

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY’S APPLICATION TO)	CASE NO. IPC-E-16-14
APPROVE NEW TARIFF SCHEDULE 63, A)	
COMMUNITY SOLAR PILOT PROGRAM)	NOTICE OF APPLICATION
)	
)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	ORDER NO. 33552

On June 22, 2016, Idaho Power Company filed an Application with the Commission to authorize it to implement an optional program, Schedule 63, Community Solar Pilot Program. Under the Program, the Company proposes to build a 500 kilowatt (kW) single-axis tracking community solar array in southeast Boise that will allow a limited number of Idaho Power customers to subscribe to the generation output. Idaho Power asked that the case be processed by Modified Procedure. The Commission now issues the following notice of Idaho Power’s Application and Order setting a deadline for interested parties to intervene.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that, with Idaho Power’s Application to approve its Community Solar Pilot Program, the Company also filed the proposed Tariff Schedule 63, and Direct Testimonies by David Angell, Matthew Larkin, and Peter Pengilly.

YOU ARE FURTHER NOTIFIED that, according to Idaho Power, the proposed Program enables customers to invest or participate in the “operation of solar resources” without “requir[ing] upfront capital costs . . . [and] long-term expenses and liabilities associated with system operation and maintenance.” Application at 2-3. The Company’s proposal also permits participation in a solar power program by those for whom “rooftop or ground-mounted solar installations” are not feasible. *Id.* at 2.

YOU ARE FURTHER NOTIFIED that Idaho Power states the Program is being offered in response to customer input. *Id.* The program is separate from Idaho Power’s existing Green Energy Purchase Program Rider, for which Idaho Power has filed an Application to make modifications, in Case No. IPC-E-16-13.

YOU ARE FURTHER NOTIFIED that the proposed Community Solar Program would be open to the following customer service classes on a first-come, first-served basis: residential, small general, large general, large power, agricultural irrigation, Micron special contract, Simplot special contract, and Department of Energy special contract. Application at 3-4. Under the Program, individual customer subscriptions would allow expected annual production up to 100% of a participant's usage for the prior 12 months on a kilowatt-hour (kWh) basis. *Id.* at 4. The Application sets forth the number of subscriptions and kWhs to which customers are limited, as well as the transferability of subscriptions in the event a participant moves within Idaho Power's service area. *Id.* at 4-5. Idaho Power proposes to retain ownership of renewable energy credits (RECs) associated with the Program. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that, if the Program is approved, participants' monthly energy production would be calculated as per kWh "Solar Energy Credits" (SEC) that participants receive for their share of the solar production each month. Application at 5-6; Larkin Direct at 12. The Company proposes calculating its per kWh SEC as the product of the rate specified in tariff Schedule 63, and the participant's share of the total monthly production for the month. Application at 10. The Company would base the SEC on "its embedded energy-related costs recovered through base rates," and would update them as needed. *Id.* Participation in the Program would be reflected in participants' bills "as a dollar offset to the total bill, not as a kWh credit that offsets billed kWh consumption." Application at 6; Pengilly Direct at 13. "[E]xcess production [would] be carried forward on a kWh basis to be credited on a participant's bill in a future month." *Id.*

YOU ARE FURTHER NOTIFIED that the Company proposes ongoing operations and maintenance (O&M) expenses of \$16 per kW. Application at 6. If approved, the Program's facility would be built adjacent to Idaho Power's Boise Bench substation. *Id.* at 7. Testimony by David Angell, attached to the Application, describes the request for bid (RFB) process that the Company used to secure a contractor for the design, procurement, and construction of the solar photovoltaic (PV) system. *Id.*; see Angell Direct at 4-8. The successful bidder gave a cost-estimate for the project of \$1,158,769. Application at 7; Angell Direct at 6.

YOU ARE FURTHER NOTIFIED that, in April 2016, Idaho Power completed the facility study—required in order for the facility to interconnect with the Company—consistent with Idaho Power's Open Access Transmission Tariff with the Federal Energy Regulatory

Commission. Application at 7-8. According to the study, the preliminary interconnection costs for the Program's facility are about \$81,000. *Id.*

YOU ARE FURTHER NOTIFIED that the Company states that the Program is designed to "ensure that [its] costs . . . are borne by customers who choose to participate . . . , while holding non-participating customers harmless." *Id.* at 9. A participant's subscription fee would reflect "the cost to construct and interconnect the solar PV facility and market the program, less an IDACORP, Inc. shareholder contribution of 15 percent, as well as ongoing costs such as O&M expenses and property tax." *Id.* The Company proposes the shareholder-funded contribution of 15% of construction costs because the project is smaller than the industry standard for a "utility scale" solar project, and because "construction of a larger facility would likely result in cost savings due to economies of scale estimated at 15 percent." *Id.* According to Idaho Power, the Company would not earn a return on the Program. *Id.*

YOU ARE FURTHER NOTIFIED that, if its Application is approved, the Company expects to receive federal investment tax credits (ITCs) of 30% for the Program. *Id.* The Company would pass the ITC benefits to the Program participants, calculated into the upfront subscription fee. *Id.* The proposed subscription fee, based on anticipated costs, is \$740, "the equivalent of a 320-watt panel." *Id.* Idaho Power would treat the project facility as "utility plant." Application at 11. Using accounting methods set forth in the Application, the project's costs would be zero on the Company's books, thus "any future change in base rates will exclude any community solar plant-related costs." *Id.*

NOTICE OF DEADLINE TO INTERVENE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this matter **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IAPA 31.01.01.072 and -.073. **All Petitions to Intervene must be filed no later than fourteen days from the service date of this order.** Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

NOTICE OF PARTIES

YOU ARE FURTHER NOTIFIED that the following person is designated as Idaho Power's representative in this matter:

NOTICE OF APPLICATION
NOTICE OF INTERVENTION DEADLINE
ORDER NO. 33552

Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street
P.O. Box 70
Boise, ID 83707
E-Mail: lnordstrom@idahopower.com

YOU ARE FURTHER NOTIFIED that the Idaho Conservation League (ICL) has filed a Petition to Intervene in this case pursuant to Rules of Procedure 71 through 75 of the Idaho Public Utilities Commission, IDAPA 31.01.01.071-.075. Idaho Power has indicated it does not object to ICL's intervention.

YOU ARE FURTHER NOTIFIED that, once the deadline for intervention has passed, the Commission Secretary shall prepare a Notice of Parties. Staff counsel will then confer with the parties regarding a procedural schedule for this matter.

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

COMMISSION FINDINGS

As to ICL's Petition to Intervene, we note that Idaho Power has indicated it does not oppose. We find, based on ICL's Petition, that ICL's intervention would serve the purposes of intervention as described by Rule 74 of the Rules of Procedure and should be granted.

ORDER

IT IS HEREBY ORDERED that the Petition to Intervene filed by Idaho Conservation League is granted.

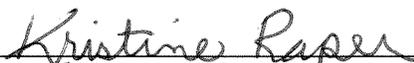
IT IS FURTHER ORDERED that additional persons desiring to intervene in this matter shall file a Petition to Intervene no later than fourteen days from the service date of this order. Once the deadline for Petitions to Intervene has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Staff counsel shall confer with the parties regarding a procedural schedule for this matter.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17th
day of July 2016.



PAUL KJELLANDER, PRESIDENT

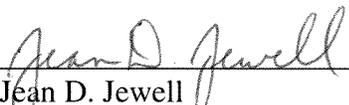


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:IPC-E-16-14_djh