



*Case No. IPC-E-16-21, Order No. 33619*

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## Idaho Power asks Idaho PUC for declaratory order regarding payments for proposed solar projects

**BOISE (October 7, 2016)** – Idaho Power Company is asking state regulators to weigh in on a dispute between the utility and the developer of four 20-MW solar projects proposed to be built in southern Twin Falls County near the Nevada border.

The projects fall under the provisions of the Public Utility Regulatory Policies Act (PURPA), which requires utilities to buy from qualifying renewable generation at a negotiated rate that is to be based on the cost the utility avoids by not generating the power itself or buying it from another source.

Developers of generation projects can be paid two types of payments: energy payments and capacity payments. Energy payments are paid based on the energy produced at the time it is produced. Capacity payments are paid in addition to energy payments if the project's output is during a time when the utility is capacity deficient.

Idaho Power's latest filing with the commission regarding resource deficiency says the utility will be capacity deficient in 2024. The developer of the four proposed Jackpot Solar projects is seeking to enter into 10 successive two-year contracts, or 20 years of operation. The projects, if approved, would be eligible to start receiving capacity payments in 2024. Even if the resource deficient date were to change, projects with contracts signed this year would be eligible for capacity payments in 2024.

Jackpot Solar claims that the capacity price should be determined at the time of the initial two-year contract rather than at the beginning of the two-year term when the utility is capacity deficient. The developer claims that a 2015 Idaho Public Utilities Commission order that shortened contract lengths for these types of projects to two years, and a follow-up clarifying order, both determined that the deficiency date and the capacity rate are both calculated at the time of the initial contract.

Idaho Power is asking the commission to issue a declaratory order stating that the 2015 orders said just the opposite: that the capacity rate is determined at the beginning of each two-year

term and that a PURPA project is not able to lock in an avoided-cost rate beyond the two-year maximum contract term.

The four projects – Jackpot Solar North, Jackpot Solar South, Jackpot Solar West and Jackpot Solar East – are all 20 megawatts and all developed by Robert Paul.

The commission has established a comment deadline of October 18 for utilities and of November 8 for any other interested party. Idaho Power will have until Nov. 22 to file reply comments if necessary.

To comment, go to [www.puc.idaho.gov](http://www.puc.idaho.gov). Under the “Consumers” heading, click on “Case Comment Form,” and include the case number, IPC-E-16-21, in your comments. Comments can also be mailed to the commission at P.O. Box 83720, Boise, ID, 83720-0074.

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