

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY’S APPLICATION TO MODIFY)	CASE NO. IPC-E-16-13
OPTIONAL SCHEDULE 62, GREEN)	
ENERGY PURCHASE PROGRAM RIDER)	ORDER NO. 33570
)	

On June 22, 2016, Idaho Power Company filed an Application with the Commission to modify its Schedule 62, the Green Energy Purchase Program. The proposed modifications do not change customer rates associated with the ongoing funding of the program, but change the program’s pricing structure, renewable energy credits (REC) sourcing and certification, and the treatment of certain program expenses. The Commission issued a Notice of Application and Modified Procedure setting deadlines for comments and the Company’s reply. Order No. 33553. Staff timely filed the only written comments, and Idaho Power did not file a reply. The Commission now approves the Company’s Application.

BACKGROUND

The Commission approved Idaho Power’s Schedule 62 Green Power Program in February 2001, as an optional program to allow “customers and non-customer participants . . . to participate in the purchase of new environmentally friendly green energy.” Order No. 28655; Application at 2 (footnotes omitted). Participants’ contributions to the program go towards the purchase of Green-e certified renewable energy credits (RECs). Application at 2. “A REC is created when a megawatt-hour (MWh) of renewable energy is produced and delivered to the grid.” *Id.* It is “a tradable, non-tangible commodity that represents the environmental attributes associated with one MWh of electricity generated from a renewable energy resource and can be sold separately from the electricity commodity.” *Id.* According to the Application, “Green-e Energy is the nation’s leading independent certification and verification program for renewable energy.” *Id.*

THE APPLICATION

Idaho Power’s proposed modifications are in response to customer input, received during meetings with the Company from February 2014 to early 2016. *Id.* at 3. The Company states that the proposed changes are intended to “satisfy changes in customer preference . . .

[and] align the Green Power Program with the best practices of other green programs in the industry.” *Id.*

The proposed modifications include: (1) existing Dollar Contribution Method would be replaced with both a block option and a 100 percent of usage option; (2) the Bonneville Environmental Foundation (BEF), which facilitates the purchase of green energy for the Program, would give preference to RECs from sources located closest to or within Idaho Power’s service territory, when possible; (3) Idaho Power would seek Green-e certification of the RECs purchased through BEF; (4) up to 15 percent of the total Program funds would be used for program marketing expenses, to allow the Company to reach more customers. *Id.* at 2-5.

STAFF COMMENTS

Staff recommended approving the Company’s Application. As to pricing structure, Staff agreed with Idaho Power that it currently does not meet Green-e certification standards, and that the Company’s proposed participation options would allow the program to be Green-e certified. The Company’s two proposed participation options would allow participants to: (1) purchase 100 kWh blocks of “green” energy for \$1.00 per block; or (2) purchase renewable energy equal to their monthly usage each month at a price premium of 1.0 cent per billed kWh. Comments at 3; Pengilly Direct at 9. Staff believes the new rate of 1.0 cent/kWh is fair and reasonable. Comments at 3. Also, Staff believes that the Company’s proposed pricing structure will not adversely impact participants. *Id.*

As to REC sourcing and certification, Staff supported the Company’s proposal to continue to purchase RECs from projects in the Northwest and to direct BEF to give preference to RECs from sources located closest to or within Idaho Power’s service territory. *Id.* at 3; Application at 4. Staff also agreed with the Company’s proposal to obtain Green-e certification of RECs purchased through BEF. *Id.*; Application at 5. Concerning marketing expenses, Staff believes the Company’s proposal to use 15 percent of program funds for marketing is acceptable, but suggested that the figure be reviewed every other year. Comments at 4.

DISCUSSION AND FINDINGS

The Commission has reviewed the Application and record in this case, including the testimony of Peter Pengilly and the attached exhibit, and Staff’s comments. We find that the Company’s proposed pricing structure, providing “block” and “100% usage” options, is reasonable, and allows the program to be Green-e certified. We also find that the 1.0 cent/kWh

rate under the 100 percent of usage option is fair and reasonable, given the added program benefits in the Schedule 62 modifications. We find these modifications have no adverse impact to participants, and thus approve the proposed pricing structure.

In addition, we find it appropriate for the Company to continue to purchase RECs from projects in the Northwest and to direct BEF to give preference to RECs from sources located closest to or within Idaho Power's service territory. We also approve the Company's proposal to obtain Green-e certification of RECs purchased through BEF.

Finally, concerning marketing expenses, we find it reasonable at this time for the Company to use 15 percent of program funds for marketing. However, we find it appropriate to review this figure, and other aspects of its Green Energy Purchase Program, every other year. Accordingly, we direct the Company to submit a biennial Green Energy Prudency Report, which should include the following:

- Customer count under each participation option, by schedule
- Monthly RECs purchased
- Monthly revenue and expenses for Schedule 62
- Updated costs associated with re-certifying the RECs prior to retirement
- Summary of marketing activities and expenses
- Solar 4R Schools expenses
- Percentage of RECs purchased within Idaho Power's service territory
- Monthly funds transferred to the Power Cost Adjustment (PCA) from Idaho Power-owned REC purchases

With this reporting requirement, we approve the Company's Application.

ORDER

IT IS HEREBY ORDERED that Idaho Power's Application to modify the Green Energy Purchase Program Rider is granted. The Revised Schedule 62 filed with the Commission on June 22, 2016, is approved, effective upon issuance of this Order.

IT IS FURTHER ORDERED that the Company submit biennial Green Energy Prudency Reports as described herein.

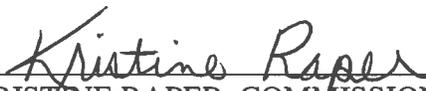
THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7)

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 29th day of August 2016.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane Holt
Assistant Commission Secretary

O:IPC-E-16-13_djh2