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IDAHO PUBLIC  
UTILITIES COMMISSION

TO: Jean Jewell  
Idaho Public Utilities Commission Secretary  
472 West Washington  
Boise, ID 83702

FROM: Ken Miller  
Snake River Alliance  
Box 1731  
Boise, ID 83701  
Ph: (208) 344-9161

**RE DOCKET IPC-E-08-24: IN THE MATTER OF THE APPLICATION OF IDAHO  
POWER COMPANY FOR AUTHORITY TO RETIRE ITS GREEN TAGS**

Dear Ms. Jewell:

Please accept the following comments on behalf of the Snake River Alliance relative to the Commission's docket, IPC-E-08-24.

The Snake River Alliance is an Idaho-based non-profit organization established in 1979 to address Idahoans' concerns about nuclear safety issues. In early 2007, the Alliance expanded the scope of its mission by launching its Clean Energy Program. The Alliance's energy initiative includes advocacy for renewable energy resources in Idaho; expanded conservation and demand-side management programs offered by Idaho utilities and the Bonneville Power Administration; and local, state, regional, and national policies and initiatives that promote sustainable and affordable energy policies. The Alliance is pursuing these programs on behalf of its members, many of whom are customers of Idaho's regulated utilities, who are interested in promoting clean and affordable energy initiatives.

The Alliance appreciates Idaho Power Company bringing this application to the Commission, and for reasons outlined below, the Alliance supports the Company's request and believes retirement of Green Tags associated with renewable energy projects for which it has contracted will benefit the Company, its shareholders, and most important its ratepayers.

**FUTURE RENEWABLES REGULATIONS**

Given the existing climate in Washington, D.C., and across the nation and particularly in the Western United States, the Alliance believes some form of renewable energy requirements will soon be placed on electric utilities. In its 2006 Integrated Resource Plan and more so in discussions under way in the 2009 IRP under development, Idaho Power seems to recognize the inevitability of some form of renewables portfolio standard (RPS), most likely at the federal

level, which will require utilities to integrate more renewables into their portfolios. Such requirements will almost certainly not include the large hydropower resources that make up more than 40 percent of the Company's existing portfolio, which means the Company must be in a position to claim non-hydro renewables for its future portfolios.

### **IDAHO POWER'S CURRENT RENEWABLES PORTFOLIO**

Idaho Power currently lacks the renewables portfolio to meet the anticipated goals that would be set forth in a federal RPS. While the Company is receiving power from the Elkhorn wind project in Oregon and the Idaho Raft River geothermal project (as well as the Fossil Gulch wind project), the Alliance believes the Company recognizes the need to aggressively seek additional renewable resources. While the Company has more than 300MW of wind (mostly PURPA) under contract, we are not convinced all of those projects will materialize. As such, we believe the Company will by necessity seek additional wind, geothermal, solar, small hydro, or other qualifying renewable projects as it seeks to meet its eventual obligations for renewables.

We believe the Company, its shareholders and its customers will benefit from such planning. Furthermore, we believe Idaho Power ratepayers demand increased amounts of renewables in their energy mix. Developing these resources, or acquiring them, will help Idaho Power reduce its risk in the face of future regulations.

### **RETIRING THE TAGS IS THE BEST OPTION**

Idaho Power could choose to sell the Green Tags flowing from future renewable projects, and while that option would deliver short-term benefits to ratepayers (as has the sale of surplus SO<sub>2</sub> allowances), the benefit is transitory. The decision to retire the tags – and book the renewable energy attributes attached to them – is the prudent decision. Without the tags, the Company cannot claim the green attributes for what we expect will be an increasing amount of renewable energy in Idaho Power's portfolio. We believe – and Idaho Power's customers expect – that the Company should receive credit for the renewable energy it generates or purchases and provides to its customers. The Alliance agrees with the Company and Staff that, "By 'retiring' the Green Tags, Idaho Power can clearly communicate the Company's renewable portfolio to customers, meet customer expectations for increased use of renewable energy, and align with State interests in promoting renewable energy."

### **CONCLUSION**

The Alliance agrees with Idaho Power that retention and retirement of existing and future Green Tags associated with its renewable portfolio is prudent economic and environmental policy, and we encourage the Commission to approve this application.