

McDowell Rackner & Gibson PC



WENDY MCINDOO
Direct (503) 595-3922
wendy@mcd-law.com

February 11, 2011

VIA ELECTRONIC AND U.S. MAIL

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

**Re: UM 1505 – In the Matter of the Public Utility Commission of Oregon Solar
Photovoltaic Program Draft Report Comments and Recommendations**

Attention Filing Center:

Enclosed for filing in the above-referenced docket are an original and one copy of Idaho Power's Opening Comments.

A copy of this filing has been served on all parties to this proceeding as indicated on the attached certificate of service. Please contact me with any questions.

Very truly yours,

Handwritten signature of Wendy McIndoo in cursive script.

Wendy McIndoo
Legal Assistant

Enclosures
cc: Service List

1 until the capacity allocation of 200 kilowatt ("kW") was filled. For Idaho Power, the 200 kW
2 capacity allocations were fully subscribed in approximately two hours.

3 At the workshops in this docket, many stakeholders expressed the concern that
4 customers with better knowledge of and access to the internet likely had an advantage in
5 submitting their applications. Conversely, these parties opined that because capacity
6 reservations filled so quickly, certain customers were unable to obtain a capacity
7 reservation because of technical limitations related to internet access. The Company
8 does not disagree with these observations.

9 A lottery system, which was a suggested solution, would potentially resolve many of
10 the electronic filing concerns. In addition, a lottery system will allow the Commission to
11 gain a better understanding of the demand for the program. Under the current system,
12 once the capacity reservations are full no additional applications are accepted. On the
13 other hand, under a lottery system, all persons interested in the program will submit an
14 application, which will allow information to be collected on unsuccessful applicants.¹ For
15 these reasons, the Company does not oppose a move to a lottery-based system, rather
16 than a "first-come-first-served" system, provided such a move enjoys widespread
17 stakeholder support.

18 The Company acknowledges that it is differently situated with respect to the scope of
19 its Solar PV Pilot Program than both PacifiCorp and Portland General Electric ("PGE").
20 Due to the size of its program, it is likely that it will be easier for Idaho Power to implement
21 a new application and selection process than it will be for PacifiCorp and PGE. Moreover,
22 the April enrollment window is Idaho Power's last for the Solar PV Pilot Program.

23 While the Company does not oppose the use of a lottery system, it supports
24 implementation only after such a system is rigorously reviewed, analyzed, and approved

25

26 ¹ By "unsuccessful applicants" the Company means applicants who would have qualified for the
program but were unable to participate because the capacity reservations were full.

1 by the Commission. In designing such a system, the Company believes the following are
2 the key elements that must be considered:

- 3 a) Length of the application period
- 4 b) Criteria for determining if an application is complete
- 5 c) Random selection process
- 6 d) Acceptance of the random selection results - Independent audit or review
- 7 e) Implementation time and cost

8 The following is a discussion of each of these elements.

9 **1. Length of the Application Period.**

10 The application period is the time during which applicants can submit an application
11 to Idaho Power via a web portal. After this period closes, the Company would conduct a
12 random selection process. The application period should be long enough to provide
13 applicants the best opportunity to complete and submit applications accurately and within
14 the allotted timeframe.

15 Thus, Idaho Power recommends the application period be kept open for a 24-hour
16 period. This period should run from 12:00 noon on one day to 12:00 noon the following day,
17 over two business days. This 24-hour period, coupled with the noon starting time, will allow
18 all applicants time to gather the required information and complete the application. This will
19 also allow applicants the opportunity to make additional inquiries with Idaho Power if
20 questions arise as they complete the application. In addition, the application form should be
21 available for review in a read-only format prior to the application period to allow potential
22 applicants the opportunity to gather the required information.

23 **2. Criteria for Determining Whether an Application Is Complete.**

24 In the previous enrollment process many applications were received with minor
25 errors, such as the inclusion of an incorrect meter number. Applicants commented that due
26 to the first-come first-served process, quite often information was mistyped and/or they did

1 not necessarily have all of the background information immediately available to them. If the
2 erroneous or missing information reflected a scrivener's error or was otherwise immaterial to
3 the substantive material included in the application, Idaho Power worked with those
4 customers to correct the information in a reasonable manner.

5 The Company believes that implementing a lottery system with a longer period of
6 time, *i.e.*, 24 hours, for customers to complete and submit their applications will eliminate
7 many of these types of minor errors because customers would not be time-pressured to
8 submit their applications. Moreover, the electronic application itself can also be modified to
9 include "required" fields. If an application is missing any of the required fields, the applicant
10 would be prompted to complete the required field. While Idaho Power believes that these
11 proposed changes to the application process will largely remedy these types of minor errors
12 by applicants and result in better applications overall, the Company intends to continue to
13 work with customers when such errors occur to ensure that the application process is fair to
14 all applicants.

15 3. Random Selection Process

16 Idaho Power's 200 kW allocation will most likely result in approximately 20 to 25
17 projects. Thus, Idaho Power does not intend to make use of an elaborate automated
18 software system for the application process or for the random selection process.² Rather,
19 Idaho Power anticipates its selection process will consist of the following steps:

- 20 a. Upon receipt of a complete application by Idaho Power, the application will be
21 assigned a number that corresponds chronologically to the order in which the
22 application was submitted.
- 23 b. Following the closure of the application window, Idaho Power will make use
24 of the random sampling function available with the Microsoft Excel Data

25
26 ² Again, this is another instance where Idaho Power's application process will likely differ in scope to
that of PacifiCorp and PGE.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Analysis ToolPak to randomly select submitted applications. The numbers assigned to each application will be used to populate the data base from which numbers will be randomly selected.

c. Idaho Power will then perform a thorough review of each application beginning with the first application in the selected random order and assign capacity to each complete and accurate application until such time as the 200 kW allotment is fully allocated. If an application is found to be incomplete or inaccurate, Idaho Power will make reasonable efforts to work with the applicant to correct immaterial inaccuracies, however if Idaho Power and the applicant are unable to resolve the immaterial issues within a reasonable time, the application will be rejected at that time and replaced by the next complete and accurate application in the random sample. In addition, if an application is received with material information omissions or inaccuracies, the application will be rejected.

d. Applicants that are granted a capacity reservation will be notified of their selection and the next required steps to maintain their capacity reservation and completion of their project. Idaho Power will first notify the successful applicants and approximately two weeks later notify the unsuccessful applicants. If a successful applicant fails to meet requirements to maintain the capacity reservation by completing the Oregon Solar Photovoltaic Pilot Program Interconnection Application – Part B and/or withdraws from the program within 60 days of the date the capacity reservation is awarded, the capacity reservation will be awarded to the next complete application as

1 previously identified in the random selection process. After 30 days, any
2 capacity reservations that are forfeited or withdrawn will remain unfilled.³

3 **4. Independent Audit or Review**

4 To ensure a smooth and accurate selection process and ensure customer
5 confidence, Idaho Power intends to make its process as transparent as reasonably possible.
6 Thus, the Company will make available to Staff all information relating to the application and
7 selection process, subject to reasonable protections for confidential customer information.
8 In addition to providing access to Staff, Idaho Power does not oppose the use of
9 independent witnesses or auditors to monitor the random selection process. If additional
10 monitoring or audit is required, however, it will lead to additional costs. As all costs incurred
11 by this program are borne by Oregon customers, the Idaho Power proposal strives to keep
12 program costs to a minimum while at the same time preserving the integrity and fairness of
13 the program.

14 **5. Implementation Time and Cost**

15 A change from a first-come-first-served process to a lottery system will take time and
16 result in additional costs. The time required will depend on several factors, including the
17 complexity of the new lottery system, the time required to obtain full Commission approval
18 for the new process, and the time required to inform potential participants of the new
19 system. The costs will be driven largely by the extent of the modifications to the existing
20 software systems and the costs associated with informing customers of the new system.

21 Again, it is worth noting that Idaho Power is differently situated from both PacifiCorp
22 and PGE. In the Company's case, its kW allocation is relatively small and will likely involve
23 the selection of approximately 20 to 25 applications. Thus, for Idaho Power both the time
24 and the cost of implementation will likely be less than for PacifiCorp and PGE. Therefore,

25 _____
26 ³ This last provision would necessarily apply only to Idaho Power because the next application
window is its last under the pilot program.

1 while Idaho Power may be able to implement a new system by the current April 1 enrollment
2 window, it supports postponing that enrollment window to allow time for all three Oregon
3 utilities to develop, implement, and test their new systems. This will ensure a consistent
4 enrollment window across all service territories and ensure that development and
5 implementation of the new process is not unreasonably rushed.

6 Thus, at a minimum, Idaho Power believes the next enrollment period for this
7 program should be at least 30 days from the date in which the Commission issues an order
8 that establishes the specific rules and guidelines of a lottery enrollment process to allow for
9 the Company to make necessary software changes and inform potential participants of the
10 new system. If the Commission's order requires an Advice filing to change the current tariff
11 language, even more time will be required after the Commission's order to accommodate
12 statutory requirements for Advice filings related to tariff changes.

13 **B. Research on Unsuccessful Applicants**

14 If a lottery application system is adopted, Idaho Power will make available to Staff the
15 information contained within the applications that are not selected for participation in the
16 program. As some of the information within the applications may be confidential (customer
17 names, addresses, account numbers) Idaho Power will work with the Commission Staff to
18 either provide the information on confidential basis or to reformulate the data in a manner to
19 remove the confidentiality issues.

20 The participant application itself should also include language indicating that this
21 sharing of participant information with Staff will occur.

22 **C. FERC Preemption**

23 Idaho Power agrees with Staff that at this time it is premature to change the current
24 Solar PV Pilot Program. Idaho Power again stresses that it is unclear whether the
25 Commission has authority to establish incentive rates based upon a PURPA avoided cost
26 calculation under the current statutory scheme.

1 implementation of such a change may require a postponement of the April 1 enrollment
2 period.

3 Idaho Power looks forward to working with stakeholders on these and other issues at
4 the February 18, 2011, Commission workshop and in another round of comments due
5 February 28, 2011.

6

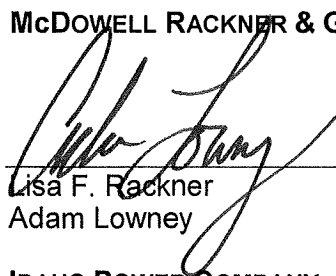
7

8 DATED: February 11, 2011.

McDOWELL RACKNER & GIBSON PC

9

10



Lisa F. Rackner
Adam Lowney

11

12

IDAHO POWER COMPANY

13

Lisa Nordstrom
Lead Counsel
PO Box 70
Boise, ID 83707

14

15

Attorneys for Idaho Power Company

16

17

18

19

20

21

22

23

24

25

26

CERTIFICATE OF SERVICE

1 I hereby certify that I served a true and correct copy of the foregoing document in
2 Docket UM 1505 on the following named person(s) on the date indicated below by email
3 and/or first-class mail addressed to said person(s) at his or her last-known address(es)
4 indicated below.

5 John W. Stephens
6 Esler Stephens & Buckley
7 stephens@eslerstephens.com
mec@eslerstephens.com

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

8 Kelcey Brown
9 Public Utility Commission of Oregon
kelcey.brown@state.or.us

Janet L. Prewitt
Department of Justice
Janet.prewitt@doj.state.or

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

Doug Kuns, Rates & Regulatory
Portland General Electric
pge.opuc.filings@pgn.com

12 Bob Jenks
13 Citizens' Utility Board of Oregon
bob@oregoncub.org

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

14 Gordon Feighner
15 Citizens' Utility Board Of Oregon
gordon@oregoncub.Org

Dr. Dave Sullivan
dave.sullivan@bus.oregonstate.edu

16 Robert DelMar
17 Oregon Department of Energy
Robert.delmar@state.or.us

Vijay A. Satyal
Oregon Department of Energy
Vijay.a.satyal@state.or.us

18 Megan Walseth Decker
19 Renewable Northwest Project
megan@rnp.org

Jocelyn C. Pease
Davison Van Cleve PC
jcp@dvclaw.com

20 Melinda J. Davison
21 Davison Van Cleve PC
mail@dvclaw.com

Michael Early
Industrial Customers of Northwest Utilities
mearly@icnu.org

22 Ryan Flynn
23 PacifiCorp
825 NE Multnomah St., Ste. 1800
Portland, OR 97232
ryan.flynn@pacificorp.com

PacifiCorp, d.b.a. Pacific Power
Oregon Dockets
825 NE Multnomah St., Ste. 2000
Portland, OR 97232
oregondockets@pacificorp.com

24 DATED: February 11, 2011

25 
26 Wendy McIndoo
Legal Assistant