

## **DECISION MEMORANDUM**

**TO:           COMMISSIONER REDFORD  
              COMMISSIONER SMITH  
              COMMISSIONER KEMPTON  
              COMMISSION SECRETARY  
              COMMISSION STAFF**

**FROM:       KRISTINE SASSER  
              DEPUTY ATTORNEY GENERAL**

**DATE:       DECEMBER 2, 2008**

**SUBJECT:   IDAHO POWER’S APPLICATION FOR AN ORDER AUTHORIZING  
              THE RETIREMENT OF ITS GREEN TAGS, CASE NO. IPC-E-08-24**

On November 14, 2008, Idaho Power Company filed an Application with the Commission seeking authority “to retire” the Green Tags it has obtained or will obtain in the future. By acquiring, retaining, and retiring the Green Tags, Idaho Power can comply with certification standards while clearly communicating the Company’s renewable portfolio<sup>1</sup> to customers, meet customer expectations for increased use of renewable energy, and align with Idaho’s interests in promoting renewable energy. The Company requests that the Application be processed by Modified Procedure.

### **THE APPLICATION**

Idaho Power’s Application describes Green Tags as tradable environmental commodities that create value for the environmental and social benefits of the non-energy attributes of renewable energy generation. Essentially, the entity that possesses a Green Tag holds the legal right to make claims about the environmental benefits associated with renewable energy. A Green Tag is produced for each MWh of electricity generated by an eligible renewable energy resource. An active market exists for the purchase and sale of Green Tags.

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 Green Tags in 2007 and 2008. However, by selling the Green Tags from these facilities, Idaho Power loses the right to claim any environmental attributes gained

---

<sup>1</sup> “Renewable portfolio” generally refers to the portion of the Company’s electricity produced by renewable resources such as wind, solar, biomass, and geothermal energies.

from these renewable energy resources. The person/entity buying the Green Tag retains the sole claim to have purchased “renewable” energy. In contrast, 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.

Idaho Power contends that the acquisition and retention of Green Tags is necessary to accurately represent the renewable energy component of Idaho Power’s resource portfolio. Acquiring and retaining Green Tags assures Idaho Power’s customers that it acquires or generates energy from renewable resources. The Company recognizes that the State of Idaho has no requirement that electric utilities possess Green Tags. But because Idaho Power’s portfolio includes both renewable resources and purchases from renewable energy resources, retaining Green Tags would allow the Company to satisfy future federal or state laws imposing renewable energy standards.

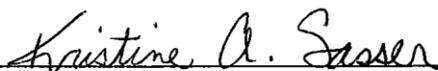
Idaho Power’s Application states that the Company remains committed to developing a diverse generation portfolio to better provide reliable, responsible, and affordable energy for future generations.

#### **STAFF RECOMMENDATION**

Staff has reviewed the Application and recommends that the case proceed by Modified Procedure. Furthermore, Staff recommends that a 28-day comment period be established.

#### **COMMISSION DECISION**

1. Does the Commission find that the public interest may not require a hearing to consider the issues presented, and that this proceeding may be processed under Modified Procedure?
2. Does the Commission wish to establish a 28 day comment period?

  
\_\_\_\_\_  
Kristine A. Sasser  
Deputy Attorney General

M:IPC-E-08-24\_ks