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IDAHO PUBLIC
UTILITIES COMMISSION

February 26, 2015

Idaho Public Utilities Commission

472 West Washington Street

Boise, Idaho 83702

Attn: Honorable Paul Kjellander

Honorable Marsha Smith

Honorable Mack Redford

**Re: IDAHO POWER PETITION TO MODIFY TERMS AND CONDITIONS OF PROSPECTIVE
PURPA ESA, IPC-E-15-01**

Dear Commissioners:

I would like to provide comments on behalf of Energy of Utah LLC. We are a renewable energy developer, which primarily focuses on renewable energy consulting and development in the Intermountain West region.

Our energy team has proudly contributed to successful construction of multiple renewable energy facilities in several geographic areas of United States. Our experience spans back as early as 2006. The total generation exceeded 757.2 MW with capital expenditure at 2.2 billion in completed projects alone. Lastly, we are also actively developing Utility Solar PV project in Idaho and the outcome of this proceeding will have a direct effect on success of our project.

In our position, we do not support Idaho Power's request to shorten PURPA contracts from 20 years to 2 years based on submitted evidence and reasoning for such request. We also appreciate Idaho Public Utilities Commission's temporary solution to limit PURPA contracts to 5 years, pending docket proceeding but unfortunately this short duration does not offer viable solution to support continuing project development in State of Idaho either.

We would like to present the following comments:

- **PURPA summary of its purpose**
- **Essentials of long term planning**
- **Benefits of renewable generation**

PURPA summary of its purpose:

Public Utility Regulatory Policy Act was adopted in 1978, in midst of the energy crises that directly impacted US economy. The Congress acted to reduce our dependency on foreign oil and to promote alternative energy sources and energy efficiency and to diversify the electric power industry. One of the most powerful effects of this law was the creation of a market for renewable power from non-utilities. PURPA remains to be the only Federal instrument supporting competition in energy and development of renewable resources. These two pillars must be protected in its intended format resting on generation price fairness and assurance of a fair market place existence under-written by long term contractual structure of Power Purchase Agreement (PPA).

Essentials of long term planning:

Through long term planning and long term contractual obligations a Utility protects their energy rate payers from volatile energy spikes and minimize mostly expensive “front office transaction”. For this very reason Utilities are likely to enter into long term PPA with a private developer ensuring long term price protection passed down to Idaho rate payers.

The Public Service Commission has an approval authority over Utilities developed Integrated Resource Plan (IRP). The IRP is a long term plan of future generation and its pertinent infrastructure to assure safe and reliable generation delivery to Idaho rate payers. Price protection via long term planning is a vital component of an IRP and the main driver in sound energy purchases. Without the IRP, Utility could enter into any contractual offer or to self-construct a new facility at any costs and Idaho rate payer would bear the costs of this resource plus a profit margin.

Long term PURPA contracts similar to IRP also offers this very benefit of protection to Idaho rate payers in addition to protecting private investment in fair and just manner. Utility and private enterprise shall not be treated differently and the benefit of long term planning shall be offered to all entities. Energy business fairness, renewable energy development support and decreased dependency on foreign fossil fuel supply were the very essence for PURPA creation. Short- term contracts (under 20 years) are insufficient to attract much needed capital investments for development, permitting, equipment purchases or a construction financing. Renewable energy projects are capital intensive and any uncertainties in regards to generation pricing will results in lack of funding resulting in development stall in State of Idaho. Only by long term “energy price certainty” private developers are ensured even level playing field with a Utility in development of renewable energy projects. It is very likely that Idaho power would not enter into construction of new generation plant given 2 year price certainty with no “guarantee” to secure fair return on their investment as requested in this electric docket from others.

Benefits of Renewable generation:

Renewable energy is important because of the benefits it provides:

- ✓ **Environmental benefits-** more often than not this benefit is not fully realized while utilities only count energy component and portion of renewable generation capacity in their price modeling. There is typically no value given to lowering environmental impact of fossil fuel based resources. The Environmental Protection Agency (EPA) and its carbon pollution standard are rapidly changing the way the renewable generation benefits will be viewed in the near future.
- ✓ **Energy longevity-** renewable energy is an infinite resource and the only limitation on renewable generation is its equipment life span. All other energy sources are finite.
- ✓ **Economic benefits-** renewable energy investments are spent on material and labor to construct these facilities over costly energy imports. Renewable project often requires local content in form of labor, supply chain, temporary and permanent job positions. This means that dollars are spent in USA or State of Idaho providing much needed long term tax base income to local schools and rural communities.
- ✓ **Energy security-** renewable energy generation allows for energy independents form foreign oil and gas contributing to local economy.
- ✓ **Price hedging-** Renewable energy is the only generation resource that allows for long term price "guarantee", thus offering costs hedge against future price spikes that fossil fuel generation cannot mitigate. Expected future carbon tax will also add additional costs to fossil fuel supply and thus incremental cost to Idaho rate payers.

Conclusion;

We would like to thank to Idaho Commission for this opportunity to present our comments for review and consideration during PURPA docket brought forward by Idaho Power. In our view, renewable energy PPA's under 20 years in duration will not only deprive Idaho residents from future investment capital providing various economic benefits to Idaho, but it also creates an unjust and discriminatory environment that will hinder renewable development and expose Idaho residents to future fossil fuel costs volatility.

Respectfully



Ros Rocco Vrba, MBA- President

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"Power for People"

To: '2083343762

From: Renae Johnson

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**Pocatello
Chubbuck
School District 25**

**Maximizing Learning For All Students
Through Rigor, Relevancy and Relationships**

Whatever It Takes!

February 18, 2015

Idaho Public Utilities Commission
P.O. Box 83720
472 W. Washington
Boise, ID 83720

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IDAHO PUBLIC
UTILITIES COMMISSION

Dear Commissioners:

As a public entity, employer and Idaho Power customer, the Pocatello/Chubbuck School District No. 25 supports Idaho Power's request to shorten the length of guaranteed contract for large solar and wind generation projects. The District believes Idaho Power's request is in the best interest of the District and all other Idaho Power customers.

The District operates more than 26 facilities in the Pocatello and Chubbuck communities and plays a major role in the local economy. Having access to reliable electricity at a fair price is essential to the District's operations. It is also essential to the financial health of our employees and families attending the School District, many of whom are on limited or fixed incomes.

The District and families in this community love and respect the clean environment that is essential to our way of life in Southeast Idaho. Our community members want clean energy and are glad to know that a majority of our electricity comes from the region's clean, renewable hydro resources. However, moving toward a clean energy future cannot come at the expense of reliability and affordability. The District believes that Idaho Power recognizes and understands this and works hard to strike a good balance.

The District does not believe that Idaho Power should be required to purchase electricity that it does not need, especially from sources that decrease reliability while increasing costs which are passed onto customers. If Idaho Power is required to make such purchases, than the District agrees that such contracts should be limited to two years or less, rather than locking in prices for 20 years.

The Pocatello/Chubbuck School District No. 25 supports Idaho Power's environmentally responsible and balanced service and its tradition of providing quality, reliable service at a low cost. This is critical to the operations of the School District and is in the best interest of Idahoans.

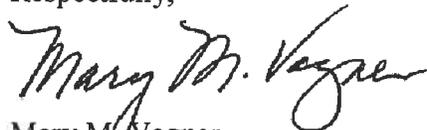
To: '2083343762

From: Renae Johnson

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The District requests that the Idaho Public Utilities Commission grant Idaho Power's petition to modify the terms and conditions of future PURPA energy sales agreements (IPC-E-15-01).

Respectfully,



Mary M. Wagner
Superintendent

- c. Board of Trustees
Bart Reed