

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-16-11
COMPANY’S APPLICATION TO UPDATE)	
SOLAR INTEGRATION RATES AND)	NOTICE OF APPLICATION
CHARGES)	
)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 33530

On May 6, 2016, Idaho Power Company asked the Commission for authority to update its solar integration rates and charges consistent with its completed 2016 Solar Integration Study. The Commission now issues notice of the Company’s filing, and notice that the matter will be processed by Modified Procedure.

BACKGROUND

Electric utilities that integrate solar generation into their systems incur costs based on the amount of solar generation integrated, and on the other (non-solar) resources used to provide needed operating reserves. Generally, the average cost of integrating solar generation increases as the electric system’s nameplate solar generation increases. Where the utility has contracted to purchase solar power under the Public Utility Regulatory Policies Act (PURPA), the rates for such power must not exceed the utility’s “avoided cost” – what the utility would have incurred had it generated or acquired the power elsewhere. If solar integration costs are not calculated and properly allocated to these PURPA project developers, those costs will be impermissibly passed onto utility customers in the avoided costs.

In February 2015, the Commission approved a settlement stipulation which implemented solar integration rates and charges for Idaho Power based on the Company’s first solar integration study, completed in 2014. The solar integration rates and charges were set forth in a new tariff Schedule 87, Variable Generation Integration Charges, at the incremental cost of solar integration for each 100 megawatts (MW) of solar nameplate penetration. The settlement stipulation provided that Idaho Power would initiate a second solar integration study within the next year, using a Technical Review Committee (TRC).

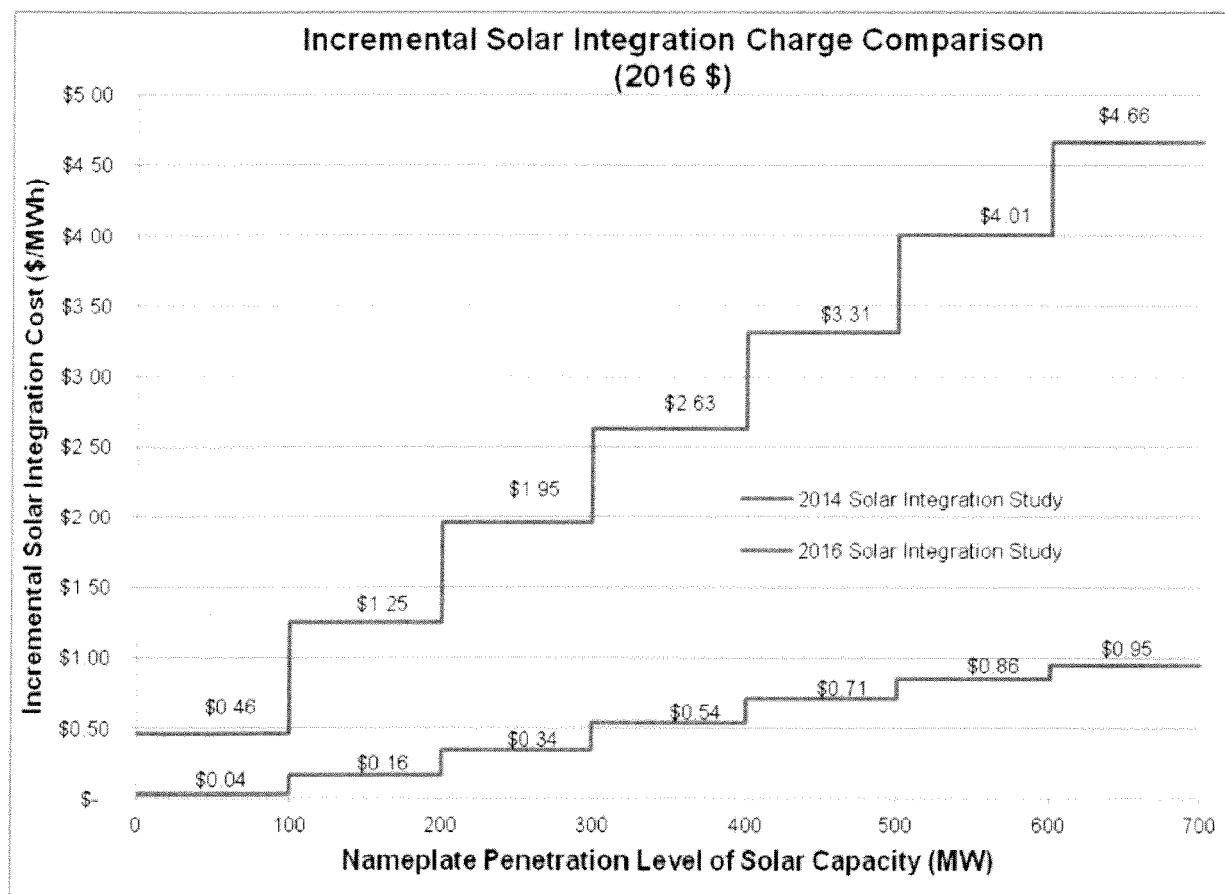
The TRC was comprised of Idaho Commission Staff, Oregon Commission Staff, Idaho Power personnel, and a technical expert designated by each of the parties to the settlement

stipulation. The TRC developed and finalized a study plan and was involved throughout the development of the Study Report, completed April 2016.

NOTICE OF APPLICATION

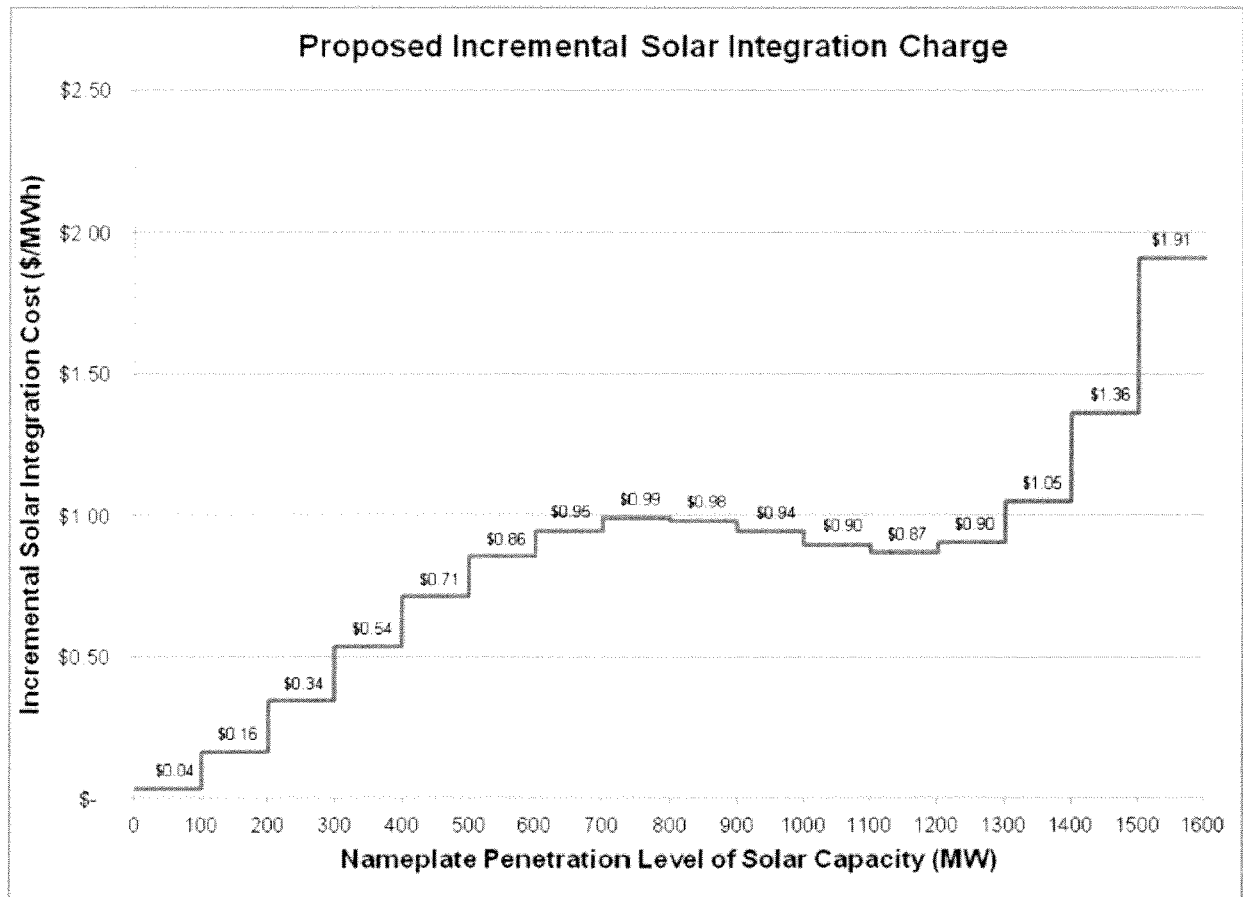
YOU ARE HEREBY NOTIFIED that Idaho Power seeks Commission approval of updates to its solar integration costs resulting from the 2016 Solar Integration Study. With its Application, the Company filed supporting testimonies by Philip B. DeVol, Senior Planning Analyst with Idaho Power, and Michael J. Youngblood, Idaho Power’s Regulatory Affairs Projects Manager.

YOU ARE FURTHER NOTIFIED that Idaho Power proposes updated incremental integration costs at each 100 MW of solar generation penetration, extending out to 1,600 MW. Application at 5. The costs determined in the 2016 Study are substantially less than those from the 2014 solar integration study, as shown in the following graph.



Id.

YOU ARE FURTHER NOTIFIED that the 100 MW incremental costs of solar integration to 1,600 MW is shown in the following chart:



Id. at 6.

YOU ARE FURTHER NOTIFIED that Exhibit 4 to Mr. Youngblood’s testimony contains tables that will replace the current Schedule 87, Sheets 87-9 through 87-15, and create new Sheets 87-16 through 87-24. *Id.* The charges in Schedule 87 are amounts to be deducted from avoided cost rates beginning the year a project comes on-line, and based on the nameplate capacity penetration level of solar generation at the proposed project’s scheduled operation date. *Id.* Each 100 MW increment or penetration level has its own table, set forth in Schedule 87, which identifies the levelized integration charge and the non-levelized stream of integration charge amounts listed by year. *Id.*

YOU ARE FUTHER NOTIFIED that the Company requests that the Commission approve the updates to the solar integration costs in Schedule 87, Variable Generation Integration Charges, as set forth in Mr. Youngblood’s Exhibit 4, based on the 2016 Study.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the parties' positions in this matter can be adequately presented 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 by no later than **June 30, 2016**. 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
Michael J. Youngblood
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, ID 83707
E-mail: dwalker@idahopower.com
dockets@idahopower.com
myoungblood@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 the Company may file reply comments, if necessary, by no later than **July 7, 2016**.

YOU ARE FURTHER NOTIFIED that the Application and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The documents 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," then click on the case number shown on the front of this document.

YOU ARE FURTHER NOTIFIED that the Commission has authority over this matter pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, specifically *Idaho Code* § 61-307, and PURPA. 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 June 30, 2016.

IT IS FURTHER ORDERED that reply comments by Idaho Power, if any, shall be due July 7, 2016.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st day of June 2016.



PAUL KJELLANDER, PRESIDENT

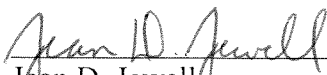


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:IPC-E-16-11_djh

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