

Idaho's 1st big solar plant to be built soon

JOHN MILLER - Associated Press - Associated Press

Idaho's first big solar electricity plant will likely soon begin construction, a rare bright spot for renewables in a state littered with canceled wind farms, regulatory uncertainty and low natural gas prices that have soured alternative power's financial appeal.

Solar panels await installation at a 180-acre field 60 miles east of Boise that Grandview Solar PV I has leased from the J.R. Simplot Co.

Mark Scher, the Albany, N.Y.-based energy developer behind the 10-megawatt endeavor, told The Associated Press that construction will begin within weeks and it will begin selling electricity to IdaCorp Inc. unit Idaho Power Co. in January.

Idaho Power, the state's biggest utility, now buys a tiny amount of solar electricity from customers who feed power from their panels back into the grid.

Scher's project breaks new ground.

"When it comes online, Grand View Solar I will be the largest solar project connected to Idaho Power's system," said utility spokesman Brad Bowlin.

Other alternative energy developers, particularly those planning wind farms on Idaho's gusty Snake River plain, have struggled, as the state Public Utilities Commission considers rule changes pushed by utilities, including Idaho Power, that make it tougher for them to secure financing. Utilities complain renewable projects are driving up customers' rates.

By contrast, Scher's solar development is advancing after benefiting from a sales agreement with Idaho Power in June 2010, when terms were more attractive. Federal tax incentives helped, too.

He bought the project in June 2011, after its founders, Robert Paul, of Desert Hot Springs, Calif., and Peter Richardson, a Boise-based energy lawyer, completed initial legwork.

Scher's progress notwithstanding, solar power's future in Idaho has faded considerably from the past years' optimism. Another developer, Interconnect Solar, had its 25-year sales agreement with Idaho Power canceled after failing to post security to ensure it would deliver power on time.

Natural gas prices are at historic lows, making sun-generated energy too expensive — despite plummeting solar panel prices.

That's also hurt businesses that install small systems on homes or businesses, said

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Curt Gamel, sales manager at Meridian -based Solar Concepts, which focuses on solar lighting. "There's not a lot going on in terms of lining people's houses with solar," Gamel said recently.

And Paul and Richardson, with three additional utility-scale solar developments in the works, are locked in a dispute with Idaho Power over who should own their "renewable energy credits," or RECs. Utilities in a dozen states will pay millions of dollars for RECs to help satisfy requirements to buy electricity from alternative sources.

But Paul said Idaho Power wants him to surrender his projects' RECs without compensation before it signs a power purchase agreement.

"That's called extortion," he said.

Idaho Power's Bowlin counters that its customers "should be entitled to all of the benefits they're paying for, and that includes the renewable energy credits" because federal law requires the utility to purchase renewable energy.

The Idaho PUC has yet to resolve the dispute. Depending on its outcome, Paul believes his three projects will be Idaho's last big solar developments for years to come.

"It's very difficult for a developer, even if he could produce power for free, to go in there and make a project work," he said. "When you talk to the financiers, they're very leery of Idaho because of the certainty they need. I was back at a conference in Orlando, Fla. When you say 'Idaho,' they go, 'Whoa.'"

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