

Idaho irrigators back shorter solar, wind energy contracts

By JOHN O'CONNELL
Capital Press

BOISE — Idaho irrigation entities are backing a proposal by the state's electric companies to significantly shorten mandatory contract lengths for solar and wind projects, believing the change would keep power rates in check.

The Idaho Public Utilities Commission recently completed technical hearings on the proposal and scheduled the close of public comment for July 10.

Though Commissioner Mack Redford recently died, PUC spokesman Gene Fadness expects the two other commissioners will come to a consensus, given the urgency of resolving the issue. A decision is expected by late this month or early August.

Under the federal Public Utility Regulatory Policies Act, utilities must purchase any qualifying renewable power. But it's up to individual states to establish contract lengths and the method for calculating avoided costs — payments for renewable energy based on what utilities would otherwise invest to produce an equivalent amount of power.

On Jan. 30, Idaho Power Co. petitioned to shorten the length of PURPA contracts for solar and wind projects over 100 kilowatts from 20 years to two years. The utility updates its Integrated Resource Plan every two years and reasoned the shorter contract would better capture current pricing. The proposal would also apply to other PURPA projects, such as hydro, biomass or digester power, over 10 megawatts, though there are currently no such projects large enough to qualify.

PacifiCorp and Avista later signed on to Idaho Power's petition. In the interim, the PUC has set the length of solar and wind contracts at five years.

Utilities have also request-



John O'Connell/Capital Press

A wind turbine produces energy on farmland near Rockland, Idaho. Idaho electric companies have a proposal under consideration to shorten the lengths of contracts for wind and solar energy, which many irrigators believe would be good for ratepayers.

ed that calculations for avoided costs, now based on construction costs of gas-powered infrastructure, be tied to market rates instead.

Renewable energy developers, however, say utilities don't have similar flexibility in paying off their own infrastructure and argue renewable projects wouldn't qualify for financing with such short contracts.

In his public comments, one renewable energy developer described the petition as "an attempt to kill future solar in Idaho."

Irrigation organizations including Idaho Irrigation Pumpers Association, Twin Falls Canal Co., Northside Canal Co. and American Falls Reservoir District have intervened in the case. Lynn Tominaga, who represents the groundwater users, explained

the utilities can produce hydro, gas and coal power more cheaply, and they currently have ample capacity to meet demand. He said wind and solar energy must be backed up by more reliable

energy sources anyway, which detracts from their value.

"We have some concerns about adding more renewable resources that would raise the cost to the ratepayer," Tominaga said.

Washington beekeepers win 'farmer' tax status

By DON JENKINS
Capital Press

OLYMPIA — In the eyes of Washington's tax law, beekeepers are now part of agriculture.

Apiarists were declared "farmers" in a sprawling tax-cutting bill signed by Gov. Jay Inslee on July 1.

Senate Bill 6057 grants more than a dozen tax breaks to industries, including aluminum smelters, food processors, data centers and newspapers.

Wrapped into the bill was a provision that will give beekeepers the same tax status as other agricultural producers.

Beekeepers will be exempt from paying state business taxes on money they collect for pollination services or by selling their products, such as honey, wholesale. They also will be exempt from sales taxes for production expenses, such as bee feed and chemicals to keep hives healthy.

Any beekeeper with at least one colony qualifies for at least some of the exemptions. Budget writers estimated the loss in taxes at about \$100,000 a year.

"I was really pleased (legislators) took common sense advice and made beekeepers the equivalent of farmers as far as the state is concerned," said Ephrata commercial beekeeper Tim Hiatt, legislative director

for the Washington State Beekeepers Association.

"When we told people about this, they would say, 'Aren't beekeepers already part of agriculture?'"

Legislators granted temporary tax relief to beekeepers in 2008 to help them cope with high mortality rates. The tax relief was due to expire in 2017. SB 6057 makes the tax breaks permanent.

Sen. Jim Honeyford, R-Sunnyside, sponsored the honeybee legislation. "Sen. Honeyford was our great champion on this one," Hiatt said.

Beekeepers and Honeyford argued that beekeepers are a vital part of food production. Hiatt and others said that out-of-state beekeepers provide pollination services in Washington but leave without paying business taxes. "That really was a matter of fairness," Hiatt said.

The tax breaks, including the one for beekeepers, were rolled into one bill that will cost the state an estimated \$35.2 million over the next two years in lost revenue. One legislator remarked that there was something in the bill for every lawmaker to like and dislike, but it was a compromise package agreed to by House and Senate budget writers.

The bill passed the Senate 38-10 and the House 77-21.

Weather concerns rally grain prices

By JOHN O'CONNELL
Capital Press

IDAHO FALLS, Idaho — Wheat and corn prices ended June with a slight rally due to weather concerns in the Midwest and other parts of the world, industry experts say.

Jim Rooney, Eastern Idaho merchandiser with Lansing Trade Group LLC, said excessive rain has the industry anticipating quality problems and losses in Eastern soft red wheat and critical hard red winter wheat growing areas in Texas, Oklahoma and Kansas.

Due to the weather concerns, coupled with a bullish recent USDA report on corn and soybeans driving up commodity prices, Rooney said prices finally rose to near the growers' cost of production on Monday, before dropping about 30 cents by Wednesday.

"We were able to make some \$6 purchases, and growers had been waiting for another chance at that," Rooney said. "Farmer selling increased here, but we're pulling back now."

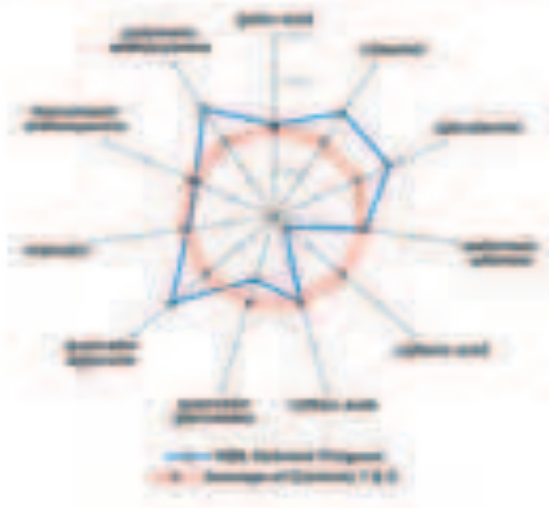
Rooney said the growing likelihood of El Nino conditions limiting wheat production in Australia has also helped the wheat market.

Kansas State University Extension agricultural economist Art Barnaby said his state experienced a dry April before heavy rains arrived in mid-May — too late to help yields in Southern Kansas but likely benefiting farms to the north.

"What's really driving (wheat prices) is rain and excess flooding in Missouri and on east," Barnaby said.

Barnaby said corn prices also rose to \$4.30 for new crop corn and \$4.13 for old crop by July 1. Barnaby said it was surprising that wheat prices began increasing prior to corn.

He attributes the recent increases to "the normal summer weather scare you can almost count on, and in a couple of weeks it's gone."



| Property | KDL | Control |
|------------|------|---------|
| Brix | 22.5 | 20.5 |
| Color | 22.5 | 20.5 |
| Maturity | 22.5 | 20.5 |
| Uniformity | 22.5 | 20.5 |