



Idaho Public Utilities Commission

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Case No. IPC-E-15-18, Order No. 33383

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www.puc.idaho.gov

PUC says Wood River solar projects must identify owner or owners

BOISE (Sept. 24, 2015) – State regulators are denying an Idaho Power Company petition to declare that solar projects proposed in the Wood River Valley are actually one, large project that has been divided into 10 smaller projects in order to qualify for more attractive contract terms.

The Idaho Public Utilities Commission did not rule on Idaho Power’s claim regarding the disaggregation of the projects, but denied Idaho Power’s request because the project or projects do not identify an owner, which is a requirement under the Schedule 73 tariff that governs projects 100 kilowatts or smaller.

Site Based Energy claims the ten, 100-kilowatt projects are separate, each with a distinct limited liability corporation (LLC) and distinct owners. Idaho Power claims it is a large 1-megawatt project with the same developer, John Reuter of Site Based Energy, and that the project or projects are “all located at the same site, on the same contiguous property, and divided into ten sections.” Site Based Energy claims the projects have common ownership only of interconnection equipment and are seeking economies of scale by purchasing and building together.

The project or projects are seeking sales agreements with Idaho Power under the provisions of the Public Utility Regulatory Policies Act or PURPA. The federal act requires utilities to buy output from qualified renewable projects at an “avoided-cost rate,” or the rate the utility avoids by not having to generate the power itself or buy it from another source.

Intermittent projects (primarily wind and solar) larger than 100 kilowatts must negotiate with the purchasing utility for a rate, rather than receiving the commission’s published rate. Further, published rate contracts are for 20 years, while negotiated contracts are for two years.

In an attempt to resolve the impasse, the commission asked Site Based Energy to provide additional information regarding the owners and copies of the articles or certificates for each LLC. Site Based provided letters from 10 individuals who wrote they “intend to proceed with the solar project using a Special Purpose Entity, LLC DBA,” but qualified their intent with, “if the projects are approved by the PUC.” Nine of the ten proposed owners further conditioned their intent with the condition “if all the approvals are completed and the economics work out.”

“Site Based did not provide any evidence that these LLCs exist, nor that they existed at the time the applications were submitted,” the commission said. Idaho statutes state an LLC is created when a certificate of organization is filed with the secretary of state.

The commission said Idaho Power could have rejected the applications outright because they did not comply with the requirements of Schedule 73, calling for identification of a project or projects’ owner. Instead, the utility opted to file a petition seeking a disaggregation finding. “Having determined that Site Based Energy’s applications do not satisfy Schedule 73, the commission need not reach the other complex issues presented by the parties,” the commission said.

The commission’s order and other documents related to this case are available on the commission’s Website at www.puc.idaho.gov. Click on “Open Cases” under the “Electric” heading and scroll down to Case No. IPC-E-15-18. Petitions for reconsideration must be filed with the commission by no later than Oct. 15.

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