

*Eden Acke
sent 3/6/06*

to AV.

*to Commus
; H*

Jean Jewell

From: Ed Howell
Sent: Monday, March 06, 2006 11:24 AM
To: Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark
Subject: Comment acknowledgement

WWW Form Submission:

Monday, March 06, 2006
11:24:05 AM

Case: PAC-E-05-09
Name: Kurt Myers
Street Address: 2525 Fremont Ave.
City: Idaho Falls
State: ID
ZIP: 83415-3810
Home Telephone: 208-522-5279
E-Mail: Kurt.Myers@inl.gov
Company: Idaho National Laboratory
mailing_list_yes_no: yes

Comment_description: I believe that this new contract meets the requirements of the IPUC by now containing a 90/110 clause and penalties associated with not meeting monthly energy projections. The penalty is tied to an "energy only" price instead of the market price from earlier Idaho Power PURPA wind contracts. This relieves some of the uncertainty for financiers and wind developers, since the penalties are known instead of being tied to a fluctuating market price. And I believe this contract is slightly better for the public consumer because if the wind project misses its monthly projection, the price is always lower, instead of with the Idaho Power contract where there could be no penalty for missing a projection when market prices are high, which is exactly when the consumer and power companies need more relief. In my mind, 90/110 is still not the best solution and results mainly in a reduction in price, not a guarantee of power production for the utilities and consumers.

That being said, and with the number of wind power plants coming on-line in Idaho in the next year or so, the IPUC needs to now focus more on what's best for the consumer and oversight of the utilities. The best way to reduce power prices on a system with significant integrated wind power is to do day-ahead and hour-ahead forecasting for wind power production. This is how it's done in countless power systems in the U.S. and around the world, because those are some of the time frames most important for operation and balancing of generation and the power grid. The IPUC should push the utilities to do some forecasting for these shorter time frames, and then this new wind energy can really benefit the electricity market for Idaho and surrounding states.

Transaction ID: 361124.5
Referred by: <http://www.puc.state.id.us/scripts/polyform.dll/ipuc>
User Address: 134.20.164.165
User Hostname: 134.20.164.165