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December 5, 2012

VIA ELECTRONIC FILING AND U.S. MAIL

PUC Filing Center Public Utility Commission of Oregon P.O. Box 2148 Salem, Oregon 97308-2148

Re: UM 1505 – In the Matter of the Public Utility Commission of Oregon Solar Photovoltaic Program Draft

Idaho Power Company ("Idaho Power" or "Company") appreciates the opportunity to comment on Staff's Report to the Legislative Assembly ("Report") on the Solar Photovoltaic Volumetric Incentive Rate Pilot Program ("Program"). Idaho Power appreciates the effort that Staff took to compile the Report and raises a few points that it believes are important to clarify.

First, Idaho Power believes that a small but important clarification should be made to the fourth bullet point on page 2 of the Report. That bullet point states:

Participants *will* receive VIR payments for system output generated for 15 years after the PV system begins generating electricity, at rates established at the time of enrollment. After 15 years of operation, the participant *will* be paid at a rate equal to "resource value" for the output generated.

Report at 2-3 (emphasis added). However, the statute states that the consumer "may" receive such payments and "may" be paid at a rate equal to resource value of the output. ORS § 757.365(4). While this is a minor change in wording, it has a major impact upon the meaning. Idaho Power asks that Staff make the wording change that will be consistent between legislation and its Report.

Second, the Report states that the Public Utility Commission of Oregon determined that Idaho Power's capacity should only be filled with qualifying residential systems. Report at 4. Idaho Power's capacity in the Program is not limited to residential systems and, as such, encompasses "small-scale" systems as defined in OAR 860-084-0190(2)(a). Because the term "residential" implies a limitation in the class of customers that can participate in the program, Idaho Power recommends that "residential" be replaced with "small-scale."

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Third, the Report states that the "first come, first served" system was replaced with a lottery system. Report at 7. While the Company understands that this is true for other utilities, Idaho Power was ordered to continue the first come, first served system. Order No. 11-089 reads, "The Commission makes no change to the first-come, first-served method for the Idaho Power service area." *Id.* at 14. Therefore, Idaho Power requests that Staff note the difference as it relates to Idaho Power's program.

Very truly yours,

Lisr D. Merestrom

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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 1505 on the following named person(s) on the date indicated below by e-mail and/or firstclass mail addressed to said person(s) at his or her last-known address(es) indicated below.

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