

II.
IDAHO POWER'S PROPOSAL TO RETIRE ITS GREEN TAGS
IS A COSMETIC ATTEMPT TO FURTHER CORPORATE ADVERTISING AND SHOULD
BE REJECTED

The Green Tags Idaho Power is proposing to retire were created with ratepayer funded assets. They should therefore be used solely to benefit the ratepayers. The motivation for Idaho Power's application is purely cosmetic and would only benefit the shareholders as the company attempts to improve its image through corporate advertising. For example, Idaho Power asserts that unless it is permitted to retire its Green Tags that it:

[W]ould be prohibited from using visuals (including charts, graphs, line art, etc.) depicting green resources as part of the energy delivered to customers. The sale of all of its Green Tags that are (or capable of being) Green-e certified would also preclude Idaho Power from using photographs or other imagery depicting wind turbines, solar, or other green resources when describing or displaying its resource portfolio if all environmental attributes have been relinquished through the sale of Green Tags.

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Other than being able to advertise that it has renewable resources in its portfolio, Idaho Power offers no tangible benefit to the ratepayers by the elimination of this ratepayer funded resource through retirement of its Green Tags. In other words, the ratepayers bought and paid for Idaho Power's Green Tags. Therefore, the ratepayers should benefit from their sale and not Idaho Power's marketing department.

III
IDAHO POWER ALREADY HAS A VOLUNTARY GREEN TAG OFFERING THAT IS
EXTREMELY POORLY SUBSCRIBED

Idaho Power makes much of public opinion polls that suggest the utility should be “green”. To support this contention Idaho Power cites a 2007 “Idaho Energy Policy Survey” that concludes that fifty percent of respondents said that green or renewable resources should be the State’s highest priority. Not stated was how that number would change if the respondents were told that their electric bill would be higher in exchange. In fact, nowhere in said survey is the question of how much more the ratepayers are willing to pay to have green energy in Idaho Power’s portfolio. It is important to remember that even if the Green Tags are sold and Idaho Power is not able to advertise that it has wind energy in its portfolio; the indisputable fact will remain that it has 101 MW of wind on line.

Idaho Power also argues that its ratepayers want renewable resources because a majority of the respondents in its RFP process made comments to that effect. However, Idaho Power’s assertions that its customers want it to retire rather than sell its Green Tags, is belied by its customers’ response to the current voluntary Green Tag program. If a majority of its 400,000 residential customers really wanted Green Tags, then one would assume more than 2,500 would have voluntarily signed up to pay a little extra for that privilege. If a majority of its 60,000 commercial customers wanted Green Tags, then one would assume that more than 116 would have signed up to pay a little extra for them. Idaho Power’s assertion that its customer base wants to pay more for Green Tags (in the form of forgone revenue from their sale on the open market) is simply wrong. If Idaho Power’s calculations are correct, sale of the Green Tags would bring approximately \$2,000,000 annually to provide some rate relief to Idaho Power’s customers. As noted above, if any individual customer wants to “go green” it already has that option.

IV
IDAHO'S POLICY GOALS WITH RESPECT TO WIND
ARE NOT AT ALL CLEAR AND DO NOT INDICATE THAT THE RATEPAYERS
SHOULD BE REQUIRED TO PAY \$2,000,000 TO ALLOW IDAHO POWER TO
ADVERTISE THAT IT IS GREEN

According to Idaho Power's Application:

The retirement of Green Tags on behalf of customers aligns with Gov. C.L. "Butch" Otter's 25 X 25 initiative, which established the Idaho 25 X 25 Renewable Energy Council ...to further the goal of providing 25 percent of Idaho's energy needs through renewable sources by the year 2025

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Not mentioned is the fact that the individual appointed by the same Gov. C.L. "Butch" Otter to head the Renewable Energy Council was only recently quoted in a local newspaper from a speech he gave to Boise business leaders as follows:

In a speech to the Boise Metro Chamber of Commerce last week, Kjellander made it plain that nuclear power was his energy source of choice for an expanding state.

Wind energy, he said, was a "part-time" energy source.

"I'm pro-nuclear," Kjellander said. He believes, he said, in "the three N's," which he defines as "nuclear, natural gas or nothing."¹

To suggest that the policy of the State of Idaho is to require Idaho Power's ratepayers to forgo \$2,000,000 of their money to retire Green Tags is simply not credible in light of the comments of the Governor's Energy 'Czar'. The nexus between the State's energy policy and the furtherance of wind powered Green Tags is made even more tenuous in light of the fact that the Office of Energy's Wind Power Working Group was disbanded by Mr. Kjellander just two weeks ago.²

¹ *Boise Weekly* January 16, 2008

² See, *Idaho Statesman* December 25, 2008, p. 1.
Comments of the Industrial Customers of Idaho Power IPC-E-08-24

Probably the most significant indicator of the State's policy on Green Tags and wind energy in particular is the fact that the Idaho Legislature has not enacted a renewable portfolio standard requiring Idaho's utilities to meet certain goals in terms of renewable energy in their portfolios. This is significant in light of the fact that all of the states surrounding Idaho have enacted such a standard for their utilities. So it can be no accident that Idaho is not following the national trend toward renewable portfolio standards (RPS). If Idaho did have a RPS, then Idaho Power would be able to retire its Green Tags with abandon and it would be able to put pictures of wind turbines on its annual report. Perhaps, if Idaho Power wants to be green, it should seek legislative or PUC permission to meet a renewable portfolio standard.

V
CONTRARY TO IDAHO POWER'S ASSERTION,
GREEN TAGS CAN NOT BE BANKED FOR FUTURE USE

Idaho Power makes the statement that "Green Tags Idaho Power retains and retires now on behalf of customers may hold value to be used at a later date". However the fact is that once a Green Tag is retired it has no value and may not be revived for future use. In addition, even Idaho Power's own application points out that a Green Tag only has a shelf life of 18 months. Eighteen months after a Green Tag is created it expires and may not be sold, retired or used to meet a renewable portfolio standard. So the notion that a Green Tag may have value at a later date is simply not true – they have to be used (e.g. retired or sold) within eighteen months or they become worthless. See Idaho Power's Application at footnote 5.

VI
CONCLUSION

For the foregoing reasons and in the furtherance of providing a modicum of rate relief, the Industrial Customers of Idaho Power respectfully requests this Commission deny Idaho Power's Application to retire its Green Tags.

Respectfully submitted this 8th day of January 8, 2009.

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