

## Jean Jewell

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**From:** Ed Howell  
**Sent:** Monday, December 13, 2004 9:48 AM  
**To:** Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark  
**Subject:** Comment acknowledgement

WWW Form Submission:

Monday, December 13, 2004  
9:48:12 AM

Case: IPC-E-04-8  
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Comment\_description: I am an investor who was willing, before the Idaho PUC ruling, to invest \$4.5 million into a two turbine 3 megawatt wind farm at LeRoy Jarolimek's farm in Burley. The PUC's clause in the ruling that "if a QF fails to deliver 90% of the monthly commitment, the total production for that month will be reduced to to 85% of the market price or the contract rate, whichever is less" has caused me to cancel funding for this project. On a small wind project, without the economies of scale, the returns to an investor are barely average even using the avoided cost fee structure. At 85% of less than half of the avoided cost rate, the figures simply do not work. In small wind projects there is huge capital risk and a long term-twenty year payback. I was willing to undertake this risk and average return because I believe that the wind industry could be a win-win for the state of Idaho. Small farmers and depressed rural communities could have a stable source of new income. The economic benefit could be spread over many small farms, rather than just enriching a few mega-sites. I have served on the Governor's Coordinating Council for Families and Children, and currently serve as a grants panelists for both the Idaho Community Foundation and the Idaho Children's Trust Fund. I am also President of a small family foundation which grants charitably to communities in Idaho. I strongly believe that if communities have a means to generate their own income, the lives of children and families in those communities will be improved far beyond what grant-making agencies can accomplish through charitable funding.

In a public meeting, a representative for Idaho Power admitted that Idaho Power may be pursuing building its own wind farms. Although Idaho Power is required by PURPA to purchase energy produced by small producers, the above clause essentially makes it impossible for small producers to enter into a contract. The PUC has then eliminated the ability for a small producer to compete with Idaho Power's own wind farms.

I don't believe that anyone is predicting that power generation costs will be less in the future. Remember that a small producer is contracting for twenty years - Idaho Power and the public will benefit over this twenty year period by locking in the avoided costs rates of today. Idaho has a world-class wind resource - much of it on Indian reservations, small farms, and public lands. I strongly encourage the PUC to benefit both the consumer and the state by eliminating the above clause so that small farmers can enter into contracts to sell their wind generated energy.

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