



23 February, 2008

RECEIVED

2008 FEB 25 PM 2: 38

IDAHO PUBLIC
UTILITIES COMMISSION

VIA US MAIL AND EMAIL

Jean Jewell
Idaho Public Utilities Commission
472 W Washington
Boise, ID 83720-0074

Re: In the Matter of the Appropriate Disposition of the Proceeds for the sale of Idaho Power Company's S02 Emission Allowances in CY 2007 – Case No.: IPC-E-07-18

Dear Ms. Jewell:

Enclosed for filing please find an original and four (4) copies of Ridgeline Energy, LLC's Comments to Notice of Modified Procedure in Connection with the Above Captioned Matter.

If you have any questions, please contact Rich Rayhill at 841-5037.

Best regards,


Rich Rayhill
Vice President
Ridgeline Energy LLC

Enclosure (5)

inexpensive in the future as it is today. This is due to rising construction and material costs as well as scarcity of turbines. Additionally, the best value in wind energy generation is found at the premier wind sites. There are not many of these and they are prized possessions. Already, out-of-state utilities have purchased, contracted, or entered into memoranda of understanding and letters of intent to purchase Idaho wind from Idaho's premier sites. These sites have the highest capacity factors, lowest construction costs, closest proximity to suitable transmission, and greatest ease of integration. Combined, these advantages lead to lower costs and, in turn, lower energy prices. Once the potential of these premium sites has been captured, IPCo will be left to purchase wind from the lesser sites and this energy will be more expensive.

3. There is growing customer interest in access to renewable energy. Availability of renewables was voted the single most important issue facing Idaho with regards to energy. Development of renewables was selected as the highest priority in order to meet Idaho's growing electricity demand. Idaho Energy Policy Survey 2007. See <http://ppa.boisestate.edu/ssrc/archive/2007-EPI-pressconf.pdf> Conducted by The Energy Policy Institute and the Center for Advanced Energy Studies through the Social Science Research Center.

4. Use of the S02 proceeds in Idaho will create Idaho jobs and promote rural economic development.

- The National Audubon Society, the Sierra Club and the Nature Conservancy, among others, previous opponents of wind energy, are now calling for a 20-25 times increase in global wind energy generation by 2030;
- this would mean an increase in US wind generated megawatts from the current 13,000 to, potentially, 325,000 megawatts over the next 22 years;
- Scientists at the INL conservatively estimate Idaho has 15,000 megawatts of wind energy generating potential;
- if Idaho, ranked 13th in wind energy potential, could capture 1% of this growth, that would mean local development of 3,250 megawatts of wind;

- In a 2004 analysis, the Idaho Department of Water resources determined 93 permanent full-time jobs would be created by every 100 megawatts of wind energy generation installed. Umatilla County, Oregon, in 2005 set this number at 42. Texas State Energy Conservation Office, due to an escalation experienced in West Texas when wind energy development began to pull in ancillary development and manufacturing, puts this number at 300 jobs per 100 mW
- Accordingly, for every 100 megawatts of installed wind energy generation, depending on which source you accept, Idaho would see between 42 and 93 permanent full time jobs RESULT: the potential for 3,023 new jobs (9,750 if the TX SECO numbers are accepted) resulting from \$6.5 Billion in capital investment.
- If Idaho captures 2% (6,500 mW), that's 6,046 jobs (19,500 using TX numbers) and \$13 Billion dollars of capital investment.
- if we capture 3% (9,750 mW), we could see 9,069 new jobs (29,250 jobs under TX numbers) and \$19.5 Billion investment.
- This would mean substantial local tax revenue in addition to the jobs. Idaho would see post-secondary educational programs to support the job demand just as they have seen in Oregon. 18 post secondary programs have been established in the last few years.
- Minnesota expects to see 18,405 new jobs from wind generation and related manufacturing in the coming years

5. Once the S02 proceeds have been expended to purchase wind project development rights, the amount of S02 proceeds so expended would forever be barred from presentation to the Idaho Public Utilities Commission ("IPUC") for inclusion in rate-basing or otherwise presented to the IPUC for repayment from IPCo ratepayers.

6. The first proposed alternative for the use of the S02 proceeds is to include them in the annual PCA case. The lion's share of this money will benefit only a few large industrial customers. The bulk of IPCo's customers, residences and small businesses are unlikely to receive significant benefit. Additionally, this is an excellent snow year, the type of year for which the PCA, like Idaho's reservoirs, receives its greatest recharge. It makes greater sense to put this money to lasting benefit for the vast majority of Idaho ratepayers.

7. The second proposed alternative for the use of the S02 proceeds – the purchase of green tags in anticipation of future legal requirements – can be met by IPCo securing an ownership position in an

Idaho wind farm. Investment in green tags will ensure that the bulk, if not all, of the S02 proceeds will be spent out of state. The benefits will be enjoyed by those outside IPCo's service territory. Investment in green tags may not, ultimately, be necessary. Investment in green tags is a potentially speculative use of the money.

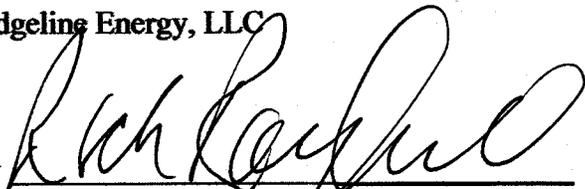
CONCLUSION

For the reasons stated above, Ridgeline respectfully urges this Commission to authorize the Idaho Power Company to use the proceeds from the sale of the S02 emissions to establish an ownership position in a wind energy development project as a hedge against rising and uncertain fossil fuel costs and risks; as a means of securing future low cost energy; and as a method of meeting the demands of IPCo customers that IPCo expand its percentage of energy generated by renewable sources.

DATED this ~~22^d~~ day of February 2008.

Ridgeline Energy, LLC

By


Rich Rayhill, Vice President
Ridgeline Energy, LLC

CERTIFICATE OF SERVICE

230

I HEREBY CERTIFY that on the 23rd day of February, a true and correct copy of the within and foregoing PETITION TO INTERVENE BY RIDGELINE ENERGY, LLC, was served by U.S. Mail, postage prepaid, to:

Barton Kline	<u>XX</u>	email & US Mail
Lisa D. Nordstrom	<u>XX</u>	e Mail
John R. Gale	<u>XX</u>	email
Celeste Schwendiman	<u>XX</u>	email
Karl Bokenkamp	<u>XX</u>	email
Greg Said	<u>XX</u>	email
Mark Stokes	<u>XX</u>	email
Randy Allphin	<u>XX</u>	email

Idaho Power Company
PO Box 70
Boise, Idaho 83707-0070
bkline@idahopower.com
lnordstrom@idahopower.com
rgale@idahopower.com
ceschwendiman@idahopower.com
kbokenkamp@idahopower.com
gsaid@idahopower.com
mstokes@idahopower.com
rallphin@idahopower.com

Jean Jewell	<u>XX</u>	email & US Mail
-------------	-----------	-----------------

Commission Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, Idaho 83702
Jean.jewell@puc.idaho.gov

Bill Chisholm	<u>XX</u>	email
---------------	-----------	-------

Idaho Energy Education Project
10973 E. Highway 30
Buhl, ID 83316
Chisholm3@mindspring.com

Peter J. Richardson	<u>XX</u>	email
---------------------	-----------	-------

Richardson & O'Leary
512 N. 27th St

Boise, ID 83702
peter@richardsonandoleary.com

Linda Gervais
Patrick Ehrbar
Avista
1411 E. Mission
Spokane, WA 99202
Linda.gervais@avistacorp.com
Pat.ehrbar@avistacorp.com

XX email
XX email

Donna English
Rick Sterling
Terri Carlock
Randy Lobb
Don Howell
Idaho Public Utilities Commission
472 W Washington
Boise, Idaho 83702
Donn.english@puc.idaho.gov
Rick.sterling@puc.idaho.gov
Terri.carlock@puc.idaho.gov
Randy.lobb@puc.idaho.gov
Don.howell@puc.idaho.gov

XX email
XX email
XX email
XX email
XX email

Joe Miller
420 W Bannock
Boise, ID 83702
joe@mcdevitt_miller.com

XX email

Roald Doskeland, Windland
Bjorn Doskeland
7669 W Riverside Dr
Boise Idaho
wind@windland.com
bjorn@windland.com

XX email

Rich Howard
Idaho Conservation League
Corner 5th & Hays
Boise, ID 83702
Atlatl_1@yahoo.com

XX email

Rich Rayhill

