## Williams · Bradbury

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IDAHO PUBLIC UTILITIES COMMISSION

February 25, 2015

Ms. Jean Jewell Commission Secretary Idaho Public Utilities Commission 472 W. Washington Boise, ID 83702

Re: IPC-E-15-01

Dear Ms. Jewell:

Enclosed please find an original and seven copies of Cross Petition for Clarification of Renewable Energy Coalition for filing in the above referenced docket.

Please call should you have any questions.

Sincerely,

Ronald L. Williams

RLW/jr Enclosures cc: Service List Ronald L. Williams, ISB No. 3034

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IDAHO PUBLIC UTILITIES COMMISSION

## BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF IDAHO POWER	)	Case No. IPC-E-15-01
COMPANY'S PETITION TO MODIFY	)	
TERMS AND CONDITIONS OF	)	CROSS PETITION FOR
PROSPECTIVE PURPA ENERGY SALES	)	CLARIFICATION OF RENEWABLE
AGREEMENTS	)	<b>ENERGY COALITION</b>
	)	

Pursuant to Rule 325 of the Idaho Public Utilities Commission's (the "Commission") Rules of Practice and Procedure, IDAPA 31.01.01. 071 *et. seq.*, the Renewable Energy Coalition ("REC") cross petitions the Commission to clarify Order No. 33222, as requested by the Intermountain Energy Partners LLC ("IEP"). In support of this cross petition, REC states as follows:

The ordering paragraph of Order No. 33222 provides in part:

IT IS HEREBY ORDERED that effective February 5, 2015, and pending further order of the Commission, the maximum contractual term for Idaho Power's new PURPA contracts shall be five years.

IEP filed a petition for clarification requesting that this ordering paragraph of Order No. 33322 be revised as follows:

IT IS HEREBY ORDERED that effective February 5, 2015, and pending further order of the Commission, the maximum contractual term for Idaho Power's new PURPA contracts shall be five years, provided however this Order shall not apply to proposed QF projects that do not exceed the published rate eligibility cap.

Idaho Power Company's ("Idaho Power") petition to modify the terms and conditions of prospective Public Utility Regulatory Policies Act ("PURPA") energy sales agreements ("ESAs") ("Idaho Power Petition") requested that the Commission reduce the term for certain ESAs from twenty years down to two years. Idaho Power specifically requested that the term be shortened only for "transactions with proposed QF projects that exceed the published rate eligibility cap", which "is 100 kilowatts for wind and solar QFs and 10 average megawatts for all other QF generation types." Idaho Power Petition at 1-2, n.1.

Idaho Power has subsequently confirmed in response to J.R. Simplot's first request for production of documents that Idaho Power is not seeking to limit the ESA term for QF projects that are lower than the published rate eligibility cap. Therefore, Idaho Power is not proposing to shorten the contract term for solar and wind projects 100 kilowatts and lower or for other QF generation types that are 10 average megawatts or lower.

Idaho Power supports its request to reduce the contract term with evidence regarding the impacts of new large wind and solar QFs. Idaho Power asserts that it has 1,302 megawatts of PURPA projects under contract, with 781 megawatts on-line and operational today. Idaho Power Petition at 18. Idaho Power states that it currently has

577 megawatts of PURPA wind capacity operating, with an additional 50 megawatts scheduled to be on-line in 2016. <u>Id.</u> Idaho Power also states that it also has 461 megawatts of PURPA solar capacity under contract to be on-line in 2016, with 885 megawatts seeking contracts to be on-line in 2016. <u>Id.</u> Idaho Power alleges significant customer rate and reliability concerns associated with this large amount of existing and new large wind and solar QFs. <u>Id.</u> at 20-27.

Idaho Power states that small hydroelectric QFs below the rate eligibility cap make up the majority of the number of individual PURPA projects. <u>Id.</u> at 17-18. Specifically, small hydroelectric projects make up 68 of the total 133 PURPA projects under contract. <u>Id.</u> at 18. These are existing projects that have been operating and selling electricity to Idaho Power for many years, and often do not have other opportunities to sell their power other than to Idaho Power.

Idaho Power explains that these hydroelectric projects provide only 154 megawatts of the total 1,302 megawatts of PURPA nameplate generation. <u>Id.</u> While there are many individual small hydroelectric QFs, the small total size of these existing projects are not causing the alleged rate or reliability concerns identified by Idaho Power. In contrast, many of these projects are seasonal, which means that they provide Idaho Power with valuable capacity. Therefore, limiting the contract length to these projects not only does not address the problems identified by Idaho Power, but may harm both Idaho Power and its end-use customers.

It would be a significant burden and cause uncertainty for the numerous individual small projects to frequently renegotiate their purchase power agreements.

These projects are not large energy developers, but are community-based entities that are

important contributors to the health of their local economies. The Commission should not make any modifications to PURPA policy that impacts these small hydroelectric projects without careful consideration of these projects' needs and operational characteristics. There is currently no evidence or other information in the record that would warrant any changes to the contract term or any other terms and conditions that apply to small hydroelectric projects.

WHEREFORE, REC respectfully requests that the Commission grant IEP's petition for clarification limiting the interim relief that shortened the maximum contract term to five years so that it only applies to proposed QF projects that exceed the published rate eligibility cap.

Dated this 25<sup>th</sup> day of February, 2015.

Respectfully submitted,

Ronald L. Williams

Williams Bradbury, P.C.

Attorneys for REC

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 25th day of February, 2015, a true and correct copy of the within and foregoing CROSS PETITION FOR CLARIFICATION OF THE RENEWABLE ENERGY COALITION was served as shown to:

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