

Jean Jewell

From: Ed Howell
Sent: Tuesday, March 30, 2004 1:38 AM
To: Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark
Subject: Comment acknowledgement

WWW Form Submission:

Tuesday, March 30, 2004
1:38:16 AM

Case: IPC-E-04-2
Name: Brian D. Jackson
Street Address: 7800 Alfalfa Lane
City: Melba
State: ID
ZIP: 83641
Home Telephone: 208-495-1111
E-Mail: brian@clever-ideas.com
Company: Idaho Power Company
mailing_list_yes_no: yes
Comment_description: Renewable Attributes Case

Dear Commissioners and Staff:

I realize the official comment period is over for this case, however, I was discussing this with Gene Fadness and he encouraged me to simply drop a note about it anyway.

The green tags are a commodity which have a huge variability in market usefulness. I am working with several farmers and ranchers across this state who are exploring the opportunity to develop wind farms on their land. I am the project manager for a 3MW wind farm going up near Idaho Falls this year.

I believe the green tags are completely not associated with Purpa and should very much belong to the developers themselves. In fact, they are truly just a fabrication of value. The key is all in how they are marketed and the value other people are willing to attach to clean renewable energy sources. We are just beginning to see indicators of some marketability in such sources of energy. I believe when the pain and risk of sourcing energy from fossil fuels outweighs the cost and security of renewable sources, the value will be more evident and such things will become more valuable.

My first thought is I would much rather sell my "green tags" to the utility with my Purpa energy itself in the same contract or a similar one executed at the same time for efficiency and simplicity. I would probably even take a lower rate than true market simply for this value and perhaps a longer term. My belief is that if the utilities would market these concepts better, they could make a serious return on such renewable attributes. Then they would encourage more development and less dependence on fuel based resources. Unfortunately, most utilities have a form of a green tag program which is disjointed and not even remotely connected to real projects. An example would be Idaho Power not buying green tags from Bob Lewandowski's small wind project in Mountain Home - he didn't even hold out for a Purpa rate.

My concern is that if Idaho Power, or any other local utility had first right of refusal, it would limit the marketability of something that is still barely marketable. Who would have a serious negotiation with me when they know once we get to a price Idaho Power gets first right to buy them. That alone would de-value the green tags. If I negotiate with Idaho Power first, how can we figure out a market price. It definitely can't be based on their existing system of selling the tags - that doesn't even connect to anything in Idaho. I think the first right of refusal would play well into a renewable portfolio standard...which is one of Idaho Power's fears on this issue. They probably should be stepping up and developing a program to truly promote the green tags effectively so they could offer a good price for the tags. Otherwise, a project developer should be able to market them to whoever does have a good marketing program and is willing to pay a premium

rate.

It sounds like the commission has decided to stay out of this issue and I thank you for that decision. I just wanted to say that I think it was wise - I just wish there was a system in Idaho that I could sell the tags into from the projects I'm working on.

Sincerely,
Brian D. Jackson, PE MBA CEM
Renaissance Engineering & Design PLLC

Transaction ID: 330138.16
Referred by: <http://www.puc.state.id.us/scripts/polyform.dll/ipuc>
User Address: 216.222.113.116
User Hostname: 216.222.113.116