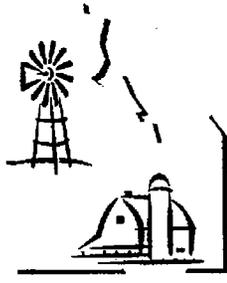


*Ken Ack sent 2/23/07 ✓ To IDV ✓ To Comm ? It*

# IDAHO FARM ENERGY ASSOCIATION



February 22, 2007

Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington St.  
Boise, ID 83702-5983

Re: Comments on Idaho Power Horizon Contract IPC-E-06-31

Dear Ms. Jewell:

**BOARD MEMBERS**

- Brian Jackson**
- Armand Eckert**
- John Steiner**

The Idaho Farm Energy Association provides the following comments on the Idaho Power Wind Contract with Horizon Energy. The Idaho Farm Energy Association is a nonprofit corporation formed in January 2006 to promote rural economic development through on-farm renewable energy projects in the State of Idaho.

The Idaho Farm Energy Association would like to provide a few short comments regarding the subject proceeding. The Horizon wind project is delivering energy at an initial price of 48 \$/MWh, escalating at 3%. Comparable PURPA wind projects are priced at 54 \$/MWh escalating at approximately 2.3%. Over the 20 year life of the contracts, the levelized price for Horizon is approximately 60 \$/MWh and a PURPA contract is approximately 64 \$/MWh. This potential difference of 6.5% is almost entirely offset by the difference in the 90/110 mechanisms between the two contracts. The Horizon project and the PURPA projects have essentially the same cost to the ratepayer.

The Horizon project represents a \$160 million investment in a rural Oregon county while the energy will be paid for by Idaho customers. A project of this size typically generates over \$1 million per year in local economic benefits. Those benefits are desperately needed in rural Idaho.

This project represents a purchase from an energy source at fixed prices for the next 20 years and is not subject to fuel availability or price risks. This contract is a wise investment for the ratepayers.

We support this project and further development of wind energy along with other renewables for the benefit of the citizens of Idaho and the ratepayers. On behalf of the agricultural community we urge the Commission to reinstate the availability of PURPA wind contracts. We also hope the Idaho legislature seeks tangible methods to encourage development of wind energy projects in Idaho.

Sincerely

Brian D. Jackson, President

420 W. Bannock  
Boise, ID 83702

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