

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER</b>	)	
<b>COMPANY'S PETITION FOR AN</b>	)	<b>CASE NOS. IPC-E-11-21</b>
<b>ACCOUNTING ORDER TO ESTABLISH</b>	)	
<b>RATEMAKING TREATMENT OF</b>	)	
<b>QUALIFYING REPORTING ENTITY</b>	)	<b>ORDER NO. 32418</b>
<b>CONTRACTS</b>	)	

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On October 31, 2011, Idaho Power Company filed a Petition requesting a Commission Order authorizing the Company to continue to provide, with modifications, qualified reporting entity (QRE) services as approved by the Commission in Order No. 30941 issued November 5, 2009. QRE services are reporting and accounting services for renewable energy credits (RECs) through an independent inventory tracking system called the Western Renewable Electricity Generation Information System (WREGIS). The tracking system is designed to ensure that (1) only one REC is created for each megawatt-hour generated from a qualifying renewable energy project, (2) each individual REC is only used for one purpose, and (3) both the generation units creating RECs and users of the RECs communicate specific REC requirements. The WREGIS system does not track the financial value of the RECs but instead tracks the creation and disposition of the individual REC certificates.

The tracking system was established at the Western Electricity Coordinating Council (WECC) at the request of state and industry stakeholders. The WREGIS process requires that a party, independent from the owner of the renewable generation unit, supply WREGIS with the actual monthly megawatt-hour that a renewable generation unit has delivered. Idaho Power has been approved as a QRE by the WREGIS administrator.

Idaho Power's status as a QRE results from a case resolved by the Oregon Public Utilities Commission in 2009. The Oregon Commission approved a memorandum of understanding between its staff and several utility companies in which the utilities agreed to voluntarily provide QRE services for approximately two years so long as the cost to provide the services was fully compensated by the party requesting the QRE service. Following resolution of the Oregon case, Idaho Power filed a request with this Commission requesting approval of accounting and ratemaking treatment of expenses and revenues associated with providing QRE services as set forth in the agreement approved by the Oregon Commission. On November 5,

2009, the Commission issued an accounting Order approving the Company's proposed accounting and ratemaking processes through the two-year review period established in Oregon. The Commission also directed the Company to file an analytical report on the QRE services to facilitate review of the proper ratemaking treatment for those services. The Company's analytical report is attached to the Petition in this case.

Idaho Power in its Petition requests the Commission authorize the Company to continue for an indefinite period of time the accounting and ratemaking treatment for its QRE services. The Petition states that as of September 30, 2011, Idaho Power has 26 client contracts, 25 for generator plants in Idaho and one for a generator plant in Oregon. The Company requests approval to continue the processes for QRE services indefinitely with the following conditions: (a) Idaho Power will notify the Commission and all entities using QRE services of its intent to discontinue providing voluntary QRE service 90 days in advance of the proposed discontinuance; and (b) Idaho Power will provide data regarding QRE service, subject to protection of confidential information, if requested by the Commission. These conditions have been approved by the Oregon Commission.

On November 18, 2011, the Commission issued a Notice of Filing and Notice of Modified Procedure, establishing a period through December 9, 2011, for interested parties to file written comments on Idaho Power's Application. Written comments were filed only by the Commission Staff.

On March 15, 2011, interested parties met as part of the case before the Oregon Commission to review the success of the voluntary program. Costs to provide the reporting services were near what was anticipated and the reporting entities stated the services did not add significantly to their workload at current usage. The Parties agreed the provision of QRE services on a voluntary basis was successful during the last two years, and agreed to continue the status quo and close the Oregon docket with the two conditions identified above. In its comments, Staff stated that the accounting and ratemaking process has worked as anticipated. Actual costs are recorded to work orders. The average work order costs are used to establish the fees charged clients. Once the program was established, the average cost declined and rates charged were reduced. Idaho Power reviews the average cost each January and updates the fees the following March. The fees charged covered the actual costs incurred during the two-year review period so rates were not affected by the program.

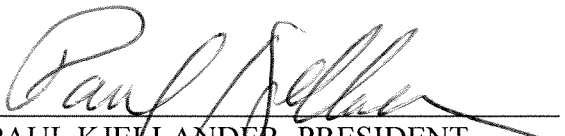
On the record in this case, the Commission finds that the QRE processes are reasonable and should be continued. Accordingly, the Commission issues this Accounting Order approving Idaho Power's request to authorize the Company to continue the accounting and ratemaking treatment for QRE services for an indefinite period, with the following conditions: (a) Idaho Power will notify the Commission and all entities using QRE services of its intent to discontinue providing voluntary QRE service at least 90 days in advance of the proposed discontinuance; and (b) Idaho Power will provide data regarding QRE service, subject to protection of confidential information, if requested by the Commission.

### **ORDER**

IT IS HEREBY ORDERED that Idaho Power Company's Petition for an Accounting Order authorizing the Company to continue the accounting and ratemaking treatment for QRE services for an indefinite period, is approved with the following conditions: (a) Idaho Power will notify the Commission and all entities using QRE services of its intent to discontinue providing voluntary QRE service at least 90 days in advance of the proposed discontinuance; and (b) Idaho Power will provide data regarding QRE service, subject to protection of confidential information, if requested by the Commission.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20<sup>th</sup>  
day of December 2011.

  
PAUL KJELLANDER, PRESIDENT

  
MACK A. REDFORD, COMMISSIONER

  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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