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IDAHO PUBLIC
UTILITIES COMMISSION

December 15, 2010

Jean Jewell
Commission Secretary
Idaho Public utilities Commission
P.O. Box 83720
Boise ID 83720-0074

RE: Case No. GNR-E-10-04 Joint Petition to Reduce the Available Avoided Cost from 10,000
Kilowatts to 1,000 Kilowatts

Dear Commissioners:

This letter is written to request that the current methodology for avoided costs and the current eligibility up to 10,000 Kilowatts be continued for QF hydro in the state of Idaho. The rates available for small hydropower have been in place since 1981-1982 and have resulted in a moderate amount of small hydro being developed in the State of Idaho. The hydros are distributed primarily throughout southern Idaho associated with irrigation facilities. This distributed generation has resulted in clean renewable resource being developed utilizing irrigation water and providing an economic return to the agricultural base of southern Idaho. While many of the small hydro plants have been developed, there are more that could be developed. I know of several in the process of being developed and are anticipating having a market through the avoided costs rates set forth by the Idaho Public Utilities Commission. These plans generally range from 500 kilowatts up to 3 or 4 megawatts. In addition, many of the small hydropower plants that were built in the early to mid 80's will have contracts expiring in another 5 to 10 years. It is important to have a continued market for our power. While we recognize the problems associated with wind, we do not believe that they should be placed at the feet of small hydro. We believe that small hydro should be allowed to continue. Therefore, we respectfully request of the commission the following:

Page 2

Board of Public Utilities Commission

12/14/10

1. That the maximum eligible rates for small hydro be continued at 10,000 kilowatts
2. The avoided cost model of the natural gas-fired plant is a non-renewable energy resource. We strongly believe that ownership of any environmental attributes or Renewable Energy credits "REC's" be associated with power sales by small hydro be owned by the developer of the project. We request PUC concurrence.

Thank your taking this information into account when considering this case.

Very truly yours,



Ted S. Sorenson, P.E.

TSS/ptj

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