



## Idaho Public Utilities Commission

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Paul Kjellander, Commissioner  
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*Case No. IPC-E-15-01, AVU-E-15-01, PAC-E-15-03, Notice of Public Hearing*

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# Commission sets two public hearings in utilities' bid to reduce PURPA contract length

## Public hearings June 24 and June 30; technical hearing begins June 29

**BOISE (May 8, 2015)** – The Idaho Public Utilities Commission will conduct two public hearings in late June regarding a request by three electric utilities to limit the duration of new contracts with renewable energy developers.

Idaho Power Company asked that the 20-year contract length with PURPA\* developers be limited to two years. Later, PacifiCorp (operating as Rocky Mountain Power in eastern Idaho) and Avista Utilities joined the case, with PacifiCorp asking for a three-year contract limit. The commission agreed to set the contract length at five years while it gathers evidence and conducts hearings regarding the utilities' application. The interim five-year limit applies only to solar and wind projects larger than 100-kilowatts and all other renewable projects larger than 10 average megawatts.

The first public hearing is set for Wednesday, June 24, at 7 p.m., in the commission hearing room at 472 W. Washington St. in Boise. The second public hearing is a telephonic hearing on Tuesday, June 30, at 7 p.m. During the telephonic hearing, interested customers from across the state will be able to call a toll-free number and present their testimony to the three commissioners who decide the case. They will also be able to hear the testimony from other callers as well as questions, if any, posed by the commissioners.

At the public hearings, customers may present oral testimony to the commissioners. Commissioners, acting as judges in the case, hear testimony and may ask questions, but do not discuss the case or answer questions regarding the case.

The June 30 telephonic hearing will begin at 7 p.m. Mountain Daylight Time. Customers who want to testify or listen to the hearing call the toll-free number, **1-800-920-7487**, and enter the participant code, **76373262#**.

All participants will be able to hear the proceeding. A participant's phone is automatically muted except when testifying. Those wanting to comment can press \*1 (star one) on their telephone key pad at any time during the hearing and then they will be placed in the queue to testify. When it is your turn, an electronic prompt will say, "Ask your question." At that time, the person testifying will be asked to state his or her name and address and then be sworn in. When the testimony is completed, the caller's telephone is automatically muted allowing the caller to listen to the rest of the hearing. Anyone having questions about testifying can call the commission at any time before the hearing at 334-0339 or 1-800-432-0369.

For customers who do not want to submit oral testimony, the commission is also taking written comment through July 1. Written comment carries as much weight as oral testimony. Written comments are accepted via e-mail by accessing the commission's homepage at [www.puc.idaho.gov](http://www.puc.idaho.gov) and clicking on "Case Comment or Question Form," under the "Consumers" heading. Fill in any of the three case numbers cited above and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

The commission earlier announced that the technical hearing in the case begins Monday, June 29, at 9:30 a.m. and may last up to three days.

That hearing, held in the commission hearing room, is open to the public, but public comment is not taken. During the hearing, attorneys representing the parties to the case will present their evidence and cross-examine witnesses.

Parties to the case include Idaho Power Co., PacifiCorp (Rocky Mountain Power), Avista Utilities, Commission Staff, Idaho Conservation League/Sierra Club, Intermountain Energy Partners, Micron, JR Simplot Co., Snake River Alliance, Ag Power DCD/Ag Power Jerome, Amalgamated Sugar Co., Twin Falls Canal Company/Northside Canal Company/American Falls Reservoir District, Clearwater Paper Corp., Idaho Irrigation Pumpers Association and the Renewable Energy Coalition.

In its application, Idaho Power claims a glut of solar projects will drive up rates and threaten the utility's ability to reliably deliver energy. The commission recently approved 13 Idaho Power agreements with QF developers for 400 MW of solar energy. However, the contracts for four of those projects, totaling 141 MW, were later terminated after the developer did not make the required security deposit with Idaho Power. At the time of its application in late January, Idaho Power claimed it had an additional 885 MW of QF solar capacity in its queue actively seeking energy-sale agreements with 2016 on-line dates.

Within five days of the commission order that reduced the length of Idaho Power's contracts, PacifiCorp said it received four pricing requests totaling 130 MW from QF developers situated in Idaho Power's service territory but seeking to wheel their output into Rocky Mountain's territory. PacifiCorp claimed project developers are seeking the agreements "in order to secure a more favorable 20-year contract with PacifiCorp."

At the time it filed its application, PacifiCorp claimed to have projects seeking contracts totaling 275.5 MW in its Idaho territory. PacifiCorp has 189.6 MW of existing Idaho PURPA contracts – for a total of 465 MW of existing and proposed PURPA generation, enough power to supply 108 percent of PacifiCorp's average Idaho retail load.

While Avista Utilities does not claim a number of QF projects seeking contracts, the Spokane-based utility with customers in northern Idaho expressed concern that "PURPA developers that previously planned to sell the output from their projects to Idaho Power may seek to sell such output to Avista."

The utilities claim continued creation of 20-year contracts places undue risk on customers at a time when the utilities say they have sufficient resources to meet customer demand.

All the documents filed in this case, including customer comments and evidence submitted by the parties, are available on the commission's Web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "Open Cases" under the "Electric" heading and scroll down to case number IPC-E-15-01 or AVU-E-15-01 or PAC-E-15-03.

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\*PURPA, the federal Public Utility Regulatory Policies Act, requires regulated utilities to buy energy from qualifying renewable generation projects at rates established by state commissions. The rate to be paid Qualifying Facilities (QFs) is called an "avoided-cost rate," because it is based on the cost the utility avoids by not having to generate the energy itself or buy it from another source. The commission must ensure the avoided-cost rate is reasonable because the price utilities pay to QF developers is passed on to customers. While PURPA requires utilities to buy from QFs, the law leaves it up to states to determine avoided-cost rates and other contract terms and conditions.