

✓ Jean Barker sent 1/9/09
✓ To A.V.
*✓ To Commus
i H*

Jean Jewell

From: bbridge@wildidaho.org
Sent: Thursday, January 08, 2009 10:26 AM
To: Jean Jewell; Beverly Barker; Gene Fadness; Ed Howell
Subject: PUC Comment Form

A Comment from Suzanne Leta Liou, Renewable Northwest Project and Betsy Bridge, Idaho Conservation League follows:

Case Number: IPC-E-08-24
Name: Suzanne Leta Liou, Renewable Northwest Project and Betsy Bridge, Idaho Conservation League
Address: P.O. Box 844
City: Boise
State: ID
Zip: 83701
Daytime Telephone: 208-345-6933 or 503-223-4544 Contact E-Mail: bbridge@wildidaho.org Name of Utility Company: Idaho Power Add to Mailing List: yes

Please describe your comment briefly:
January 7, 2009

Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

RE: Idaho Conservation League and Renewable Northwest Project Comments on Idaho Power's Application for an Order Authorizing the Retirement of Renewable Energy Certificates, Case No. IPC-E-08-24

The Honorable Commissioners:

Thank you for the opportunity to comment on Idaho Power's application seeking to retire the Renewable Energy Certificates (RECs) it has obtained or will obtain in the future. The Idaho Conservation League (ICL) and the Renewable Northwest Project (RNP) urge the Idaho Public Utility Commissioners (PUC) to grant Idaho Power the authority to retire the RECs obtained from renewable energy generation serving Idaho Power customers.

In order to advance the sale of renewable electricity nationally, a system was created that separates renewable electricity generation into two parts: the electricity or electrical energy produced by a renewable generator and the renewable attributes of that generation. These renewable attributes are sold separately as RECs, also known as "Green Tags." The entity that holds a REC has the legal right to make claims about the environmental benefits associated with renewable energy. One REC is issued for each MWh of electricity generated by an eligible renewable energy resource. Electricity that is split from the REC is no longer considered renewable and cannot be counted as renewable by the entity that purchases the electricity.

The process of REC retirement occurs when a REC is used by the entity that is contractually entitled to ownership of the REC. Use of the REC "may include, but is not limited to, (1) use of the REC by an end-use customer, marketer, generator, or utility to comply with a statutory or regulatory requirement, (2) a public claim associated with a purchase of RECs by an end-use customer, or (3) the sale of any component attributes of a REC for any purpose." Once a REC is retired, it cannot be sold or transferred to another party. The same REC may not be claimed by more than one entity, including any environmental claims made pursuant to

electricity coming from renewable energy resource, environmental labeling or disclosure requirements.

Currently, Idaho Power has two facilities, the Elkhorn wind project and the Raft River geothermal project, that qualify as renewable energy resources. These facilities have generated more than 320,000 MWh of RECs in 2007 and 2008. If Idaho Power sells the RECs from these facilities, the company loses the right to claim any environmental attributes gained from these resources. Only the entity that purchases and retires the RECs will be able to claim to have purchased renewable energy. If Idaho Power retires the RECs, the company can retain the environmental attributes (and the associated emissions and economic value of those attributes) of its renewable energy projects.

Idaho Power and its customers will reap many benefits by retaining the environmental attributes of renewable energy purchases. First, Idaho Power will be ahead of the game in our current regulatory climate. Most importantly, Idaho Power will be able to comply with Oregon's Renewable Portfolio Standard (RPS) in 2025, which will require at least ten percent of electricity serving to come from renewable resources. Utilities demonstrate RPS compliance by holding purchased or self-generated RECs equivalent to the required percentage of their electricity sales. In addition, Idaho Power will be able to comply, at least in part, with a future federal RPS. President Obama's platform includes an RPS requiring 10 percent renewable electricity by 2012 and 25 percent by 2025. A federal RPS with the same or similar requirements is very likely to pass in Congress within the first year of the Obama administration.

By retiring the RECs, Idaho Power will also be significantly better prepared for regulation limiting greenhouse gas emissions. Federal legislation is expected to require greenhouse gas emissions reductions to 20 percent below 1990 levels by 2020 and 80 percent below 1990 levels. This level of emissions reduction is a key component of an October 2008 global warming principles letter to Speaker Pelosi that was led by Representative Waxman, Chairman of the House Energy and Commerce Committee, and signed by more than one hundred and fifty Representatives. It is reasonable to expect that federal legislation requiring the same or similar levels of emissions reduction is likely to pass within President Obama's first term. Idaho Power should be prepared for that scenario.

Finally, if Idaho Power does not retire the RECs obtained from renewable energy generation and instead sells the RECs, as is current practice, the company cannot claim that its customers are being served by renewable energy. In fact, to do so would be in violation of a REC sale contract. Idaho Power should be serving its customers with increasing levels of renewable electricity - including electricity from PURPA projects - so that the company's customers receive the benefit of long-term price stability and reduced air and global warming pollution. To achieve this, however, the company must retire the RECs from all renewable energy projects serving its customers.

Thank you for the opportunity to comment on Idaho Power's application to retire the company's RECs. We urge the PUC to grant the company the authority to retire the RECs and, thereby, retain the environmental attributes of renewable energy projects serving its customers. If you have further questions, please contact Betsy Bridge at 208-345-6933 ex. 12 or Suzanne Leta Liou at 503-223-4544.

Sincerely,
Betsy Bridge
Idaho Conservation League

Suzanne Leta Liou
Renewable Northwest Project