



Idaho Public Utilities Commission

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Case No. IPC-E-14-18, Order No. 33137

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Public Utilities Commission sets Nov. 13 technical hearing in case regarding Idaho Power solar integration charge

BOISE (Sept. 25, 2014) – A technical hearing in Idaho Power Company’s application to implement a solar integration charge has been set for Thursday, Nov. 13.

The integration charge Idaho Power proposes would be assessed larger solar developers to compensate Idaho Power for costs it incurs to integrate solar output into its transmission and distribution system. This application does not impact residential or small-commercial customers who have rooftop solar installations.

The hearing will begin at 9:30 a.m. in the Idaho Public Utilities Commission hearing room at 472 W. Washington in Boise. A technical hearing provides an opportunity for intervening parties – the company, commission staff, the Sierra Club, the Idaho Conservation League and the Snake River Alliance – to present testimony and cross-examine witnesses. Public testimony is not taken during a technical hearing. However, the hearing is open to the public and the commission is taking written comment from the public through Nov. 13.

Intervening parties will submit pre-filed direct testimony by Oct. 23 with rebuttal testimony submitted by Nov. 6. The written testimony of all parties as well as written comments received by the general public will be posted on the commission’s Website at www.puc.idaho.gov. To read the comments, click on “Open Cases” under the Electric heading and scroll down to Case No. IPC-E-14-18. To submit comments, go to the website and click on “Case Comment Form,” under the “Electric” heading. Fill in the case number (IPC-E-14-18) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

Solar and wind generation that varies in its energy output depending on sun and wind conditions requires back-up generation to ensure system reliability. Utilities must provide operating reserves from baseload (non-intermittent) generation resources – such as a natural gas or hydro plant – that can be quickly ramped up or down to offset changes in generation from variable generation. Restricting the use of baseload resources to provide back-up for intermittent generation results in higher power supply costs that are eventually passed on to customers, Idaho Power claims.

To prevent customers from paying those costs, Idaho Power proposes a solar integration charge that would be discounted from the amount the utility pays to solar developers. Idaho Power proposes charges that gradually increase as solar generation increases. It proposes that developers pay about 40 cents per megawatt-hour when there is 100 megawatts or fewer of solar generation on Idaho Power's system. That cost increases to \$1.50 per MWh when solar penetration is between 100 and 300 MW; \$2.80 per MWh at a solar penetration of between 300 and 500 MW; and \$4.40 per MWh at a solar penetration of between 500 and 700 MW. Those proposed amounts are for contracts signed this year and would gradually change during the length of the sales agreement.

The rapid growth of wind development and solar potential “had led to the recognition that Idaho Power's finite capability for integrating variable and intermittent generation is nearing its limit,” the company claims in its application. “Even at the current level of wind generation ... dispatchable thermal and hydro generators are not always capable of providing the balancing reserves necessary to integrate variable generation,” the company claims. “This situation is expected to worsen as wind and solar penetration levels increase, particularly during periods of low customer demand.”

Idaho Power recently signed six solar contracts for 60 megawatts in its Oregon service territory. It currently applications before the commission for approval of the 80-MW Grand View project near Mountain Home and the 40-MW Boise City Solar Project near Kuna. The utility claims there are an additional 140 MW of proposed solar projects seeking pricing and contracts. Idaho Power's wind generation is up to 678 MW, about 505 MW added since 2010. An update to the integration charge now paid by wind developers is the subject of another case before the commission.

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