

# McDowell Rackner & Gibson PC



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January 17, 2012

## VIA ELECTRONIC FILING AND U.S. MAIL

PUC Filing Center  
Public Utility Commission of Oregon  
PO Box 2148  
Salem, OR 97308-2148

**Re: Docket No. UM 1452**

Enclosed for filing in the above-referenced docket are an original and five copies of Idaho Power's Comments Regarding the VIR Update.

A copy of this filing has been served on all parties to this proceeding as indicated on the enclosed certificate of service.

Very truly yours,

Handwritten signature of Wendy McIndoo in cursive script.

Wendy McIndoo  
Office Manager

cc: Service List

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**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing document in Docket UM 1452 on the following named person(s) on the date indicated below by email and/or first-class mail addressed to said person(s) at his or her last-known address(es) indicated below.

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DATED: January 17, 2012

  
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BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

**UM 1452**

In the Matter of  
PUBLIC UTILITY COMMISSION OF  
OREGON,  
Investigation into Pilot Programs to  
demonstrate the use and effectiveness of  
Volumetric Incentive Rates for Solar  
Photovoltaic Energy Systems

**Idaho Power Company's Comments  
Regarding the VIR Update**

**I. INTRODUCTION**

Idaho Power Company ("Idaho Power" or "the Company") submits the following comments in the above-referenced proceeding pursuant to the Ruling issued by Administrative Law Judge ("ALJ") Patrick Power on January 9, 2012. These comments pertain only to the determination of the appropriate Volumetric Incentive Rate ("VIR") for the April 2012 enrollment period for the Solar Photovoltaic ("PV") Pilot Program established by House Bill 3039.

**II. BACKGROUND**

After each Solar PV Pilot Program enrollment period, the Commission has the opportunity to adjust the VIR in response to participation levels in the enrollment period.<sup>1</sup> When the Solar PV Pilot Program began, the Commission adopted an automatic rate adjustment mechanism ("ARAM"). Under this original ARAM, if the available capacity is fully subscribed within the first three months of the enrollment period, there is a rebuttable

<sup>1</sup> *Re Investigation Into Pilot Programs to Demonstrate the Use and Effectiveness of Volumetric Incentive Rates for Solar Photovoltaic Energy Systems*, Docket UM 1452 Order No. 10-198 at 16 (May 28, 2010).

1 presumption that the VIR should be decreased by 10 percent for the next enrollment period.<sup>2</sup>

2 This ARAM was designed for a first-come, first-served enrollment process.

3 In Order No. 11-089, issued on March 17, 2011, the Commission modified the  
4 enrollment program for small-scale systems and required PacifiCorp and Portland General  
5 Electric Company ("PGE") to implement a lottery system for capacity allocation.<sup>3</sup> Idaho  
6 Power, however, was not required to implement a lottery system and instead maintained the  
7 existing first-come, first-served enrollment process.<sup>4</sup> In that same order, the Commission  
8 postponed Idaho Power's last scheduled enrollment period from April 2011 to October 2011.

9 Thereafter, in Order No. 11-280, issued on July 29, 2011, the Commission  
10 established the VIR for the October 2011 enrollment period. Citing the overwhelming  
11 demand for capacity and declining bid prices for large projects, the Commission lowered the  
12 VIR 20 percent.<sup>5</sup> As a result, Idaho Power's VIR was set at 31.7 cents for the October 2011  
13 enrollment period.

14 In Order No. 11-339, the Commission modified the ARAM. Because PacifiCorp and  
15 PGE would be using a lottery-based enrollment process, the Commission revised the ARAM  
16 to create rebuttable presumptions related to VIR adjustments based generally on the ratio of  
17 capacity requests received versus available capacity.<sup>6</sup>

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<sup>2</sup> Order No. 10-198 at 16.

20 <sup>3</sup> *Re Investigation Into Pilot Programs to Demonstrate the Use and Effectiveness of*  
21 *Volumetric Incentive Rates for Solar Photovoltaic Energy Systems*, Docket UM 1452 Order No. 11-  
089 (Mar. 17, 2011).

22 <sup>4</sup> Order No. 11-089 at 14.

23 <sup>5</sup> *Re Investigation Into Pilot Programs to Demonstrate the Use and Effectiveness of*  
24 *Volumetric Incentive Rates for Solar Photovoltaic Energy Systems*, Docket UM 1452 Order No. 11-  
280 (July 29, 2011).

25 <sup>6</sup> *Re Investigation Into Pilot Programs to Demonstrate the Use and Effectiveness of*  
26 *Volumetric Incentive Rates for Solar Photovoltaic Energy Systems*, Docket UM 1452 Order No. 11-  
339 (Sept. 1, 2011).

1 During the October 2011 enrollment window, Idaho Power's entire allotted capacity  
2 was reserved within approximately 20 minutes.

3 **III. DISCUSSION**

4 Idaho Power's October 2011 enrollment period was scheduled to be Idaho Power's  
5 last. However, if and when Idaho Power participates in another enrollment period, the  
6 Company believes that its VIR should be adjusted based on the original ARAM adopted in  
7 Order No. 10-198. That ARAM was designed for Idaho Power's first-come, first-served,  
8 enrollment process. And the adjustment to Idaho Power's VIR should be based on the  
9 results of its October 2011 enrollment period.

10 **IV. CONCLUSION**

11 Idaho Power appreciates the opportunity to file these comments. For the foregoing  
12 reasons, Idaho Power supports a reduction to the VIR pursuant to the Commission's ARAM  
13 in the event that the Company participates in another Solar PV Pilot Program enrollment  
14 process.

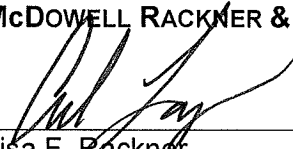
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16 DATED: January 17, 2012.

**McDOWELL RACKNER & GIBSON PC**

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