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Case IPC-E-13-15. Application for 2013 Integrated Resource Plan

The 2013 Integrated Resource Plan (IRP) submitted by Idaho Power Company contains an impressive amount of information and analysis. The League of Women Voters of Idaho (LWVID) was not part of the IRP Advisory Council, nor does it have the capability to assess the data analyses and technical information presented in the IRP. Undoubtedly it is defensible and sound.

The underlying assumptions and drivers of the analyses are targets of the LWV-ID comments. The preferred portfolio presented in the IRP contains a commitment to coal-fired generation of electricity that the League believes to be the wrong choice for long-term economics, public health and environmental impacts. The business as usual approach is not prudent in the rapidly changing context of energy resources, policies and environmental concerns.

The long-term costs of the preferred portfolio cannot be projected based on the past. A statement in the IRP sums it up (IRP p. 63).

All resource alternatives have potential environmental and other social costs that extend beyond just the capital and operating costs included in the cost of electricity. Fossil-fuel based generating resources are particularly sensitive to certain environmental and social costs. It is likely that additional emissions regulations will be implemented during the period covered in the 2013 IRP. In the levelized resource cost analysis, Idaho Power incorporated an estimate for the future cost of CO₂ emissions in the overall cost of the various fossil fuel-based resources beginning in 2018.

Due to possible regulatory changes, a coal plant may become one of the most expensive ways to generate electricity in the near future. There is a statement in the IRP where the company admits to uncertainty in policy and regulation (IRP p. 19)

The utility industry will continue to respond to, and be shaped by, changes in state and federal regulations, especially the changes affecting coal-fired generating facilities, the permitting of transmission facilities, PURPA regulations and implementation, and renewable energy incentives (production tax credits, cash grants, bonus depreciation, etc.). As noted previously, local activities related to climate change and energy policy may create sufficient interest to introduce climate change or comprehensive energy policy legislation that would affect the utility industry. Absent comprehensive federal energy legislation, a utility's resource portfolios will continue to evolve in response to its obligation to serve, market conditions, perceived risks, and regulatory policy changes.

The LWVID believes that Idaho Power Company should choose an energy future and portfolio that will benefit its investors, customers and the environment before it is required to do so by state or federal regulation.

In the IRP there is a discussion of Idaho Power Company's ranking as a CO₂ emitter compared to the 100 largest utilities in terms of CO₂ emitted. The preferred alternative may do less harm than two-thirds of the 100 largest utilities in terms of the amount of CO₂ emitted (IRP p. 7), but Idaho Power Co. is in a good position to be among the lowest carbon emitters in that group. If it realizes its preferred portfolio, it may lose its relatively high ranking as many of the other 99 utilities divest themselves of coal-fired plants in favor of less polluting fuels.

Not all LWV-ID members live in the Idaho Power Company service territory, but as a group, the LWV-ID has developed a position on energy that applies to it and all other utilities in the state. It is the vision of the LWVID that our energy comes from clean and renewable sources and that the cost of power should include the impacts to public health and the environment as well as fuel costs, fixed costs and the other

tangible elements of energy production. The position recognizes demand side management and emergency efficiency as viable sources of energy capture. We realize the utility is responsible to its investors, which include a number of this group's members. As a responsible business, it should do no harm.

The IRP process is an opportunity to create a vision and to set the stage for implementing that vision. The energy business and the environment in which it operates are likely to be very different in 20 years. Idaho Power Co. should have sought the services of a futurist to help imagine what the business and policy climates, to say nothing of the atmospheric climate, will be like in 20 years. The preferred portfolio is based on the past.

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