

McDowell Rackner & Gibson PC



VIMLA MATHI
Direct (503) 595-3922
vimla@mcd-law.com

June 24, 2014

VIA ELECTRONIC AND U.S. MAIL

PUC Filing Center
Public Utility Commission of Oregon
PO Box 1088
Salem, OR 97308-1088

Re: UM 1610 – In the Matter of OREGON PUBLIC UTILITY COMMISSION, Investigation into Qualifying Facility Contracting and Pricing

Attention Filing Center:

Enclosed for filing in docket UM 1610 is an original and five copies of Idaho Power Company's Response in Support of PacifiCorp's Request for Certification of ALJ Ruling.

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

Please contact this office with any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Vimla Mathi".

Vimla Mathi
Legal Assistant

Enclosures

cc: Service List

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **UM 1610**

4 In the Matter of
5 PUBLIC UTILITY COMMISSION OF
6 OREGON
7 Investigation into Qualifying Facility
8 Contracting and Pricing.

**IDAHO POWER COMPANY'S RESPONSE
IN SUPPORT OF PACIFICORP'S
REQUEST FOR CERTIFICATION OF ALJ
RULING**

9 Idaho Power Company ("Idaho Power" or "Company") files this response in support
10 of PacifiCorp's Request for Certification of ALJ Ruling, which was filed on June 23, 2014.
11 Idaho Power agrees that the ruling issued by the Administrative Law Judge on June 10,
12 2014, granting motions for clarification filed by Obsidian Renewables, LLC ("Obsidian"),
13 and One Energy, Inc. ("OneEnergy") and the Community Renewable Energy Association
14 ("CREA") ("Ruling") should be certified to the Commission. The Ruling will result in
15 additional and unnecessary delay in the approval of Idaho Power's compliance filing to
16 Order No. 14-058. Further delay will harm Idaho Power's customers.¹

17 Idaho Power filed updated avoided cost prices and contracts in compliance with
18 Order No. 14-058 on April 25, 2014. Thereafter, the Commission delayed approval of the
19 new avoided cost prices pending further investigation into whether Idaho Power's filing
20 complied with Order No. 14-058.² Pursuant to the Ruling, the investigation into Idaho
21 Power' compliance filing will now also address how the capacity payments for solar QFs
22 should be calculated.³ Thus, the review of Idaho Power's compliance filing will examine

23 ¹ OAR 860-001-0110(2)(a) (certification must be granted if the "ruling may result in substantial
24 detriment to the public interest or undue prejudice to a party").

25 ² Order No. 14-181.

26 ³ Ruling at 2 ("The parties should address the methodology applicable to renewable solar QF
resources, raised by Obsidian's motion for reconsideration, in the investigations currently taking
place for Pacific Power's and Idaho Power's compliance filings in this docket.").

1 both whether the filing complies with Order No. 14-058 and whether the methodology for
2 calculating solar capacity payments adopted by the Commission in Order No. 14-058
3 should be changed. Idaho Power agrees with PacifiCorp that the investigation into the
4 compliance filings should focus solely on whether the filing satisfies the requirements of
5 Order No. 14-058 and that broadening the scope of the compliance filing will cause
6 unnecessary delay.

7 Additional delay in adopting updated avoided cost prices for Idaho Power will cause
8 customers significant harm. Idaho Power recently signed contracts for 60 MW of solar
9 qualifying facility ("QF") projects and 50 MW of wind QF projects at the Company's
10 existing avoided cost prices. These existing prices were calculated over two years ago,
11 following acknowledgement of the Company's 2011 Integrated Resource Plan ("IRP"), and
12 are significantly higher than the avoided costs actually experienced by the Company under
13 current conditions.⁴ Idaho Power has received inquiries from another 100 MW of solar QF
14 projects seeking contracts at avoided cost prices on file today. Customers will be
15 significantly harmed if Idaho Power is required to enter into these additional QF contracts
16 at inappropriately high avoided cost prices due to delay in approval of the Order No. 14-
17 058 compliance filing.

18 Concurrent with this filing, Idaho Power is also submitting to the Commission
19 updated avoided cost prices, as required by the Commission's rules requiring that the
20 Company update its avoided cost prices within 30 days of acknowledgment of its most
21 recent IRP.⁵ Idaho Power's 2013 IRP was acknowledged by the Commission at a public
22 meeting held on May 28, 2014. The updated avoided cost prices were calculated using
23 the "Oregon Method" that the Commission approved for use by Idaho Power in Order No.
24 12-146. The updated avoided cost filing does not include any of the changes adopted by

25 ⁴ Order No. 12-146.

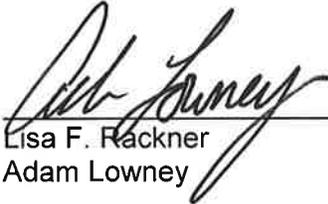
26 ⁵ OAR 860-029-0040(4)(a).

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the Commission in Order No. 14-058, yet does result in levelized avoided cost prices that are lower than currently in effect and is intended simply as an interim measure to help protect customers while the compliance filings are investigated.

Respectfully submitted this 24th day of June, 2014.

MCDOWELL RACKNER & GIBSON PC



Lisa F. Rackner
Adam Lowney

IDAHO POWER COMPANY

Donovan Walker
Lead Counsel
Julia Hilton
Corporate Counsel
1221 West Idaho Street
P.O. Box 70
Boise, Idaho 83707

Attorneys for Idaho Power Company

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in Docket UM 1610 the following named person(s) on the date indicated below by email addressed to said person(s) at his or her last-known address(es) indicated below.

Annala, Carey, Baker, et al., PC
Will K. Carey
wcarey@hoodriverattorneys.com

Association of Oregon Counties
Mike McArthur
mmcarthur@aocweb.org

Cable Huston Benedict et al.
Chad Stokes
cstokes@cablehuston

Cable Huston Benedict et al.
Richard Lorenz
rlorenz@cablehuston.com

Citizens' Utility Board of Oregon
OPUC Dockets
dockets@oregoncub.org

Citizens' Utility Board of Oregon
G. Catriona McCracken
catriona@oregoncub.org

City of Portland — Planning and
Sustainability
David Tooze
david.tooze@portlandoregon.gov

Citizens' Utility Board of Oregon
Robert Jenks
bob@oregoncub.org

Loyd Fery
dlchain@wvi.com

Cleantech Law Partners PC
Diane Henkels
dhenkels@cleantechlawpartners.com

Davison Van Cleve PC
S. Bradley Van Cleve
bvc@dvclaw.com

Davison Van Cleve PC
Tyler C. Pepple
tcp@dvclaw.com

Irion A. Sanger
Sanger Law PC
irion@sanger-law.com

Department of Justice - Business Activities
Section
Stephanie S. Andrus
stephanie.andrus@state.or.us

Energy Trust of Oregon
Thad Roth
thad.roth@energytrust.org

Energy Trust of Oregon
John M. Volkman
john.volkman@energytrust.org

Exelon Wind LLC
John Harvey
John.harvey@exeloncorp.com

Exelon Business Services Company, LLC
Paul Ackerman
paul.ackerman@constellation.com

Lovinger Kaufmann LLP
Kenneth Kaufmann
kaufmann@lklaw.com

Lovinger Kaufmann LLP
Jeffery S. Lovinger
lovinger@lklaw.com

NW Energy Systems Company LLC
Daren Anderson
da@thenescogroup.com

One Energy Renewables
Bill Eddie
bill@oneenergyrenewables.com

Oregon Department of Energy
Kacia Brockman
kacia.brockman@state.or.us

Oregon Department of Energy
Matt Krumenauer
matt.krumenauer@state.or.us

Oregon Department of Justice
Stephanie S. Andrus
Business Activities Section
stephanie.andrus@doj.state.or.us

Oregon Solar Energy Industries Association
PUC Dockets
dockets@oseia.org

Oregonians for Renewable Energy Policy
Kathleen Newman
kathleenoip1@frontier.com
k.a.newman@frontier.com

Oregonians for Renewable Energy Policy
Mark Pete Pengilly
mpengilly@gmail.com

Pacific Power
Dustin T. Till
dustin.till@pacificorp.com

Pacific Power
R. Bryce Dalley
bryce.dalley@pacificorp.com

Pacificorp, dba Pacific Power
Oregon Dockets
oregondockets@pacificorp.com

Portland General Electric Company
J. Richard George
richard.george@pgn.com

Portland General Electric
Jay Tinker
pge.opuc.filings@pgn.com

Public Utility Commission of Oregon
Adam Bless
adam.bless@state.or.us

Public Utility Commission of Oregon
Brittany Andrus
brittany.andrus@state.or.us

Davison Van Cleve, P.C.
Tyler C. Pepple
@dvclaw.com

Renewable Energy Coalition
John Lowe
jravenesanmarcos@yahoo.com

Renewable Northwest
Megan Walseth Decker
megan@renewablenw.org

Renewable Northwest
Renewable NW Dockets
dockets@renewablenw.org

Roush Hydro Inc.
Toni Roush
tmroush@wvi.com

Richardson Adams, PLLC
Peter J. Richardson
peter@richardsonadams.com

Richardson Adams, PLLC
Gregory M. Adams
greg@richardsonadams.com

Small Business Utility Advocates
James Birkelund
james@utiltiyadvocates.org

Thomas H. Nelson
Attorney at Law
nelson@thnelson.com

Obsidian Renewables, LLC
Todd Gregory
tgregory@obsidianrenewables.com

Stoll Berne
David A. Lokting
dlokting@stollberne.com

Obsidian Renewables, LLC
David Brown
dbrown@obsidianfinance.com

DATED: June 24, 2014



Vimla Mathi
Legal Assistant