

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-15-18
COMPANY'S PETITION TO DETERMINE)	
PURPA CONTRACT ELIGIBILITY FOR)	NOTICE OF PETITION
TEN DISAGGREGATED 100 KW SOLAR)	
PROJECTS)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 33342

On June 26, 2015, Idaho Power Company filed a Petition with the Commission to determine the contract-length eligibility for ten solar projects proposed to Idaho Power by Site Based Energy under the Public Utility Regulatory Policies Act (PURPA). Specifically, the utility asks the Commission to issue an Order finding that Site Based Energy's ten 100 kilowatt (kW) projects are actually a single 1 megawatt (MW) project "disaggregated" into ten 100 kW projects. The issue of whether this is a single large project or ten smaller projects will determine which one of two avoided costs methodologies is used to calculate the rate Idaho Power must pay for power, as well as the appropriate length of the PURPA contract(s). Idaho Power requests that the Commission find that Site Based Energy's project is only eligible for a single contract with a term of five years, or whatever maximum contract term the Commission sets in Case No. IPC-E-15-01, for which an Order is pending at the time its Petition was filed in this case.

BACKGROUND

Under PURPA, electric utilities such as Idaho Power must purchase electric energy from qualifying facilities (QFs) generally located in Idaho at rates approved by this Commission. 16 U.S.C. § 824a-3. The purchase or "avoided cost" rate must be "just and reasonable to the electric consumers . . . and in the public interest" and "shall not discriminate against [QFs]." 16 U.S.C. § 824a-3(b); 18 C.F.R. § 292.304.

The Commission has established two methods of calculating avoided cost, depending on the size of the QF project: (1) the Surrogate Avoided Resource (SAR) methodology, and (2) the Integrated Resource Plan (IRP) methodology. *See* Order No. 32697 at 7-8. The SAR methodology applies to wind and solar QFs with a design capacity of up to 100 kW. In other words, the "eligibility cap" for published rates for wind and solar QFs is set at 100kW. When a

solar QF project is larger than the 100kW eligibility cap, the avoided cost rates for the project must be individually negotiated by the QF and the utility using the IRP methodology. Order Nos. 32697 at 2; 32176.

Intertwined with the issue of the appropriate avoided cost methodology (SAR or IRP), is the issue of contract length. The contract length for SAR-based contracts is 20 years. Order No. 33253 at 4. Currently, the contract length for IRP-based contracts is five years while the Commission investigates the issue. Order Nos. 33222, 33250.¹

NOTICE OF PETITION

YOU ARE HEREBY NOTIFIED that Idaho Power states it received “submissions for ten 100 kW PURPA solar QF projects, all from the same developer, John Reuter, from Site Based Energy.” Petition at 2, Atch. Nos. 1-10. The utility states, “These ten projects are all located at the same site, on the same contiguous property, and divided into ten sections.” *Id.* According to Idaho Power, “Each Application appears to be nearly identical, except for the differing Name of Facility (WRCE 1 through 10, respectively) and the corresponding GPS coordinates for each project.” *Id.*

YOU ARE FURTHER NOTIFIED that Idaho Power notes that “[e]ach Application requests a contract term of 20 years, requests published avoided cost rates, and states, ‘The facility will be owned by a separate owner than all other facilities within 1 mile, including other facilities at the same site.’” *Id.* at 4 (*citing* Exhibit Nos. 1-10, Applications at 2). The utility claims that it “has not been provided with any evidence of separate ownership, nor was Idaho Power able to confirm that the proposed entities are registered with the Idaho Secretary of State.” *Id.* at 4.

YOU ARE FURTHER NOTIFIED that Idaho Power asserts, “Site Based Energy has specifically designed and proposed its project – disaggregated into 100 kW increments – in an attempt to avoid application of the Commission’s interim order limiting the maximum contract term to five years.” *Id.* at 3.

¹ In January 2015, Idaho Power filed a petition in Case No. IPC-E-15-01, asking the Commission to reduce the length of new IRP-based PURPA contracts from 20 years to two years. The Commission granted temporary relief to Idaho Power and established a contract length of five years while the 15-01 case is under investigation.

YOU ARE FURTHER NOTIFIED that Idaho Power asks the Commission to “direct that the five year maximum contract term limitation currently in place for projects over the published rate eligibility cap be applicable to these ten 100 kW disaggregated solar projects.” *Id.*

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 through .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 opposition with the Commission within **twenty-one (21) days from the date of this Order**. 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 shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Donovan E. Walker
Idaho Power Company
1221 West Idaho Street
P.O. Box 70
Boise, ID 83707
E-Mail: dwalker@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 address listed above.

YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, if necessary, **no later than seven (7) days after the deadline for written comments**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application has been filed with the Commission and is 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," then click on the case number 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 the Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules. The Commission may enter any final Order consistent with its authority under Title 61 and PURPA.

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 the Application shall be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than 21 days from the date of this Order.

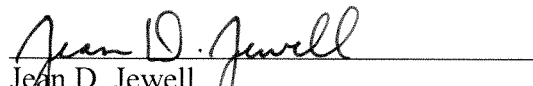
IT IS FURTHER ORDERED that reply comments by Idaho Power, if any, shall be due 28 days from the date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24th
day of July 2015.


PAUL KJELLANDER, PRESIDENT


KRISTINE RAPER, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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