Address for Express Mail: 472 W. Washington Street Boise, ID 83702-5918	Randy C. Allphin Energy Contract Administrator Idaho Power Company PO Box 70 Boise, ID 83707-0070 E-mail: rallphin@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission’s home page located at www.puc.idaho.gov. Click the “Case Comment or Question Form” under the “Consumers” tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that reply comments may be filed by Idaho Power **no later than Thursday, November 6, 2014.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application is 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 and that 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.*

ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons and the parties may file written comments no later than October 30, 2014.

IT IS FURTHER ORDERED that reply comments be filed no later than November 6, 2014.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24th
day of September 2014.



PAUL KJELLANDER, PRESIDENT




MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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