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## **IDAHO PUBLIC UTILITIES COMMISSION**

**For Immediate Release**

**Case No. IPC-E-04-2**

**March 2, 2004**

**Contact: Gene Fadness (208) 334-0339**

**Website: [www.puc.state.id.us](http://www.puc.state.id.us)**

### **PUC asked to determine who owns 'green tags'**

Boise – The Idaho Public Utilities Commission is being asked to determine who owns the highly marketable “green tags” awarded to small power producers that contract to sell to Idaho Power: the small power project owners or the utility.

The green tags are a currency that can be traded to individuals and entities wishing to support renewable or “green” energy. They are becoming more valuable since a growing number of states are starting to require their regulated utilities to buy or generate a certain amount of power from renewable sources.

Idaho Power has energy agreements with 64 small-power producers in Idaho who generate renewable energy. The Public Utilities Regulatory Policies Act or PURPA, passed during the energy crisis in the late 1970s, requires utilities to buy energy from qualifying small power producers that generate power from sources other than fossil fuels. The Public Utilities Commission sets the rate the utilities must pay small power producers, a rate based on the cost the utility avoids by not generating the power itself.

Since PURPA was enacted, regional organizations, such as the Bonneville Environmental Foundation, have been created to certify projects as “green energy compliant.” Power projects found to be compliant are issued green tags that can be traded.

Idaho Power is recommending that the commission allow the PURPA projects to retain ownership of the green tags because it may encourage the development of additional green resources in Idaho without the need to increase energy prices. However, Idaho Power would like to retain the “right of first refusal” to purchase the tags before PURPA project owners offer the tags to another purchaser.

The tags represent a value to Idaho Power because they have monetary value separate from the actual energy produced. If the utility were granted ownership rights to the green tags, the revenue from them could be used to lower energy costs to Idaho Power customers or be reinvested in the development of additional renewable resources in the state.

PURPA project owners contend they should own the tags. That can benefit the state, project owners say, because the ability to sell green tags provides incentive for more renewable development. It also compensates them for their projects' environmental attributes and rewards them for the risk they take to invest in and operate a renewable energy plant.

“Given the heightened public interest in the development of new renewable resources, Idaho Power respectfully recommends that the commission determine that the developers of such generation facilities receive full ownership rights in any green tags,” the company said, conditioned on the requirement that small power producers who qualify for green tags grant the company the first opportunity to purchase the tags.

The commission is taking comments on the case through March 19.

Persons wishing to submit comments can do so via e-mail by accessing the commission's homepage at [www.puc.state.id.us](http://www.puc.state.id.us) and clicking on "Comments & Questions." Fill in the case number (IPC-E-04-2) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

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