



Report to the Idaho State Legislature December 2009

**Idaho Office of Energy Resources
Idaho Public Utilities Commission**

December 11, 2009

Senators and Representatives,

The 2007 Idaho Energy Plan, written in compliance with House Concurrent Resolution 62, directs that the “Energy Division (now the Office of Energy Resources) and the Public Utilities Commission should report to the Legislature every two years on the progress of Idaho state agencies, energy providers and energy consumers implementing the recommendations in this Energy Plan.” (*Action Item I-3, page 65, 2007 Idaho Energy Plan.*)

The Office of Energy Resources and the Public Utilities Commission, acting jointly, hereby submit the 2009 report. We consider this biennial filing to be a critical component to helping achieve the state’s goal of ensuring a reliable, low-cost energy supply, protecting the environment and promoting economic growth. Filing this report every two years, as the Energy Plan requires, will help us evaluate our progress and set future goals.

You will find that we firmly believe the State is making progress in meeting many of the plan’s objectives. We also do not hesitate to point out those areas where some of the plan’s recommendations are best met with other approaches and methodologies.

As stated in Energy Plan’s introductory letter from the Interim Committee on Energy, Environment and Technology, “Idaho’s existing energy resource base has resulted in some of the lowest electricity and natural gas prices in the country, providing enormous benefit to customers.” To maintain that benefit and yet meet the significant challenges of the future to provide energy supply at reasonable rates, the Office of Energy Resources and the PUC concurs with the Committee’s statement that we need a “pragmatic, common-sense approach.” We believe that the actions taken thus far, and those planned, will prepare us well for the future.

Sincerely,

Paul Kjellander
Director, Idaho Office of Energy Resources

Jim Kempton
President, Idaho Public Utilities Commission

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ELECTRICITY

Actions

Conservation, Energy Efficiency and Demand Response

E-1 – All Idaho utilities should fully incorporate cost-effective conservation, energy efficiency and demand response as the priority resources in their integrated resource planning (IRP).

Legislative Guidance

The Committee intends that Idaho utilities should make cost-effective conservation, energy efficiency and demand response the highest priority resources in their IRPs. The Committee recommends the “Total Resource Cost” perspective as the appropriate test of the cost-effectiveness of conservation measures, and provides the following definition of cost-effectiveness as guidance: “Cost-effectiveness of a conservation measure means that the lifecycle energy, capacity, transmission, distribution, water and other quantifiable savings accruing to Idaho citizens and businesses exceed the direct costs of the measure to the utility and participant.”

The Idaho Public Utilities Commission (PUC) requires that regulated utilities file an Integrated Resource Plan (IRP) every two years. Respective IRPs detail utilities’ plans for meeting customer demand over 10 years.¹ In IRPs, demand-side resources are compared directly to supply-side resources, including renewable resources. To the extent IRP forecast analyses are valid, a utility has incentive to pursue those resources that reduce cost and risk or else face the risk of the Commission denying cost recovery on capital investment and operational cost.

The Commission recognizes cost-effectiveness from the Total Resource Cost (TRC) perspective as an important criterion for assessing the appropriateness of utility demand-side management (DSM).

Two other cost-effectiveness perspectives are also important: 1) the utility cost (UCT) perspective and 2) the participant cost perspective. In Order No. 28894, the PUC ordered Idaho Power to use all three of the above tests in assessing the cost-effectiveness of its

¹ Idaho Power’s 2008 IRP update can be found on the Commission Website at www.puc.idaho.gov. Click on the electric icon, then on “Closed Electric Cases,” and scroll down to IPC-E-06-24. Click on “2008 IPR Update.pdf.” The update is also available at this link:
<http://www.puc2.idaho.gov/intranet/cases/elec/IPC/IPCE0624/200806202008%20IRP%20UPDATE.PDF>

To access the Commission’s order granting Idaho Power an extension to file its 2009 IRP to Dec. 31, 2009, go to “Closed Electric Cases,” and scroll down to Case No. IPC-E-09-13. For press release re: Avista’s latest IRP (AVU-E-07-8, Order No. 30464), see Appendix A. For press release re: PacifiCorp’s latest IRP (PAC-E-09-06), see Appendix B.
For the press release on PacifiCorp’s latest IRP (PAC-E-09-06), see Appendix B.)

DSM programs. Avista Utilities' and Rocky Mountain Power's assessment of their DSM programs consistently include cost-effectiveness evaluations using all three of these tests.

The TRC cost-effectiveness test ensures that the sum of the incremental cost of the energy efficiency improvement plus the program administrative costs is less than the sum of quantifiable benefits. Under the TRC test, quantifiable benefits include avoided costs of electricity, natural gas, other fuels, water, sewer, detergent, labor, etc. The TRC treats incentives paid by the utility to entice customer participation as a transfer payment, rather than as a cost. Thus, use of the TRC as the only cost-effectiveness test invites utilities to pay higher incentives than necessary because TRC cost-effectiveness can only increase, never decrease, with higher incentive payments. Paying customers higher than necessary incentives is contrary to Order No. 22299, the 1989 order that is the genesis of utility IRPs. In addition, the PUC cannot ignore the fact that the TRC's inclusion of the non-utility savings in cost-effectiveness increases the discrepancy between who pays the DSM costs and who benefits from the programs.

Measuring cost-effectiveness from the UCT perspective is important for ensuring that the utility's overall, long-term costs are reduced by DSM programs. The UCT counts incentive payments by the utility to entice customer participation as a program cost. Thus, the use of this test encourages utilities to limit incentive payments to only the amount necessary to motivate the optimal amount of customer participation, thereby maximizing net benefit for its customer base.

Cost-effectiveness from the *participant perspective* ensures that customers who are willing and able to participate in a DSM program will, on average, not be economically harmed by their participation. Use of the participant test helps ensure credibility of utility DSM programs and, thus, long-term acceptance by utility customers.

For further explanation of the importance of assessing cost-effectiveness from multiple perspectives, and for more detailed information on each of the above and other cost-effectiveness tests, see the National Action Plan for Energy Efficiency's (NAPEE) *Understanding Cost-Effectiveness of Energy Efficiency Programs: Best Practices, Technical Methods and Emerging Issues for Policy Makers*, November 2008, available online at <http://www.epa.gov/cleanenergy/documents/cost-effectiveness.pdf>

E-2 – The Idaho PUC should establish annual targets for conservation achievement based on estimates of cost-effective conservation in the service territories of Idaho's investor-owned utilities.

From a statutory standpoint, the Idaho Public Utilities Commission has a regulatory role, but it does not manage investor-owned utilities; nor does the Commission currently have the resources to assume such responsibilities.

While it is possible for the PUC to annually establish specific targets for conservation achievement, doing so would require new or reassigned resources at the PUC and at each

of the utilities. The effort would require extensive formal process involving defining of public purpose for each target; estimation of benefits, or lack thereof; tracking target compliance, and reviewing appeals for reconsideration where penalties are assessed for failure to achieve specific targets.

Because of the complexity of the issues above, and because achievable cost-effective conservation comes as a mix of customer participation and utility Demand-Side Management (DSM) programs, the Commission has not established specific conservation targets. *The Commission has instead directed utilities to pursue all available cost-effective DSM and conservation.* For example, in regard to the Commission's approval of Idaho Power's Evander Andrews peaking power plant, the Commission directed the Company to “... *diligently and vigorously pursue all available cost-effective DSM, conservation and pricing options that could potentially displace or defer the need for additional future peaking generation*”. (Order No. 30201).

The compelling reason for directing utilities to *pursue all available cost-effective DSM and conservation* is that establishing pre-set targets implies knowledge of cost-effectiveness parameters years in advance of the time actual data is collected to verify front-end decisions. In reality, most cost-effectiveness parameters are continually changing. It is impossible to accurately foresee future supply-side costs and restraints; future development of hardware and software efficiencies including their prices and useful lives; the delivery complexity of future programs and the evaluation costs. It is also difficult to estimate future program participation levels because participation is dependent on an evolving myriad of economic, social and governmental priorities, such as tax incentives, building codes and appliance standards.” The “prudence” standard in a front-end decision to *acquire* cost-effective DSM and conservation is discussed under the E-1 action item in the form of the TRC test, UTC test and participant cost perspective.

It is important to note that regional efforts are under way to assess the role that conservation measures can have on regional energy needs. The Office of Energy Resources participated in the Northwest Power and Conservation Council's Regional Technical Forum and Conservation Resource Advisory Committee during the development of the draft Sixth Northwest Power Plan. Energy conservation is a significant portion of the Council's plan to supply energy for the Northwest into the future.

When the Sixth Northwest Power Plan is completed, it can be viewed at <http://www.nwccouncil.org/>. This reference to the Sixth Northwest Power Plan is not intended as endorsement of the end product, but merely seeks to provide additional references to assist policy makers in their effort to understand regional perspectives associated with energy efficiency and conservation.

E-3 – The Idaho PUC should establish and periodically update an avoided cost benchmark for each utility to be used in evaluating the cost-effectiveness of

conservation and renewable resource investments and in calculating payments to qualifying facilities under the federal Public Utility Regulatory Policy Act (PURPA).

Because *avoided cost* is defined as the cost of the next unit of power a utility would acquire if there were a need for additional generation, it is often argued that avoided cost used to value a qualifying small-power PURPA project should also be used to evaluate cost-effectiveness of proposed conservation projects or renewable resource options. Under this proposition, it is logical to suggest that an “avoided cost benchmark” for each utility could be established and updated periodically. In actual practice, the benchmark concept is oversimplified.

To accommodate small (10MW or less) PURPA projects in Idaho, the Commission has established a *published avoided-cost rate* based on a surrogate avoided resource (SAR) that is currently defined as a combined-cycle combustion gas turbine. This oversimplified methodology works relatively well for small base load-type resources. It does not work well for variable renewable energy resources because of the difference in SAR operating characteristics. Instead, the utility uses its Integrated Resource Plan process with actual planned resources and forecasted market prices to establish an avoided cost *for each* proposed renewable project. The IRP and its various parameters are published and periodically updated. The avoided cost associated with this methodology more accurately reflects the generation costs that a utility expects to avoid by acquiring any other resource regardless of operating characteristics. It also forms the basis of the cost-efficient resource acquisition calculations conducted to meet the standards of E-1.

Published PURPA avoided- cost rates for small qualifying facilities were most recently updated in March 2009 in response to a joint petition from the investor-owned utilities and other parties to 1) update the non-fuel cost components of the SAR and 2) reflect the new natural gas price forecast from the Northwest Power and Conservation Council.² Utility IRPs used to determine actual planned generation costs avoided by proposed renewable resources are updated every two years.

The PUC is continuously evaluating both the processes used by utilities to deliver demand-side programs and the assumptions and measurements used to determine cost-effectiveness. The Commission is currently working with utilities to establish procedures to annually report demand-side process improvement and to periodically update program impact evaluation, measurement and verification (EMV) practices.

E-4 – The Idaho PUC should establish appropriate shareholder incentives for investor-owned utilities that achieve the conservation targets established by the PUC. Shareholder incentives may include, but are not limited to:

- i. Recovery of revenues lost due to reduced sales resulting from conservation investments;*
- ii. Capitalization of conservation expenditures;*

² Case No. GNR-E-08-02, Order No. 30744. For press release, see Appendix C.

- iii. A share of the net societal benefits attributable to the utility's energy efficiency programs;*
- iv. An increase in the utility's return on equity for each year in which savings targets are met; or*
- v. "Decoupling" of utility revenues from sales.*

The PUC has not established "conservation targets" as explained under E-2 except to "achieve all available DSM, conservation and energy efficiency."

However, in March 2007, the Commission adopted one of the first electric decoupling mechanisms in the nation designed to remove financial disincentives for Idaho Power Company to implement energy efficiency programs. (Case No. IPC-E-04-15, Order No. 30267) The Fixed Cost Adjustment (FCA) is a mechanism that separates utility sales from revenues by allowing Idaho Power to recover its fixed costs of providing power, as established in the most recent rate case, regardless of reduced sales due to energy efficiency and demand side management programs. In exchange for allowing Idaho Power this recovery, the utility committed to aggressively and cost-effectively pursue energy efficiency and demand side management programs. Idaho and the PUC are soon to be in the final year of a three-year pilot and Idaho Power has applied to have the FCA made permanent.³

Also, each of the three major investor-owned utilities has energy efficiency riders in place that allow them to recover costs of demand-side management, conservation and energy efficiency programs. The Commission has been willing to grant utility requests to significantly increase these riders over recent years to encourage conservation, energy efficiency and DSM.

On June 1, 2009, the Commission increased the Idaho Power rider from 2.5 percent to 4.75 percent. According to Idaho Power's application, energy efficiency programs in 2008 resulted in 107,484 megawatt-hours of energy savings, a 72 percent increase over the 2007 total of 62,544 MWh. DSM programs that reduce demand on Idaho Power's system provided 58 megawatts of demand reduction in 2008 compared to 48 MW in 2007.⁴

The commission recently completed a review of Avista's DSM and energy efficiency programs in conjunction with its earlier approval of an increase in the rider from 2.24 percent to 3.27 percent. Avista's DSM and efficiency efforts are based on providing financial incentives or rebates for customer participation in more than 30 programs. Avista continues to exceed targets in electric and gas savings as the result of these programs for its Washington and Idaho customers. More than 110 average megawatts of demand-side management programs are now in place on the company's total retail average load (during 2008) of 1,100 average megawatts.⁵

³ Order approving FCA in Case No. IPC-E-04-15, Order No. 30267. For press release, see Appendix D. Press release re: Idaho Power application to make FCA permanent, Case No. IPC-E-09-28, see Appendix E

⁴ Most recent Idaho Power energy efficiency rider increase, IPC-E-09-05, Order No. 30814. For press release, see Appendix F.

⁵ Case No. AVU-E-09-06. For Order 30918, see Appendix G.

In May 2008, the Commission authorized an increase in PacifiCorp's (Rocky Mountain Power) rider from 1.5 percent to 3.72 percent. By implementing programs funded by the rider, the company estimates it will save 13,140 megawatt-hours per year. At the former 1.5 percent, the rider funded programs that saved about 8,000 MWh during 2007.⁶

The independent American Council for an Energy-Efficient Economy (www.aceee.org) ranks Idaho 13th among the 50 states and the District of Columbia in its 2008 State Energy Efficiency Scorecard. More noteworthy, is the report's declaration that Idaho is the "most improved" state, having moved up 12 spots from the 2007 scorecard. The link to that report is as follows:

http://aceee.org/pubs/e086_es.pdf

While the PUC does not establish explicit shareholder incentives, the aggressiveness of the utility is a factor in setting Return On Equity (ROE) in rate cases. In Order No. 22299, the Commission said, *"Accordingly, we take this opportunity to notify our regulated electric utilities that in future rate cases we will take into account the utility's commitment to energy conservation in determining the allowed rate of return. A utility that aggressively addresses the issues and concerns found in this Order, all other things being equal, may expect the allowance of higher return than might otherwise be allowed."*

Also encouraging to shareholders is the fact that increased frequency of rate cases has decreased the potential for lost recovery of fixed costs due to demand-side achievements in between rate cases.

All three IOUs purchase power under contract from renewable resources. These costs are allocated to annual Power Cost Adjustment (PCA) accounts until the costs are placed in base rates following the next rate case. (A mechanism like a PCA, called the Energy Cost Adjustment Mechanism, has just been approved for PacifiCorp, Order No. 30904) For PURPA contracts, the utilities get 100 percent recovery of prudent expenses through the PCA until costs are fully included in base rates.

Additionally, the Idaho Office of Energy Resources (OER) initiated a series of workshops to develop an appropriate incentive mechanism to optimize cost-effective demand-side management activities for Idaho Power Company. The results of the workshops may be presented to the PUC for its consideration in regulatory proceedings.

The goal of the workshops is to explore and potentially develop an incentive mechanism for Idaho Power's investment in DSM activities that represents a reasonable and attainable incentive, and that balances and aligns utility, customer and societal interests. Parties identified from previous PUC cases were invited to participate in the workshops.

⁶ Case No. PAC-E-08-01, Order No. 30543. For press release, see Appendix H.

These workshops are also intended to advance commitments made by the State of Idaho in relationship to acceptance of funds provided by the American Reinvestment and Recovery Act. In a letter addressed to the United States Secretary of Energy, Idaho Governor C.L. “Butch” Otter signed assurances that the state would seek to implement a general policy that ensures that utility financial incentives are aligned with helping customers use energy more efficiently.⁷

E-5 – The Idaho PUC should support market transformation programs that provide cost effective energy savings to Idaho citizens.

The PUC continues to allow Idaho’s regulated utilities to fund and actively participate in the Northwest Energy Efficiency Alliance (NEEA), a regional market transformation entity. PUC staff actively monitors NEEA’s programs and decision-making processes in assessing the benefits to Idaho customers. All three IOUs have or are currently negotiating new 5-year contracts with NEEA to continue market transformation efforts. The PUC staff consistently supports NEEA’s efforts as cost-effective and prudent. However, the commission continues to evaluate NEEA’s cost-effectiveness calculation methods and its past method of allocating savings to utility service areas. In this regard, utilities are encouraged to compare the cost-effectiveness of NEEA programs to programs that could otherwise be provided by the utilities within their own service areas.

To further support regional market transformation programs, Gov. Otter exercised his authority to appoint a member to the NEEA board. Under provisions of the NEEA bylaws, Idaho and Montana “rotate” a seat on the NEEA board. Governor Otter’s recommendation to the NEEA Board was approved in October 2009.⁸

E-6 – The Idaho PUC and Idaho utilities should consider adopting rate designs that encourage more efficient use of energy.

The PUC continues to consider the affects of rate design on electricity consumption and peak-energy demand. The PUC recognizes that, ultimately, cost-based and time-varying rates will provide important price signals, but until customer meters are upgraded to accommodate such dynamic pricing, other rate designs (e.g. tiered rates, seasonal rates) have been implemented.

In conjunction with Idaho Power’s 2008 rate case, the Commission re-instituted tiered rates in early 2009 for Idaho Power customers. Customers pay the lower rate for use below 800 kWh. The next highest rate is for use between 801 and 2000 kWh. All use above 2000 kWh is priced at the highest level.⁹

⁷ Assurance letter dated March 19, 2009. See Appendix I.

⁸ Letter from NEEA acknowledging appointment dated October 21, 2009. See Appendix J.

⁹ IPC-E-08-10, Order No. 30722. For press release, see Appendix K.

Rocky Mountain Power in eastern Idaho has had Time of Use rates (TOU) for more than 20 years. The Commission continues to assess whether cost-based TOU rates effectively supplant the benefits of tiered rates.

To meet the challenge of increased efficiency in reducing load, the Commission has strongly encouraged utilities to implement automated metering infrastructure, often referred to as the “smart grid.”

In 2005, Idaho Power began installing automated meters on a pilot basis in the Emmett area. The Commission later ordered automated meters installed in three phases throughout Idaho Power’s service territory and, in the context of the most recent rate case, included expenses from the first phase in base rates.¹⁰ Installation is now under way and expected to be completed in 2011.

E-7 – Idaho’s municipal and cooperative utilities should annually report to the Energy Division their estimates of cost-effective conservation in their service territories, their plans for acquiring this resource, their conservation and energy efficiency expenditures, and their estimated savings in electrical energy (MWh) and peak capacity (kW) during the lifetime of the measures implemented.

OER and the PUC do not have any direct authority over Idaho’s municipal and cooperative utilities. Accordingly, any compliance with this action item is entirely up to the discretion of the cooperative and municipal utilities.

In an effort to acquire the information associated with this action item, the OER sent a formal request to the Idaho Consumer-Owned Utilities Association.¹¹ *This request resulted in a prompt response from Idaho’s municipal and cooperative utilities which provide power to more than 200,000 Idahoans. Historically, public power in Idaho has been on the forefront of energy conservation and efficiency programs. Each municipality and cooperative manages their individual resource plan, and energy efficiency and conservation are a part of that plan.*

Public power utilities in Idaho are customers of the Bonneville Power Administration (BPA) and participate in the development and deployment of BPA conservation efforts. Conservation and energy efficiency expenditures and corresponding energy savings are reported directly to BPA. Programs include but are not limited to: rebates for energy efficient appliances, residential weatherization, commercial lighting retrofits, duct sealing for manufactured homes, heat pump programs, CFL programs, irrigation sprinkler programs, and LED traffic signals.^{11a}

¹⁰ IPC-E-08-16, Order No. 30726. For press release, see Appendix L. For recent inclusion of AMI in rates, see Case No. IPC-E-09-07, Order No. 30829. For press release, see Appendix M

¹¹ Text of Letter to Idaho Consumer-Owned Utilities Association dated 10/27/2009. See Appendix N.

^{11a/} Estimated savings in electrical energy by public power in Idaho for 2007 and 2008 can be found in Appendix ICOU.

E-8. Idaho should offer an income tax incentive for investments in energy efficient technologies by Idaho businesses and households.

OER has initiated several efforts to update Idaho's statutory language related to energy efficiency tax incentives. The most recent effort in the fall of 2009 resulted in targeted language to update the residential incentives for energy efficiency deployment.¹² This draft legislation was ultimately rejected due to fiscal realities that could have potentially impacted existing general fund revenue streams. From a pragmatic perspective, the current economic recession will continue to serve as a barrier to efforts of this nature. These legislative concepts will have to wait until the state fully recovers from its current economic slump.

OER continues to provide incentives in the form of low-interest loans for residential, commercial, industrial and agricultural customers. The program provides a 4 percent interest rate over a 5-year loan repayment plan and has been used to fund energy efficiency and renewable energy projects.¹³ This program has provided 2,538 loans totaling \$16,748,541.49.

The OER has also taken steps to advance investments in energy efficient technologies by Idaho businesses through its Industrial Energy Efficiency Programs. OER's Industries of the Future (IOF) programs provide US Department of Energy certified Energy Saving Assessments (ESAs) for industrial partners that investigate the operating characteristics of energy intensive processes and provide improvement recommendations that include estimates of energy and dollar savings. The energy intensive industrial processes addressed by ESAs include Steam Systems, Pumping Systems, Fan Systems, Compressed Air Systems, Process Heating Systems, and opportunities for Combined Heat and Power (CHP) applications.

In its industrial efficiency and training outreach efforts, OER is working with Boise State University and the University of Idaho's Tech Help program to explore expansion of Tech Help to become a DOE-certified Industrial Applications Center. Currently, the only DOE certified Energy Specialist in the state is an OER staff member, so expansion of the universities' Tech Help program to the status of an Industrial Applications Center will significantly broaden the availability of energy specialist expertise in Idaho to assist Idaho industries.

Funding through the American Reinvestment and Recovery Act (\$30 million) is also being targeted to provide assistance for low-income residential customers. This program is being directed by the Idaho Department of Health and Welfare. Details related to this incentive program can be found at <http://www.healthandwelfare.idaho.gov/>.

¹² Text of Draft legislation for residential energy efficiency updates. See Appendix O.

¹³ More information on OER's Low-interest Loan program information can be found at <http://www.energy.idaho.gov/financialassistance/lowinterestenergyloans.shtml>.

To further support investment in energy efficient technologies, the OER awarded \$5 million in American Recovery and Reinvestment Act funds to Micron Technology Inc. to advance a manufacturing program focused on producing light-emitting diode (LED) technology.¹⁴ This funding directly incented the establishment of an LED manufacturing operation in Idaho that will create jobs and ultimately improve access to this energy efficiency technology.

LED technology uses about one-seventh of the electricity of today's standard lighting sources. Applications include general commercial and residential illumination, municipal streetlights and outdoor area lighting; off-grid lighting powered by solar for remote locations; television and display backlighting as well as automotive lighting and instrument illumination.

E-9. Idaho should offer a sales and use tax exemption on the purchase of energy efficient technologies.

As was referenced in Section E-8, the current economic downturn and the potential impact incentives and exemptions can have on general fund revenue streams makes it difficult to pursue efforts of this nature. Economic realities represent an insurmountable hurdle to these types of legislative initiatives. As the economy improves, further consideration to this public policy consideration will be explored.

E-10. Idaho should adopt international building codes on a three-year cycle as a minimum for building energy efficiency standards and should provide technical and financial assistance to local jurisdictions for implementation and enforcement.

The concept of adopting International Energy Codes is fully supported by the State of Idaho. As part of the assurances required for the American Recovery and Reinvestment Act (ARRA) funds, Governor Otter committed to make progress toward adopting the 2009 International Energy Code.¹⁵ Additionally, the Governor strongly encouraged the PUC, OER and the Division of Building Safety to make progress in this area.¹⁶

Efforts to adopt building codes for energy efficiency building standards are under way. The Idaho Building Code Board met on June 10, 2009 and issued a Notice of Rulemaking for adoption of the 2009 International Building Code, including the International Energy Conservation Code. On August 12, 2009 the Board adopted the IECC without amendment effective January 1, 2011. The rulemaking has been submitted to the Administrative Rules Office.¹⁷

¹⁴ Text of Press Release dated 9/24/2009. See Appendix P.

¹⁵ Letter from Governor Otter to U.S. Department of Energy Dated March 19, 2009. See Appendix Q.

¹⁶ Letter from Governor Otter dated March 19, 2009. See Appendix R.

¹⁷ Text of Energy Code Rulemaking. See Appendix S.

The OER has also dedicated \$500,000 of ARRA funds to assist local units of government in their quest to implement new energy codes. Additionally, the Energy Codes Collaborative has been formed which includes representatives from the Association of Idaho Cities, the Idaho Association of Counties, the Idaho Division of Building Safety, the Office of Energy Resources, the Idaho Association of Building Officials, Northwest Energy Efficiency Alliance and various code-enforcing jurisdictions to further explore opportunities to implement new energy codes. The OER is working closely with the Collaborative to provide scholarships to building officials for energy code training in 2010, assisting development of Energy Code Ambassadors to assist with adoption and implementation, and to use the compliance tools in a proactive way to provide jurisdictions and builders with a self-assessment tool for code compliance. The support actions will continue through 2012 to follow up the IECC implementation date.

E-11. State Government will:

- i. Demonstrate leadership by promoting energy efficiency, energy efficient products, use of renewable energy and fostering emerging technologies by increasing energy efficiency in all facets of State government;*
- ii. Ensure that public facility procurement rules provide appropriate incentives to allow full implementation of cost-effective energy efficiency and small-scale generation at public facilities;*
- iii. Collaborate with utilities, regulators, legislators and other impacted stakeholders to advance energy efficiency in all sectors of Idaho's economy;*
- iv. Work to identify and address all barriers and disincentives to increased acquisition of energy conservation and efficiency; and*
- v. Educate government agencies, the private sector and the public about the benefits and means to implement energy efficiency.*

The Commission will work with the Legislature and with OER to promote and provide education regarding energy efficiency. In Case No. IPC-E-08-11, the Commission directed that \$500,000 in proceeds from the sales of Idaho Power Company emissions credits go toward energy efficiency education in Idaho Power's southern Idaho territory. Idaho Power is cooperating with the Office of Energy Resources to develop the program.¹⁸

As part of the 2008 Idaho Power rate case (IPC-E-08-10), the commission approved a request by the Community Action Partnership Association of Idaho (CAPAI) to require Idaho Power to provide \$25,000 annually to each of the state's five community-action regions for energy-efficiency education projects. In the most recent PacifiCorp rate case settlement (PAC-E-08-07), the parties to the settlement agreed that \$50,000 of demand-side management funds should be made available to community action agencies in eastern Idaho to provide conservation education to participants in the company's low-income weatherization program.

¹⁸ Case No. IPC-E-08-11, Order No. 30760. For press release, see Appendix T.

In our own office, the Commission continually looks for ways to encourage energy efficiency and reduce our carbon footprint. We have formalized a telecommuting policy for our employees and are exploring ways to conduct our hearings through teleconferencing or other methods to reduce staff and commission travel. The commission is also represented on the board of the Idaho Strategic Energy Alliance and its task forces.

The creation of the Idaho Strategic Energy Alliance (ISEA) serves as a key component in fulfilling this action item. Governor Otter created the Idaho Strategic Energy Alliance in 2008 as a mechanism to involve energy experts and stakeholders from across Idaho in developing our state's energy future.¹⁹

The ISEA (<http://www.energy.idaho.gov/idahostrategicenergyalliance>) is comprised of about a dozen volunteer task forces focusing on a range of energy options and energy efficiency opportunities. More than 140 experts representing energy and economic development from the private sector, academi, and government serve on these task forces. Their goal is to provide objective analyses and recommendations and build partnerships that will allow the government and private sector to enhance economic growth through sound energy development and use.

The ISEA has a wide variety of Task Forces within its structure that have been developing base-line reports related to multiple aspects of energy resource development. One of the first reports issued through ISEA examined energy efficiency. Through ISEA, the Energy Efficiency Task Force has prepared and released a significant report that identifies various options to promote more energy efficiency deployment.²⁰

In addition to the Alliance, the Executive branch has promoted the deployment of energy efficiency measures within state government in a variety of ways including retrofits of existing buildings, the installation of energy-saving devices on vending machines located in state buildings, and formal support of energy efficiency projects for public buildings.

Most notably, Governor Otter has taken a lead role in promoting the Idaho K-12 Energy Efficiency Project. This project commits more than \$17 million dollars of ARRA funding to perform energy efficiency upgrades in Idaho's public school buildings. In a promotional brochure prepared for this project, Governor Otter authored a message that demonstrates leadership and support for the deployment of energy efficiency in government buildings. Specifically, the Governor says, "A reduction in energy use in existing buildings will reduce market volatility in the purchase of energy, providing (school) districts greater security in planning both short and long-term energy budgets."²¹ Additionally, the Governor wrote letters to each of Idaho's 115 school districts encouraging them to participate in this program. All 115 school districts are participating in this venture.

¹⁹ Executive Order Creating the ISEA. See Appendix U.

²⁰ The Energy Efficiency Task Force report can be found at www.Energy.Idaho.Gov.

²¹ Text of Brochure promoting Idaho K-12 Energy Efficiency Project. See Appendix V.

The Legislative branch has also taken measures to advance energy efficiency deployment and renewable energy development. Since the establishment of the 2007 Idaho Energy Plan, several pieces of legislation have been approved that demonstrate leadership in the areas of energy efficiency and renewable energy development.²²

An example of legislation that addresses energy efficiency in public buildings is Senate Bill 113, passed by the 2009 Legislature and signed by the governor. It is codified as 33-356 I.C. and focuses on fundamental commissioning and integrated design of school buildings.²³ The goal of this measure is to ensure that the building is designed, constructed, certified and maintained in such a manner as to be as energy-efficient as existing technology (and budgets) allows. Subsequent to the passage of this bill, the Division of Building Safety has proposed rules (DOCKET NO. 07-0301-0903)²⁴ providing guidance to school districts with a desire to establish eligibility for the relief defined in 33-356 I.C. In order to be eligible, schools constructing new building facilities must utilize fundamental commissioning and integrated design in the construction process. The DBS rules define a mechanism whereby a district's eligibility may be verified, documented and made known to the Idaho Department of Education on an annual basis.

It is important to note that the OER also works closely with public schools and local units of government in efforts to provide assistance toward the deployment of energy efficiency measures. The OER provides assistance to schools and local governments that choose to enter into an Energy Performance Contract. Energy Performance Contracting enables public schools and governmental entities to use savings from improved energy efficiencies to pay for new equipment and improvements to existing buildings. The program does this in a budget-neutral financing method using the proceeds from the savings. A recent example of the OER's efforts assisted in the construction of the Van Buren Elementary School in Caldwell, one of the most energy efficient public school buildings in the state.²⁵

To further illustrate how the state is working to identify and address all barriers and disincentives to increased acquisition of energy conservation and efficiency, the OER has initiated a series of workshops to develop an appropriate incentive mechanism for Idaho Power Company to optimize cost-effective demand-side management activities. These workshops demonstrate a serious commitment to collaborate with utilities, regulators, legislators and other affected stakeholders for the purpose of advancing energy efficiency in all sectors of Idaho's economy.

The use of funds associated with the American Recovery and Reinvestment Act for Idaho-based energy efficiency projects further demonstrates progress in this area.²⁶ This

²² List of energy related legislation passed since creation of 2007 Idaho Energy Plan. See Appendix W

²³ Text of 33-356 I.C. See Appendix X.

²⁴ Text of Proposed Rules. See Appendix Y.

²⁵ Text of Martin Van Buren Elementary School Fact Sheet from Caldwell School District. See Appendix Z.

²⁶ View details of OER stimulus plan and its emphasis on energy efficiency at www.energy.Idaho.gov.

funding is primarily targeted to energy efficiency and renewable energy projects for schools and local units of government. Funding has also been earmarked to incent the purchase of energy star appliances throughout the state of Idaho.

E-12. Idaho should offer an income tax incentive for investment in customer-owned renewable generation and combined heat and power (CHP) facilities by Idaho businesses and households.

While the present economic environment is ill-suited for the passage of additional new incentives, efforts to promote existing incentives targeted at renewable energy development are being pursued. The Idaho Department of Commerce has developed marketing materials aimed at promoting renewable development in the state.²⁷ Additionally, the Idaho Department of Commerce has created a listing of existing incentives that could potentially benefit renewable energy development.²⁸

Despite the present economic downturn, the OER continues to make progress on efforts to encourage the development of combined heat and power facilities by Idaho businesses. A Memorandum of Understanding (MOU) has been entered into by OER, Idaho Power Company and the Amalgamated Sugar Company to explore the feasibility of a combined heat and power project at the Amalgamated Sugar Company's Nampa site.

The purpose of the MOU is to set forth understandings with respect to a contemplated opportunity, that if found feasible within the context of Idaho Power's Integrated Resource Planning process, a CHP facility may be built at the Nampa site.

The OER recognizes the potential benefits of this proposed project to improve Idaho's energy resources portfolio, increase source energy utilization efficiency and reduce environmental impacts. Moreover, the proposed CHP project to be examined conforms with the goals of OER's Combined Heat and Power program, which is to foster development of such projects.²⁹

The OER also provides incentives in the form of low-interest loans to assist business and residential customers who are interested in pursuing projects relevant to this action item. Details of this program can be found at www.energy.idaho.gov. The residential aspect of this program has shown increased interest in the installation of ground source heat pumps. Review of loan applications reveal that heat pumps are often a good choice for rural homes without access to natural gas and currently using propane and fuel oil. Electric forced-air furnaces are also good candidates for conversion. Additionally, water source heat pumps generally cost less than ground source heat pumps. Both heat pumps are much more expensive than other heat systems. Projects costing \$10,000 to \$20,000

²⁷ See promotional brochure at <http://www.commerce.idaho.gov/assets/content/docs/Final%20Copy%2009-2009.pdf>.

²⁸ View listing of existing incentives for renewable energy development at www.commerce.idaho.gov/business/incentives.aspx.

²⁹ Text of MOU dated Oct. 9, 2009, see Appendix AA.

are not unusual. However, both types of heat pumps are the most efficient heating system available with Coefficients of Performance (COP) of up to 4.4. Successful loan applications work best in medium to large homes where potential savings are greater.

E-13. Idaho should provide a credit backstop to enable the Idaho Energy Resources Authority to provide low-cost financing for customer-owned renewable generation and combined heat and power facilities.

Legislative action is perhaps the most reasonable solution to providing a credit backstop that would enable the Idaho Energy Resources Authority with the appropriate support required to meet this action item. Unfortunately, the present economic situation will likely impede any immediate progress in this area. The OER explored opportunities to utilize ARRA funding for this purpose. However, due to some federal restrictions and the limited amount of available funding, credit backstop options were abandoned. The OER will continue to consider other opportunities if they materialize.

E-14. Idaho utilities should offer voluntary “green pricing” programs that allow customers to support an environmentally preferred and renewable energy resource.

These programs, cited below, were in place before the Energy Plan was issued and remain in effect.

In February 2001, the Commission approved Idaho Power’s Green Energy Purchase Program (Case No. IPC-E-00-18). The program gives customers an option to participate in the purchase of renewable energy. Customers designate their level of participation by choosing a fixed dollar amount per month. The programs funds are used to buy green energy or cover the green energy price premium.

In early 2002, the Commission approved Avista Utilities’ Optional Renewable Power Rate (AVU-E-01-16, Order No. 28948). Under the “Buck-A-Block” program, customers can buy wind in blocks of 300 kWh for \$1 each. According to the Company’s 2008 update, 1,007 Idaho residential customers participate as do 41 commercial and industrial customers.

In August 2003, the Commission approved PacifiCorp’s “Blue Sky” program for its Rocky Mountain Power territory in eastern Idaho. (PAC-E-03-9, Order No. 29329). Customers can buy 100 kWh of renewable energy for \$1.95.

E-15. The Idaho PUC should establish appropriate shareholder incentives for investments in Idaho renewable resources by investor-owned utilities. Shareholder incentives may include, but are not limited to:

- i. *Increased return on investments in renewable resources located in Idaho;*
- ii. *A share of net societal benefits attributable to a renewable energy purchase.*

Neither the Commission nor utilities have implemented or proposed specific shareholder incentives. However, it should be noted that there is little to no risk for shareholders when the company pursues renewable generation. The Fixed Cost Adjustment mechanism assures Idaho Power it will recover its fixed costs even when energy sales decline. Further, Idaho Power and Avista Utilities are allowed to allocate all their PURPA purchase power contracts through a power cost adjustment process, which guarantees 100 percent recovery after a prudency review. A similar cost recovery mechanism has recently been approved for PacifiCorp (Rocky Mountain Power).

The Commission does consider the utility's aggressiveness in pursuing cost-effective demand-side resources when it sets a company's return on equity in rate cases.

In an effort to provide additional tools to secure capital financing for utility-scaled projects, the OER initiated legislation that addressed ratemaking treatment considerations prior to construction of the actual project.³⁰ This effort became law and is viewed as a positive step toward reducing risk considerations associated with large-scale projects as utilities seek capital financing.

The essence of this law allows the Commission to look at the ratemaking treatment at the beginning of a project instead of waiting until the project is completed and billions of dollars have already been invested. The benefit is that utilities and the investment community gain the confidence they need to access financing for critical infrastructure including large-scale renewable energy generation resources. Ultimately, this law is seen as having the potential to minimize upward pressure on the cost of capital which ultimately benefits customers.

E-16. The Idaho PUC should administer its responsibilities under PURPA in a way that encourages the development of customer-owned renewable generation and combined heat and power facilities.

The Commission has historically established PURPA-related policies that encourage the development of customer-owned renewable resource generation, but we must also remain consistent with the Commission's other legal obligations, including maintaining rates that are fair and reasonable. The Commission has established several provisions including standard 20-year contracts with fixed-price published rates to simplify the process for customer-owned and small-power generators. The Commission offers generators and utilities the option of entering into "levelized" or "non-levelized" contracts. Under a levelized contract, the developer is paid the same rate over the entire span of the contract. That rate, in the early years, is higher than the current value of electricity, which allows the developer to recoup his initial investment more quickly and makes it easier for the

³⁰ Text of SB 1123, see Appendix BB.

developer to get financing. These contract features encourage the development of renewable generation.

A number of recent and current cases involve revisions to PURPA related tariffs. (See response to E-3 for PURPA updates). Commission decisions in these cases recognize the need to encourage renewable generation from small-power providers or at the customer level.

An important point to remember (as stated in E-3) is that when it is stated that the “PUC should administer its responsibilities under PURPA in a way that encourages renewable development” the PUC is restricted under the provisions of PURPA from adopting QF (Qualifying Facility) project avoided cost that exceeds a utility’s actual avoided cost.

In support of efforts to encourage the development of customer-owned renewable generation and combined heat and power facilities, the OER utilizes its low-interest loan program to provide funding for small-scale customer-owned renewable projects. The OER has also earmarked funds from the ARRA to assist with the development of renewable energy projects initiated by local units of government and public schools (solar panel schools project). These projects can be viewed in greater detail at www.energy.idaho.gov.

E-17 The Idaho PUC should establish uniform policies for interconnection and net metering that promote investment in customer-owned renewable energy facilities. Idaho’s municipal and cooperative utilities should work together to develop a uniform policy for municipal utilities and rural electric cooperatives.

The Commission has had net metering tariffs in place for many years and those have been updated to reflect evolving technologies.

The PUC has recently reviewed interconnection and net metering policies to comply with new PURPA standards enacted by the Energy Policy Act of 2005. Order No. 30229 in Case No. GNR-E-06-02 details the PUC’s decision to deem the three IOUs’ current interconnection and net metering tariffs in compliance with PURPA and also describes each IOU’s approach to customer-owned generation. Additionally, Idaho Power extensively revised its interconnection tariff (Schedule 72) in 2008 in response to an Exergy complaint. (Order No. 30574 in Case No. IPC-E-08-05.) All three IOUs require a net metering customer to execute an Interconnection Agreement. Although the three IOU’s interconnection agreements have slight differences, they contain similar requirements for customers paying interconnection costs, safety and operational issues, metering requirements, and financial and liability obligations.

Generally, the customer receives credit for energy generated at the customer’s tariffed rate, although Idaho Power has argued unsuccessfully that the credit should be for energy only. In 2006, Idaho Power filed a petition with the Commission to pay net metering

customers a rate that is 85 percent of wholesale rather than the full retail rate. The company later withdrew that application.³¹

Net metering credits for Avista customers carry forward from month to month during a year, but are not continued into a new year.

The fact that the PUC began approving net metering tariffs in the 1990s signifies encouragement of customer-owned generation. The recent actions cited above re-affirm the continuation of that support. However, the customer must make the investment decision to buy and install the generating equipment – whether wind, solar, fuel cell, or something else. While the PUC has authority over how customer-owned generation is interconnected and how much compensation is received for energy produced, the customer’s investment decision is driven more by the availability of financial and tax incentives from manufacturers and federal and state government, respectively as well as the expected payback period, and ease and feasibility of installing the generation. Any customer experiencing difficulty with interconnection or net metering with an Idaho IOU may seek the PUC’s help.

It is important to note that net metering rates already provide a subsidy to participants that is paid by other customers. This has not been an issue, however, because the number of net metering customers is small. The Commission has established caps on the collective capacity of net metering allowed for each utility, but the utilities are not close to reaching those caps.

The OER intends to utilize a program funded by the American Reinvestment and Recovery Act to explore aspects of net metering related to projects installed at public schools. This project seeks to fund several solar projects at public school buildings in service territories that have existing net metering tariffs. As the project develops, one of the areas of interest is how renewable energy projects at public schools might utilize net metering. Through this effort a broader understanding of existing net metering tariffs will be gained that could lead to future recommendations or policy discussions. Details of the solar schools program can be viewed at www.idaho.energy.gov.

E-18. Idaho utilities shall report annually to their retail customers their sources of electricity (their “fuel mix.”)

Each of the three investor-owned utilities reports its fuel mix to customers at least once annually. The PacifiCorp report applies to its six-state territory, making Idaho-specific information more difficult to discern. Each utility has voluntarily provided the customer resource report in compliance with the 2007 Idaho Energy Plan without an order to do so from the Commission. Copies of the most recent reports to Avista and Idaho Power customers are attached under Appendix AVU and Appendix IPC.

³¹ Case No. IPC-E-06-17, Order No. 30227. For press release, see Appendix CC.

E-19 The Idaho PUC and Departments of Water Resources and Environmental Quality should investigate and report on the status of “clean coal” technologies and barriers that prevent Idaho utilities from investing in environmentally-preferred uses of coal.

Each of the electric utilities regularly study and evaluate clean coal technologies and options in their Integrated Resource Plans, which are prepared and filed every two years.

The U.S. Department of Energy is funding some demonstration projects for carbon sequestration using ARRA (stimulus bill) funds, but most of those are directed to coal producing states like Illinois and West Virginia. The development of actual new technology for the cleaner burning of coal is decades away.

Concerns over carbon treatment and associated costs have rendered the development of traditional coal-fired generation facilities largely impractical. The result is that only “clean coal” options can be considered. The following excerpts from a report published by the Western Governors Association, “Deploying Near-Zero Technologies for Coal: A Path Forward” helps illustrate the status of “clean coal” technology in Idaho and the West:

“A range of readily deployable technologies exists to achieve reductions in carbon dioxide emissions from coal-fired power plants. Some technologies, such as ultra-supercritical boilers, offer near-term (3-5 year) results and potential emissions reductions of up to 30 percent at most. Other technologies, such as carbon capture and storage, will enable near zero emissions, but face economic obstacles to wide-scale deployment over the next 5-10 years without targeted subsidies and incentives. There are also technologies, such as IGCC plants, which function at higher efficiencies comparable to new ultra-supercritical pulverized coal, and although they can be designed to be “capture ready”, would not actually capture emissions without the addition of specific carbon capture equipment. These plants do reduce emissions per unit of energy produced compared with conventional coal plants and provide project and operational experience in one component of an integrated carbon capture and sequestration system.

“Given the need to deal with increasing population, accommodating electricity demand, and meeting the governors goal to have clean generation, discussion is centered around what role coal can play and in what timeframe. This summary acknowledges that CCS remains an additional economic burden on the cost of electricity and that structural infrastructure issues such as pipelines, coordination of new and existing plants with reserves, and a policy framework remain uncertain. But the challenge for industry is to take the small steps that will reduce these burdens.

“It has become increasingly difficult to get new coal generating facilities permitted, regardless of the technology employed. To a great degree this is driven by a concern for adding new carbon dioxide emissions to the atmosphere. It is the case that to have near-zero emissions coal, it is necessary to capture and sequester the carbon emissions.

Unfortunately, at the current rate of research and regulatory development, it will be some number of years before regulated sequestration will be a reality.

“This leads to the question of whether it would be acceptable to “ramp-up” to high levels of carbon capture and sequestration, or whether there should be a moratorium on construction of new coal facilities if they do not deploy high levels of capture and storage. On this point there was a clear division, with many of the environmental community proposing that no coal plant should be built without immediate capture and sequestration, and many utility and coal industry representatives arguing that while it is possible to reach high levels in time, it is more reasonable to build to this level in a series of steps. Industry argues that without the ability to make stepwise progression to high levels of sequestration, the construction of new coal burning facilities is severely limited.”

The complete report can be reviewed at http://www.westgov.org/wga_reports.htm.

E-20. Idaho and Idaho utilities should work with the Idaho National Laboratory to investigate the feasibility of bringing a “next generation” nuclear facility to Idaho.

The Commission is open to working with regulated utilities and the Idaho National Laboratory (INL) on nuclear options. However, the utilities, not the PUC, make their own resource acquisition decisions. Some utilities, including Idaho Power and PacifiCorp, are beginning to include nuclear options in their Integrated Resource Planning.

The creation of OER in 2007 coincided with the announcement of a proposed project to develop a large-scale nuclear power generation facility in Idaho. Through discussions between INL and OER, it was agreed that the lab would provide OER with some direct technical expertise. This relationship assisted the state in gaining a greater understanding of the licensing and permitting process associated with nuclear power generation. Presentations were also made to members of the Legislature.

The initial relationship with the INL led to a more formal Memorandum of Understanding that will also be used to continue the exploration of next generation nuclear in Idaho.³² Additionally, the OER has established Base Load Task Force within the structure of the Idaho Strategic Energy Alliance to examine all forms of large scale generation including next generation nuclear. It is also important to note that the INL has received approximately \$160 million in federal funds to continue the development of next generation nuclear technology. While no project is ready to break ground in Idaho, developers continue to express active interest in the state for nuclear energy ventures.

E-21. Idaho should encourage the use of “dry cooling” or “gray water” cooling for new thermal facilities.

³² MOU between INL and the State of Idaho, see Appendix DD.

No such opportunities have materialized to date.

E-22. Idaho should participate in regional efforts aimed at increasing the capability of the western transmission grid and bringing to Idaho the benefits of cost-effective remote resources.

For many years, the Commission has been involved in regional transmission planning and coordinating efforts. The Idaho PUC and commissions and consumer counsels from four other Intermountain and Northwest states, along with Idaho Power and PacifiCorp, actively participate in the Northern Tier Transmission Group (NTTG) planning process. NTTG is a group of transmission providers and customers that are actively involved in the sale and purchase of transmission capacity of the power grid that delivers electricity to customers in the Northwest and Mountain States. Transmission owners serving this territory work in conjunction with state governments, customers, and other stakeholders to improve the operations of and chart the future for the grid that links all of these service territories. NTTG members are committed to working with stakeholders and state officials to increase efficient use of the grid and to develop the infrastructure needed to deliver new renewable and thermal power resources to customers.

Avista Utilities belongs to ColumbiaGrid, which has many of the same objectives as NTTG, but is focused primarily in the Pacific Northwest.

The Idaho Commission is a member (and Commissioner Marsha Smith is on the board of directors) of the Western Electricity Coordinating Council, the regional entity responsible for coordinating and promoting bulk electric system reliability in the Western Interconnection. In addition, FERC assures open and non-discriminatory transmission access for all power providers.

The Western Governors' Association and U.S. Department of Energy launched the Western Renewable Energy Zones initiative in May 2008. The WREZ seeks to identify those areas in the West with vast renewable resources to expedite the development and delivery of renewable energy to where it is needed. Renewable energy resources are being analyzed within 11 states, two Canadian provinces, and areas in Mexico that are part of the Western Interconnection. The Idaho Office of Energy Resources has been an active participant in WREZ activities.

E-23. Idaho should provide a credit backstop to enhance the Idaho Energy Resources Authority's ability to provide low-cost financing for transmission projects that benefit Idaho's citizens.

Efforts to fund a credit backstop to enhance the Idaho Energy Resources Authority's ability to provide low-cost financing for transmission projects is severely limited by the current economic climate. Legislative appropriations at this time are unlikely to be positively received and will need to be explored at a later date.

Despite the inability to provide funding for this action item, several substantial transmission projects have been proposed that would potentially benefit Idaho customers. Among the projects is Gateway West, a joint venture proposed by Idaho Power and Rocky Mountain Power. Other projects include the Mountain State Transmission Intertie, Boardman to Hemingway, the SWIP corridor, and several DC line proposals.

E-24. Idaho should support efforts to amend the Internal Revenue Code to provide that revenue bonds issued by state transmission entities be provided with tax exempt status to provide additional ability to construct needed transmission facilities.

While legislative action is the only recourse to achieve this action item, the newly established Transmission Task Force within the structure of the Idaho Strategic Energy Alliance could serve as a tool to examine the value proposition associated with this concept.

NATURAL GAS

NG-1. The Idaho PUC should ensure that its line extension policies, electric and natural gas tariffs, and other policies encourage the direct use of natural gas in applications for which natural gas is the most efficient energy source.

The Commission maintains a position of neutrality regarding customer choice for fuel source. The issue of which resource is the most efficient is complex. It is important to remember that electricity is available almost everywhere as an essential service, but natural gas is not; so electrical space heating is the only choice in many rural areas of Idaho and the nation.

While the PUC is not in the business of favoring one type of utility service over another, the PUC has facilitated gas utilities' expanding their service to rural areas through tariff rates to recover the cost of expansion. The gas utilities make their own business decisions about expansion because it involves the costs of pipelines, hookups, and more gas supply. The customers involved also incur costs to replace electric space heating with gas furnaces. However, customers benefit from cheaper energy bills. The argument can be made that the benefit of more efficient heating using natural gas applies to customers of both the electric and gas utilities.

NG-2. Idaho should provide incentives for investments in non-traditional natural gas supply resources, including landfill methane, anaerobic digesters and biomass methane.

The advancement of non-traditional natural gas supply resources has become an important goal of the Office of Energy Resources. While incentives for investments are hindered by the recession, efforts under the direction of the OER are assisting in the desire to promote the use of non-traditional natural gas.

Biogas was the focus of one of the first Task Force groups created within the organizational structure of the Idaho Strategic Energy Alliance. The Biogas Task Force has issued its initial report where it examines in detail the issues and concerns associated with the development of non-traditional natural gas supplies such as landfill methane, anaerobic digesters, and biomass methane. This report can be viewed at www.idaho.energy.gov.

The body of work associated with this task force prompted the OER to include biogas projects in its American Recovery and Reinvestment funding plan submitted to the Department of Energy (DOE). Under the plan approved by DOE, Idaho's local units of government can seek funding for projects that could advance the development and utilization of biogas. Project developers utilizing methane from the dairy industry and landfills have expressed interest in applying for this funding.

Another incentive for the development of anaerobic digesters comes in the form of the published avoided cost rate structure established by the Idaho Public Utilities Commission. The avoided cost rate helps foster the development of small-scale renewable energy projects under the federal mandates established by PURPA. The IPUC has approved three contracts that utilize methane from anaerobic digesters to produce electricity, including a landfill methane contract with Ada County.

NG-3 Idaho should support the siting of liquefied natural gas terminals and other infrastructure in the United States to provide delivery capability to Idaho.

Efforts to promote LNG terminal development in the Northwest have been somewhat hampered by the recession. However, developers continue to pursue options and to the extent they are successful, it will potentially free up available space on the pipelines that serve Idaho customers. Idaho has been supportive of these measures.

Regarding other infrastructure associated with LNG operations, a 6 million therm LNG facility near Nampa is owned and operated by Intermountain Gas. This facility can presently supply peak-load needs for the company's customers. The utility also has a smaller LNG facility near Rexburg that also provides for peak-load needs. The costs of these facilities are recovered in the base rates for Intermountain Gas. Satellite LNG facilities such as these help the utility avoid more expensive system upgrades while still helping to provide safe and reliable service. The utility also utilizes LNG tankers to

provide continuous service when necessary construction on distribution lines is required. Most recently, the company's Sun Valley distribution area benefited from this practice. The state, through the work of the Idaho Public Utilities Commission, continues to support LNG technology by allowing the recovery of costs associated with its deployment.

ALTERNATIVE FUELS

T-1 Idaho should ensure that its state vehicle procurement rules promote purchases of high-efficiency, flex-fuel, natural gas and alternative-fuel vehicles where cost effective.

On December 20, 2007 Governor Otter issued Executive Order No. 2007-21.³³ This Order required state agencies to incorporate more fuel-efficient practices related to state fleet vehicles and also encouraged the purchase of alternative-fuel vehicles. The main provisions include the following:

- *All executive branch departments, agencies and offices of the State of Idaho shall decrease the amount of gasoline and diesel used in State vehicles by:*
 - a. increasing the fuel economy of its vehicles;*
 - b. increasing the operating efficiency; and*
 - c. reducing the number of miles driven by employees.*
- *All executive branch departments, agencies and offices of the State of Idaho shall limit the purchase or lease of four-wheel drive sport utility vehicles and similar specialty vehicles to situations where there is a clear business need or the mission of the entity requires such vehicles.*
- *All executive branch departments, agencies and offices of the State of Idaho shall give priority to the purchase and use of hybrid gas/electric and other fuel efficient/low emission and new petroleum efficient technology vehicles.*
- *The Division of Purchasing will make available to all departments and agencies a list of available vehicle purchasing contracts, which will identify vehicles that meet the requirements of this executive order. Any purchase outside this list will need written justification signed by the director or administrator of the entity.*

³³ Text of Executive Order Regarding Fleet Vehicles. See Appendix EE.

In compliance with the Governor's Executive Order, the Idaho State Division of Purchasing prepares a quarterly report that updates fleet vehicle purchases via the state contract.³⁴

T-2 Idaho should provide incentives for the purchase of efficient, flex-fuel and alternative fuel vehicles.

Incentives necessary to advance this action item require legislative action and based on general fund impairment tied to the current economic recession, state funded initiatives are unlikely in the near term.

T-3 Idaho should provide incentives for investments in retail and wholesale alternative fuel supply infrastructure.

On March 26, 2007 Governor Otter signed into law the Rural Idaho Economic Development Biofuel Infrastructure, Consumer Choice and Fuel Independence Act of 2007 (HB 150). The purpose of this legislation was to provide grants for up to 50 percent of the cost of constructing qualified fueling infrastructure projects dedicated to providing biofuels to Idaho customers. The legislation directed the Idaho energy office to administer the funds.

The Legislature appropriated \$690,000 for fiscal year 2008 and anticipated an additional \$1,610,000 for FY 2009 through 2012 for a total of \$2.3 million over the five-year period. With the downturn in the economy, however, the Legislature was not able to provide further funding. The program ended in August 2009 after awarding more than \$597,000 for infrastructure projects.³⁵

In conjunction with the BIG program OER also built a partnership with Idaho fuel suppliers to provide a smooth and problem-free transition to biofuels. Fuel suppliers were given informational pamphlets explaining the facts about biofuels and technical assistance to help minimize potential problems with the new fuels.

Additionally, through its affiliation with the Treasure Valley Clean Cities Coalition, the OER supports efforts to utilize compressed natural gas (CNG) as an alternative transportation fuel. Efforts lead by the Treasure Valley Clean Cities Coalition, in collaboration with Allied Waste and the City of Boise lead to a grant that allows for the conversion of garbage trucks to CNG. Additionally, plans are underway to establish the first public CNG fueling facility at the Allied Waste site in Boise.

³⁴ Sample Quarterly Fleet Vehicle Report. See Appendix FF.

³⁵ Grant Award Summary for BIG Program. See Appendix GG.

T-4 Idaho should establish an incentive for the production of ethanol and biodiesel that reflects the cost of alternative fuel production relative to the price of gasoline and diesel fuel.

The production of ethanol and biodiesel is tied to the volatility of traditional transportation fuel prices. For example, when the price of traditional transportation fuel drops, production of non-traditional transportation fuels is negatively impacted. The dramatic drop in petroleum-based transportation fuels over the past year has resulted in the closure of ethanol plants in Idaho and throughout the nation. This scenario coupled with the current economic recession, makes it difficult to effectively promote the establishment of incentives that would provide the level of subsidies necessary to support this action item.

T-5 Idaho should promote research and development and business-university partnerships to speed the commercialization of alternative fuel technologies, with particular emphasis on cellulosic ethanol.

The Biofuels Task Force created within the structure of the Idaho Strategic Energy Alliance is comprised of experts in the in the field of alternative fuel technologies. This task force is exploring a variety of opportunities associated with the research and development of alternative fuels. Members of this task force include representatives from private business and universities. Accordingly, attention to fostering improved partnerships between business and universities is a focal point.

T-6 Idaho should prohibit “exclusivity” requirements in future contracts between fuel suppliers and retail service stations that prevent the stations from offering alternative fuels.

This action item requires legislative action and is an area that the Interim Committee might choose to revisit as it prepares for its five-year review of the 2007 Idaho Energy Plan.

TRANSPORTATION FUEL CONSERVATION

T-7 Idaho should work with other states to promote an increase in Federal CAFE standards.

T-8 Idaho should permit local authorization of transit option taxes to support the use and expansion of public transportation.

T-9 Idaho should provide incentives for the installation and operation of equipment that reduces truck and tour bus idling.

T-10 Idaho should encourage regional land use planning and policies that minimize vehicle-miles traveled.

The majority of items under the heading of Transportation Fuel Conservation generally require legislative action. It would appear that the Interim Committee might target these areas for further review to determine if the initial interest for these action items is still a policy direction it wants to pursue. The five-year review outlined in the 2007 Idaho Energy Plan appears to represent the best opportunity to explore these issues in greater detail.

As a general interpretation of this section, it is clear that the Legislature encourages Idaho to work with other states to identify potential enhancements for transportation fuel efficiency. Appropriately, Idaho's executive branch is an active member of the Western Governors Association (WGA), a group dedicated to addressing regional issues of interest. Among the areas of concern for WGA and its membership is alternative fuels and transportation fuel conservation. The WGA Advisory Committee on Transportation Fuels for the Future has proposed strategies to accelerate the development of alternative transportation fuels that hold the promise of reducing the risks to our energy security, environment and economy posed by our near total dependence on petroleum for conventional transportation fuel. The Advisory Committee also proposes strategies for improving vehicle fuel efficiency. The report on Transportation Fuels for the Future offers some options that might be of interest to legislative leaders as they consider future directions related to transportation fuel conservation.³⁶

ENERGY FACILITY SITING

S-1. The Idaho PUC should be vested with the authority to site transmission facilities within area that have been designated by the U.S. Department of Energy as National Interest Transmission Corridors.

During its 2007 session, the Idaho Legislature granted the PUC authority to issue a route certificate for transmission lines located in National Interest Energy Corridors as designated by the U.S. Secretary of Energy. (Idaho Code § 61-1701 through 61-1709) The Commission may pre-empt local government land use or permitting decisions if the local government has: 1) denied a transmission application; 2) failed to timely act on a transmission application; or 3) has imposed unreasonable or uneconomical conditions on a transmission permit. Idaho Code § 61-1703 (3).

In instances other than federally designated transmission corridors, the PUC generally does not exercise permitting or siting authority related to transmission projects. Occasionally as a prelude to seeking cost recovery for a transmission project, a public utility may request that the PUC issue a certificate of public convenience and necessity (CPCN) under Idaho Code § 61-526. The PUC may issue a CPCN if it finds: 1) the present or future public convenience requires or will require the construction of a transmission line; and 2) the utility has the financial ability and good faith to serve its

³⁶ View Transportation Fuels for the Future Report at http://www.westgov.org/wga_reports.htm.

customers. The PUC may also attach reasonable terms and conditions to the CPCN. Idaho Code § 61-528. An application for a CPCN or other pleading filed with the Commission is governed by the PUC's Rules of Procedure, IDAPA 31.01.01.

The PUC may exercise two forms of "backstop" permitting and siting authority. The first instance is that cited above in federally designated energy corridors. Also, a local land use or permitting decision concerning a public utility may become null and void if such decision is in conflict with a specific order of the PUC, provided that the PUC has given the affected local government an opportunity to appear or consult with the Commission regarding such conflict. Idaho Code § 67-6528.

Transmission entities may have eminent domain authority under Idaho Code § 7-701(11). Using the power of eminent domain for a transmission line in excess of 230 kilovolts on property devoted to agriculture require a public meeting with 10 days' notice. Idaho Code § 7-704(4).

S-2. For electric generating facilities 50 MW or larger, an "Energy Facility Site Advisory Team" shall be established consisting of members appointed by the Departments of Environmental Quality, Water Resources, Commerce, Health and Welfare, Fish and Game, and Agriculture to provide technical information as requested by the local jurisdiction.

Since the inception of this policy objective, no requests from local governmental entities have emerged that would trigger this action item. The state agencies listed within this action item are ready to engage when asked. As evidence of this commitment, the OER works collaboratively with local units of government on energy-related projects and is committed to continuing and expanding existing relationships.

An example of these ongoing relationships includes activities associated with the American Recovery and Reinvestment Act (ARRA). The Idaho Office of Energy Resources (OER), Association of Idaho Cities (AIC) and Idaho Association of Counties (IAC) have partnered to implement the Energy Efficiency and Conservation Block Grant (EECBG) associated with the ARRA of 2009.

The ARRA established funding opportunities for Idaho cities and counties through a program administered by OER. The partnership with AIC and IAC is designed to streamline the process and insure an expeditious deployment of grant funds to the applicants.

To further illustrate support for this action item, the OER serves as the coordinating agency for the state on all energy-related projects that require federal permits. This responsibility requires coordination and cooperation among various state, federal, and local units of government.

Additionally, when project developers emerge, OER routinely serves to facilitate meetings with appropriate state agencies and other units of government in an effort to provide all parties with a greater knowledge of the potential development and associated permitting and application process.

S-3 When permitting large electric generating facilities, local jurisdictions should be required to make a reasonable effort to hear testimony about the impact of the facilities from citizens and businesses in neighboring jurisdictions.

Recent generation and transmission projects have attracted the attention of local units of government who have conducted public hearings in accordance with this policy recommendation. An example of a specific joint effort to involve citizens and businesses in neighboring jurisdictions involves the Gateway West Transmission line. While this effort deals with transmission, the intent of this action item is clearly being realized as Cassia and Power counties reached out to neighboring counties to include their interests and concerns in a series of task force meetings related to the project.

IMPLEMENTATION

I-1 The Legislature, in consultation with the Governor, should study whether the Department of Water Resources should become the Department of Water and Energy Resources, with the necessary statutory framework prescribing the duties of the Energy Division within the Department.

In accordance with the intent of this provision of the 2007 Idaho Energy Plan, Governor C.L. “Butch” Otter created the Office of Energy Resources (OER) via Executive Order on September 4, 2007.³⁷ The executive order is in effect for four years from the date of initiation and provides the Governor and the Legislature an appropriate length of time to determine any necessary statutory framework related to the OER’s duties.

The Governor’s executive order recognized the critical nature of energy resource considerations as they relate to Idaho’s future. Accordingly, the Governor chose to create the OER within the Office of the Governor. The Legislature subsequently approved a dedicated funding source for the OER in 2008 to help insure the long-term stability of the office.³⁸ The OER is actively engaged in furthering the areas of interest identified within the 2007 Idaho Energy Plan.

I-2 The Energy Division should engage in public outreach and education and work with Idaho energy stakeholders to promote a reliable, diverse, cost-effective and

³⁷ View Executive Order Creating the Office of Energy Resources at http://gov.idaho.gov/mediacenter/execorders/eo07/eo_2007_15.html.

³⁸ View House Bill 529 at <http://www3.state.id.us/oasis/2008/H0529.html>.

Environmentally-sound energy system for the benefit of Idaho citizens and businesses.

The newly created OER has assumed the responsibilities of the Energy Division for purposes of fulfilling the intent of the 2007 Idaho Energy Plan. Toward the goal of engaging in public outreach and education the OER oversees the organization of the Idaho Strategic Energy Alliance (ISEA). As was referenced earlier in this report, the ISEA was created by Governor Otter to bring together Idaho energy stakeholders for the purpose of promoting a reliable, diverse, cost-effective and environmentally-sound energy infrastructure for the benefit of Idahoans. A key piece of this effort involves the need for the ISEA to serve as an “honest broker” for citizens to access information relevant to the development of Idaho’s energy resources. During its first full year of existence, the ISEA has initiated the creation of multiple task force reports related to distinct areas of energy resource development. These task force reports serve to educate and facilitate additional discussion and understanding of the state’s energy needs and potential resource development.³⁹ Members of the ISEA are often invited to participate on behalf of the alliance and its efforts at various public forums throughout the state. To assist in providing a consistent message about the ISEA and the state’s energy considerations, a standardized presentation has been prepared for use by alliance members.⁴⁰

The OER also plays a key role in fulfilling the intent of this action item through the following activities:

- *OER staff routinely participates in direct involvement with Idaho-based associations and groups in an effort to provide timely information regarding energy resource concerns.*
- *OER has established a website dedicated to providing open and transparent access to information regarding projects directly under its jurisdiction as well as energy-related issues that impact Idaho.*
- *OER actively participates in regional organizations such as the Western Governors Association that have the potential to impact energy resource development in Idaho.*
- *OER serves as the coordinating agency on behalf of the State of Idaho in issues pertaining to permits and applications for energy projects on federal land.*

I-3 The Energy Division and PUC should report to the Legislature every two years on the progress of Idaho state agencies, energy providers and energy consumers in implementing the recommendations of this Energy Plan.

This report is a direct result of the recommendation to provide an overview of the progress associated with the 2007 Idaho Energy Plan. Through the collaborative efforts of the Idaho Public Utilities Commission and the Office of Energy Resources, this report

³⁹ Task Force Reports can be viewed at www.energy.idaho.gov.

⁴⁰ View Idaho Strategic Energy Alliance Presentation. See Appendix HH_.

represents efforts under way that are designed to achieve the action items identified in the plan.

I-4 The Interim Committee recommends that the Legislature revisit this Energy Plan and develop new recommendations on a five-year cycle.

Based on the Interim Committee's recommendation, the Legislature is slated to revisit this Energy Plan and develop new recommendations in 2012.

APPENDIX A – Avista IRP

IDAHO PUBLIC UTILITIES COMMISSION

Case No. AVU-E-07-08

March 25, 2008

Contact: Gene Fadness (208) 334-0339, 890-2712

Website: www.puc.idaho.gov

Avista counts on natural gas, not coal, to meet future resource needs

The Idaho Public Utilities Commission has accepted a long-range plan for Avista Utilities that depends more on natural gas for its future energy resources, rather than coal.

The Integrated Resource Plan (IRP) outlines how Avista intends to meet the demands of its growing customer base over the next decade. Avista, which serves about 115,000 customers in northern Idaho, says it will need 350 megawatts from natural gas sources to meet customer demand. It plans on getting most of that – 275 MW – from the Lancaster Generation Facility near Rathdrum. Avista also plans on adding 300 megawatts from wind sources, 35 MW from other renewable resources and 87 MW from energy savings due to conservation measures.

Without the additional generation, the company states it would face generation shortfalls of about 83 average-megawatts in 2011 and 272 aMW by 2017.

Avista decided to drop plans outlined in an earlier 2005 IRP for coal-fired generation for several reasons including legislation in Washington state where the utility has most of its customers. Washington enacted a greenhouse gas emissions standard that precludes Avista from acquiring a new pulverized coal plant or entering into a long-term contract with an existing plant.

Several utilities have dropped coal sources from their long-range planning due to new emissions standards and higher costs associated with the potential for carbon taxes, making coal less competitive with other generation alternatives.

Avista's 2007 plan also includes fewer renewables – from 500 megawatts to 350 MW – than it had hoped for in its 2005 plan. Avista said the cost of wind resources has increased by more than 100 percent over the last six years. Legislation in Oregon, Washington and other states that mandates a certain percentage of generation from renewable sources has increased the demand for wind turbines. That demand reduces their availability and increases their price.

“Ironically, Idaho presently has neither carbon emission standards nor renewable portfolio standards, yet the new legislation in other states has effectively limited the new generation choices for serving Idaho loads,” commission staff said. Utilities in Idaho that serve several states must meet the requirements in all the states they serve. It is “impractical to develop new generation projects devoted solely to serve Idaho loads,” commission staff said.

Avista moved away from natural gas-fired sources in 2005 because of the price volatility in natural gas markets that drastically increased prices between 2003 and 2005. But with the

elimination of coal-fired generation and the higher cost of renewables, the utility returns to natural gas to meet some of its future demand.

Commission staff urged Avista to develop new and innovative methods to counteract natural gas price volatility and to maximize the use of cost-effective load control programs. Further, staff said utilities should “dutifully consider the potential for integrating nuclear energy into their long-term resource planning.”

Avista is planning an additional 87 MW from conservation measures, an 85 percent increase in conservation since Avista’s 2003 IRP and a 25 percent increase over the 2005 IRP.

Acceptance of Avista’s IRP does not mean the commission endorses all the anticipated projects in the plan. It means only that the utility has complied with a requirement to file an IRP every two years. The commission recognizes that assumptions and projections can change over time. “It is the ongoing planning process that we acknowledge, not the conclusion or results,” the commission said.

A copy of Avista’s plan, along with other documents related to this case, is available on the commission’s Web site at www.puc.idaho.gov. Click on “File Room” and then on “Electric Cases” and scroll down to Case Number AVU-E-07-08.

APPENDIX B – PacifiCorp IRP

Idaho Public Utilities Commission

Case No. PAC-E-09-06, Acceptance of Filing

September 17, 2009

Contact: Gene Fadness (208) 334-0339, 890-2712

Website: www.puc.idaho.gov

PacifiCorp relies on renewable energy to meet future needs

State regulators have accepted a planning document filed by PacifiCorp that details how the utility intends to meet customer needs over the next decade. The utility serves customers in Washington, Oregon, Utah, Wyoming, California and in eastern Idaho, where, operating as Rocky Mountain Power, it has about 70,000 customers.

PacifiCorp plans to add more than 1,423 megawatts of renewable energy and does not include any added coal generation in its plan.

The Idaho Public Utilities Commission requires that regulated electric utilities file an Integrated Resource Plan (IRP) every two years. Acceptance of the plan by the commission does not guarantee that it will approve every project proposed during the 10-year period. “The IRP, as we continue to note, is a utility planning document that incorporates assumptions and projections at a point in time. It is the ongoing planning process that we acknowledge, not the conclusion or results,” the commission said.

PacifiCorp said it will begin to experience a capacity deficit in 2011 if steps are not taken soon to increase generation and reduce demand. The utility anticipates a growth rate of about 2.5 percent per year over the next decade. Further creating the need for more generation is the 2011 expiration of a major power purchase contract with the Bonneville Power Administration.

The vast majority of the 1,423 MW in anticipated new renewable generation is expected to come from wind (1,313 MW) with the rest coming from geothermal (35 MW) and major upgrades to existing hydroelectric facilities (75 MW).

On the conservation side, the utility plans to save just more than 900 MW from energy efficiency programs and another 105 to 325 MW from programs where the company remotely reduces demand from customers such as irrigators and industry during times of peak use. PacifiCorp also plans to add about 831 MW in gas-fired capacity between 2014 and 2016 and gain 170 MW of emissions-free capacity from coal plant turbine upgrades.

The company could have been short on capacity as soon as 2010, but took steps to meet increased demand in 2008 by acquiring a 520-MW natural gas plant in Chehalis, Washington, and adding 175 MW of additional wind resources.

PacifiCorp anticipates gaining access to more generation with the completion of its proposed Gateway transmission project, a joint project with Idaho Power Co. that will transport energy from eastern Wyoming, through southern Idaho (Gateway West) and through Utah (Gateway South).

Commission staff, which operates independently of the commission, commended the company for a diverse mix of generation resources, while adhering to imposed and pending environmental regulation. Staff found it noteworthy that coal-fired generation does not appear in the company's portfolio of future generation sources.

Staff did express concern that the company anticipates a more than doubling of the wind integration cost assessed wind developers. The company's 2007 IRP used a cost of \$5.10 per megawatt-hour to integrate wind, but includes an \$11.75 per MWh cost in the current IRP. Staff also said that costs included by the company to meet mandated renewable portfolio standards in other states were not adequately quantified.

The IRP was developed through a collaborative and public process with involvement from state utility commissions, advocacy groups and interested citizens. The document, including attachments, is available on the commission's Web site at www.puc.idaho.gov. Click on the electric icon, then on "Electric Cases," and scroll down to Case No. PAC-E-09-06.

APPENDIX C – PURPA updates

Idaho Public Utilities Commission

Case No. GNR-E-08-02, Order No. 30738

Case No. GNR-E-09-01, Order No. 30744

March 17, 2009

Contact: Gene Fadness (208) 334-0339, 890-2712

Commission updates rates to be paid developers of small-power projects

Developers of qualifying renewable small-power projects will be paid considerably more for their generation as a result of new rates published by state regulators that became effective Monday.

The Idaho Public Utilities Commission updated both the fuel and non-fuel components of a mechanism used to calculate the rates that Idaho's three major regulated utilities must pay to small-power or cogeneration project developers whose projects qualify under the federal Public Utility Regulatory Policies Act, or PURPA.

PURPA, passed by Congress during the energy crisis of the late 1970s, requires electric utilities to offer to buy power produced by qualifying small-power producers or cogenerators. The rate that utilities must pay project developers, called an "avoided-cost rate," is determined by state commissions. The avoided-cost rate is to be equal to the cost the utility avoids if it would have had to generate the power itself or purchase it from another source. In Idaho, projects cannot be larger than 10 megawatts to qualify for the published avoided-cost rate.

The commission recently issued two orders; one that updates the non-fuel components of the avoided-cost rate, such as capital costs and operations and maintenance and another that updates the always varying fuel components of the rate. The fuel component is adjusted shortly after the Northwest Power and Conservation Council releases a new natural gas price forecast, which it did in late December.

The result of both orders is an avoided-cost rate that is considerably higher than the former rate paid by utilities to small-power producers. For example, the developer of a wind farm or geothermal facility with a capacity of less than 10 MW would be paid \$88.67 per megawatt-hour (or about 8.87 cents per kWh) for a 20-year levelized (same rate all 20 years) contract with Avista Utilities. That compares to the former avoided-cost rate of \$70.12 per MWh.

The three major investor-owned utilities in Idaho – Idaho Power, PacifiCorp and Avista Utilities – participated in the case as did Black Canyon LLC, which is developing a wind generation facility in Bonneville County.

PacifiCorp, which does business in eastern Idaho as Rocky Mountain Power, filed a motion to delay implementing the new avoided-cost rate and, in the absence of a delay, asked the commission to decrease the size of projects that can qualify for the published rate from 10 MW to no larger than 1 MW. PacifiCorp contended the Northwest Power and Conservation Council natural gas price forecast was too high given the recessionary economic environment.

The commission said PacifiCorp did not present enough evidence that the rate is not reasonable. Further, the commission said, any utility can petition the commission at any time if it believes the mechanism used to calculate the rate is unreasonable.

The order updating the published rates is available on the Commission Web site at www.puc.idaho.gov. Click on "File Room," then on "Recent Orders and Notices," and scroll down to Order No. 30744. The order updating the non-fuel component of the avoided-cost rate is Order No. 30738.

Petitions for reconsideration must be filed with the commission by no later than April 2.

APPENDIX D – Order approving decoupling mechanism

IDAHO PUBLIC UTILITIES COMMISSION

Case Nos. IPC-E-04-15 and IPC-E-06-32

March 14, 2007

Contact: Gene Fadness (208) 334-0339

Website: www.puc.idaho.gov

New rate mechanism designed to encourage energy efficiency programs

The Idaho Public Utilities Commission has approved a yearly rate adjustment designed to remove financial disincentives for Idaho Power Company to implement energy efficiency programs.

The rate adjustment, called a Fixed Cost Adjustment (FCA), is approved only on a pilot basis, subject to modification or removal by the commission.

Currently, when Idaho Power initiates programs designed to encourage customers to reduce their energy use, it negatively impacts energy sales. If customers significantly reduce their consumption through conservation efforts, the company may not recover its fixed costs of serving customers.

The FCA will be a yearly adjustment to electric rates that would prevent the company from losing money when it invests in energy efficiency programs. Often referred to in the industry as “decoupling,” the FCA removes the link between energy efficiency and energy sales by allowing the company to recover its fixed costs regardless of the volume of energy sales.

Initially, the three-year pilot program applies only to residential and small-business customers.

When the commission sets rates, it determines the annual revenue needed by the company to recover its costs. During the rate-setting process, the commission determines the fixed cost that should be recovered from residential and commercial customers. The FCA mechanism will allow for a “true-up” between fixed costs actually recovered through rates and the fixed cost amount authorized by the commission for recovery in the company’s most recent rate case. If the fixed cost recovered were less than the authorized fixed-cost rate, customers would get a surcharge that can be no higher than 3 percent. If the company collects more in fixed costs than authorized by the commission, customers would get a credit. The surcharge or credit would last one year when the FCA would again be updated. According to Idaho Power’s estimates, the impact on rates for average residential customers would typically be \$1 or less a month. The fixed-cost adjustment would be made at the same time the company adjusts bills for its annual power cost

adjustment (PCA), which allows the company an opportunity to recover above-normal costs of supplying power.

In exchange for removal of the financial disincentive, the FCA requires Idaho Power to significantly increase the size and availability of energy efficiency programs and to support more energy efficient building and energy codes.

The pilot program is the result of a negotiated settlement between Idaho Power, commission staff and the Northwest Energy Coalition. In its comments, the Northwest Energy Coalition said "decoupling results in a better alignment of shareholder, management and customer interests to provide for more economically and environmentally efficient resource decisions."

The Idaho Citizens Action Network opposed the FCA mechanism as one that would allow Idaho Power to receive additional revenue without any proof of need. ICAN sought a more thorough review of the program and public hearings.

In its findings, the commission said the program will require close monitoring, which is why the FCA is a pilot program. Many of the issues raised by ICAN will be considered in the commission's assessment of the program during the pilot period, the commission said.

"Promotion of cost-effective energy efficiency ... is an integral part of least-cost electric service," the commission said. In addition to their environmental benefits, energy efficiency programs benefit all customers because they reduce or eliminate the need for the power company to meet load growth by adding new generation plants or buying additional power from the wholesale market.

On the same day the commission approved the FCA mechanism, it also approved a pilot program that should encourage the construction of energy-efficient homes.

Idaho Power currently provides an incentive payment of \$750 to builders for each home built to meet energy efficiency standards set forth by the ENERGY STAR® Homes Northwest program. The program approved this week provides incentive payments or penalties to Idaho Power for meeting or not meeting specified participation goals in the program. Under this pilot, the company will provide marketing to encourage more participation in the program.

On average, homes constructed to the ENERGY STAR® standard in Idaho will save an estimated 2,078 kilowatt hours annually, or 30 percent greater energy efficiency than existing Idaho residential building codes.

Under this pilot program, Idaho Power would receive an incentive payment if the market share of homes constructed under the ENERGY STAR® program exceeds 7 percent of the total number of residential building permits issued in Idaho Power's service territory in 2007, 9.8 percent of total service area homes in 2008 and 11.7 percent of total service

area homes in 2009. The amount of the incentive would equal the percentage that exceeds the target. For example, if Idaho Power were able to achieve 105 percent of the 7 percent target for 2007, it would receive a payment equal to 5 percent of the total program net benefits. The incentive would be capped at 10 percent of program net benefits. Penalties would be levied for any year Idaho Power fails to reach the market share of 4.9 percent program participation it achieved in 2006. Impact on customers' rates would be negligible.

The Industrial Customers of Idaho Power opposed the program, saying customers should not be required to pay Idaho Power to induce it to implement cost-effective conservation activities. The Northwest Energy Coalition endorsed the program because it is structured in such a way that Idaho Power will need to show excellent performance in order to received incentive payments.

A full text of the commission's orders, along with other documents related to these cases, are available on the commission's Web site. Click on "File Room" and then on "Electric Cases" and scroll down to the above case numbers.



APPENDIX E

Idaho Public Utilities Commission

Case No. IPC-E-09-28, Order No. 30948

December 8, 2009

Contact: Gene Fadness (208) 334-0339, 890-2712

Website: www.puc.idaho.gov

Idaho Power wants to make FCA permanent

Idaho Power Company is asking state regulators to make permanent a program that allows the utility to recover its fixed costs of delivering energy regardless of the impact energy efficiency and conservation programs have on energy sales.

The Idaho Public Utilities Commission implemented the Fixed Cost Adjustment (FCA) in 2007 as a three-year pilot program. The adjustment, sometimes referred to as a “decoupling mechanism,” allows Idaho Power to recover its fixed costs of delivering energy as established in its most recent general rate case even if there is a reduction in energy sales and revenues because of energy efficiency and demand reduction efforts.

Without a mechanism like the FCA, Idaho Power claims there is a financial disincentive for it to promote energy efficiency and conservation programs because energy sales may decline. The FCA allows Idaho Power to recover its established fixed costs through a surcharge when it under-collects fixed costs because of reduced electrical use. Conversely, if Idaho Power collects more than its established fixed costs, customers receive a credit instead of a surcharge.

During the first year of the pilot, the FCA resulted in a credit of about 48 cents per month on an average residential bill. During the second year, customers were assessed a surcharge, or an increase of about 56 cents per month on an average residential bill. The FCA applies only to residential and small-business customers.

Idaho Power claims that implementation of the FCA has been a major factor in the utility’s substantial increase in its level of investment in energy efficiency and conservation, from \$11.5 million in 2006 to \$21.2 million during 2008. That investment has resulted in significant increases in the number of megawatt-hours saved – a 29 percent increase after the first year and a 54 percent increase after the second year. According to the company’s figures, the megawatt-hours saved during 2006 was 70,766; during 2007, the total saved was 91,145; and during 2008, the total was 140,156.

The commission has established a Dec. 16 deadline for parties who want to participate in hearings or file testimony. The commission will later establish a schedule for processing this case, including comment deadlines for the utility’s customers or other interested parties.



APPENDIX F – Idaho Power Energy Efficiency Rider increase
(Excerpt from May 29, 2009 press release)

Energy Efficiency Rider
IPC-E-09-05, Order No. 30814

The money raised from the 2.5 percent Energy Efficiency Rider is used to fund up to 20 programs that reduce customer demand on Idaho Power's electric system. That demand reduction reduces the amount of electricity Idaho Power has to buy or generate, saving customers money in the long-run.

On June 1, the rider will increase from 2.5 percent to 4.75 percent of customer bills. The increase in the rider is primary due to a new commercial demand response program and a greater than anticipated participation in the Irrigation Peak Rewards Program, which will be capable of reducing Idaho Power's peak loads in the summer by 200 megawatts. **None of the funding from the rider can increase earnings for Idaho Power, but can be used only to fund energy efficiency and conservation programs.**

“Rate increases are never popular and are especially unwelcome in difficult economic times,” the commission said. “However, the information provided shows that energy efficiency programs have been effective in creating more efficient use of electricity by customers, and in reducing the peak demand on Idaho Power's system. These results mean that higher rates to support construction of new generating facilities have been delayed or avoided altogether.”

The rider was created in 2002, after the Western energy crisis of 2000-01. At that time, the commission directed Idaho Power to develop comprehensive demand-side management (DSM) and energy efficiency programs to help customers reduce bills and lessen Idaho Power's dependency on the volatile wholesale market for electric supply.

Energy efficiency programs in 2008 resulted in 107,484 megawatt-hours of energy savings, a 72 percent increase over the 2007 total of 62,544 MWh. DSM programs that reduce demand on Idaho Power's system provided 58 megawatts of demand reduction in 2008 compared to 48 MW in 2007. (One megawatt is one million watts, enough electricity to power about 650 average homes and light 10,000 100-watt light bulbs.)

“By encouraging energy efficiency programs through relatively modest increases in the rider, the commission is delaying, or avoiding altogether, larger rate increases necessitated by Idaho Power's investment in generation resources,” the commission said.

The Northwest Energy Coalition and the Idaho Irrigation Pumpers Association filed comments in support of the rider, although the coalition said the amount of the rider is “insufficient to capture all the cost-effective energy savings potential in Idaho Power's service territory and to operate robust demand-response programs to reduce peak generation resource needs.” The coalition noted that “using electricity more efficiently is

the quickest and least-cost approach to meeting customers' power needs" because it reduces customer bills and reduces loads during peak periods when Idaho Power's system is most stressed.

APPENDIX G – Avista efficiency rider

Idaho Public Utilities Commission

Case No. AVU-E-09-06 and AVU-G-09-04, Interlocutory Order No. 30870

August 3, 2009

Contact: Gene Fadness (208) 334-0339, 890-2712

Website: www.puc.idaho.gov

Commission reviewing Avista conservation programs

The Idaho Public Utilities Commission is taking comments through Aug. 28 on an application by Avista Utilities to increase the rider that electric and natural gas customers pay to fund conservation programs and to create a mechanism for a yearly adjustment each spring.

If the commission approves the application, there is **no increase** to the overall rates approved by the commission in its July 17 order and made effective on Aug. 1. That increase – an average 1.5 percent for electric customers and 1.2 percent for gas customers already includes the proposed rider adjustments. The net increase approved July 17 was the result of the following adjustments:

- an increase to base rates for electric and natural gas customers
- a decrease for electric customers in the annual Power Cost Adjustment and a decrease for gas customers in the annual Purchases Gas Cost Adjustment
- a decrease for residential and small-farm electric customers as a result of the resumption of the Bonneville Power Administration's residential exchange credit
- an increase (subject to commission review in this application) to the energy efficiency rider for electric and natural gas customers.

The commission directed that the energy efficiency rider portions of the adjustment be made effective Aug. 1 on a temporary basis to avoid having several rate adjustments within a short period of time. If the commission finds that the company has not demonstrated a need for an increase in the energy efficiency rider, the rider account will be adjusted in the near future to accommodate the commission's findings.

The rider funds more than 30 programs in two categories called demand side management (DSM) and energy efficiency. DSM programs reduce customer demand on the company's generation sources. Efficiency programs help customers use their electricity more efficiently. The commission approves riders for electric and gas utilities if they are found to be cost-effective for both customers and the utility. DSM and efficiency programs can save customers money in both the short term by direct customer participation and in the long term because they prevent or delay the utility from having to buy or build more expensive generation.

Avista proposes to increase its electric rider from 2.24 percent to 3.27 percent of customer bills and the gas rider from 1.55 percent to 2.6 percent. As stated, this proposed

increase is already in the overall rates approved last July 17, subject to commission review. Final approval of the rider would increase annual revenue by \$5.4 million. **However, increases in the rider cannot increase or decrease company earnings.** Revenue collected from the rider can be used only to pay off a \$2.36 million shortfall in the electric rider fund, a \$1 million shortfall in the gas rider fund and to fund ongoing programs.

Avista's DSM and efficiency efforts are based on providing financial incentives or rebates for customer participation in more than 30 programs. Some of the programs include efficiency measures for appliances, compressed air systems, HVAC systems, industrial and commercial equipment, lighting and motors. The programs also include renewable technologies and sustainable building measures. Further, Avista has long encouraged the direct use of natural gas by its electric customers with rebates for the conversion of electric-to-natural gas space and water heater loads.

According to the company's application, Avista continues to exceed targets in electric and gas savings as the result of these programs for its Washington and Idaho customers. More than 110 average megawatts of demand-side management programs are now in place on the company's total retail average load (during 2008) of 1,100 average megawatts. (A megawatt is one million watts, enough electricity to power about 650 average homes.) On the gas side, 1.9 million therms were saved during 2008, which was 136 percent of the company's target.

Of all the surcharge revenues collected from Washington and Idaho electric and gas customers, 72 percent were paid back to customers in direct incentives to participate in energy efficiency and demand-side management programs. This does not include the additional benefits such as technical analysis and education provided to customers by the company's DSM staff.

In this application, Avista also proposes to reduce large negative or positive adjustments to the rider by filing on or about Feb. 15 of each year for either an increase or a decrease to the rider.

According to the company's application, installing energy efficiency measures "is a direct action customers can take to respond to a period of increasing energy prices facing the Pacific Northwest and the country as a whole." The application states that Avista's energy efficiency programs are being used by customers at unprecedented levels.

The commission plans to handle this request in a modified procedure that uses written comments rather than conducting a hearing, unless customer comments can demonstrate a need for a public hearing. Comments are accepted via e-mail by accessing the commission's homepage at www.puc.idaho.gov and clicking on "Comments & Questions." Fill in the case number (AVU-E-09-06 or AVU-G-09-04) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

APPENDIX H – PacifiCorp Energy Efficiency Rider

IDAHO PUBLIC UTILITIES COMMISSION

May 5, 2008

Case No. PAC-E-08-01, Order No. 30543

Contact: Gene Fadness (208) 334-0339, 890-2712

Website: www.puc.idaho.gov

Commission: Customers will benefit from increase in efficiency rider

Customers of Rocky Mountain Power in eastern Idaho will pay more for a rider on customer bills to fund an expansion of the utility's energy efficiency programs. The increase in the rider, from 1.5 percent to 3.72 percent, is about \$1.56 per month more for an average residential customer.

The Idaho Public Utilities Commission approved the increase as one that will be financially beneficial to customers in the long-term. "We find that demand-side management, conservation, and energy efficiency measures continue to be the least-cost resources that utilities can acquire to serve new load," the commission said.

PacifiCorp, the parent company of Rocky Mountain Power, anticipates a shortage of energy resources to serve peak loads this summer. By implementing programs funded by the rider, the company estimates it will save 13,140 megawatt-hours per year. At the former 1.5 percent, the rider funded programs that saved about 8,000 MWh during 2007.

While those customers who directly participate in the conservation programs will benefit the most, "all customers, including those with fixed and limited income, will benefit from deferring the cost of new supply-side resources," the commission said. Further, Idaho's share of system supply costs in PacifiCorp's six-state territory will decrease from expanded conservation programs.

Revenue collected from the rider must go directly to fund and administer energy efficiency programs and cannot be used for other purposes. The enhanced energy efficiency programs will offer information, services and cash incentives to help customers install energy efficient equipment or make permanent operational changes to reduce consumption and save money.

The commission directed the company to file a report each year on May 1 outlining the programs and demonstrating their cost-effectiveness. The commission also directed the company to provide the information necessary to conduct a prudency review of the costs and expenses related to the program during the company's next general rate case. "Costs imprudently incurred will not be paid by customers," the commission said.

The Northwest Energy Coalition filed comments in support of the filing. NWECC contends PacifiCorp has been underfunding and underachieving energy savings and believes the time is ripe for a significant expansion of effort. The commission should make it clear, NWECC said, that utility performance not be measured on expenditure of funds, but on the actual energy savings acquired.

Rocky Mountain Power proposes these changes:

- Expanding the FinAnswer Express program, which provides incentives for commercial and industrial customers in efficient lighting, premium motors and mechanical upgrades to heating and cooling systems. Both new construction and retrofit projects are eligible. Rocky Mountain Power reports there is a waiting list of business customers wanting to participate.
- Adding the Energy FinAnswer program to its Idaho jurisdiction. Rocky Mountain Power, which operates as PacifiCorp in five other Western states, offers this program in other states. It would provide incentives and honorariums to builders of new construction projects that exceed current Idaho energy code by at least 10 percent.
- Modifying and updating the Irrigation Energy Savers program, which helps irrigators with system upgrades, including the installation of frequency drives on pumps that help them to operate more efficiently.
- Modifying the Home Energy Savings program to increase participation and align incentive levels with Idaho markets. The program provides incentives for residential customers for more efficient use of washing machines, dishwashers, water heaters, lighting, evaporative cooling, insulation and heat pumps.

Other programs funded by the rider that will continue without change are Refrigerator Recycling, Low-Income Weatherization Services and the Irrigation Load Control Credit Rider.

A full text of the commission's order, along with other documents related to this case, is available on the commission's Web site at www.puc.idaho.gov. Click on "File Room" and then on "Electric Cases" and scroll down to Case No. PAC-E-08-01.

APPENDIX I



C. L. "BUTCH" OTTER
GOVERNOR

March 19, 2009

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

VIA FACSIMILE & U.S. MAIL

Re: The State of Idaho's Energy Program Assurances

Dear Secretary Chu,

As a condition of receiving Idaho's share of the \$3.1 billion funding for the State Energy Program (SEP) under the American Recovery and Renewal Act of 2009 (H.R. 1)(ARRA), I am providing the following assurances. I have written to our public utility commission and requested that they continue their successful decoupling efforts and consider additional actions to promote energy efficiency, consistent with the Federal statutory language contained in H.R. 1 and their obligations to maintain just and reasonable rates, while protecting the public. I have also written the appropriate state agencies and requested that they consider actions to improve building energy codes, consistent with State law and State Constitutional requirements, and to consider the statutory language contained in ARRA.

We are prioritizing our energy investments to take advantage of existing programs and expand programs where appropriate. Our State is committed to a robust improvement in energy efficiency and renewable energy, as well as a balanced State energy policy. I want to assure you that, within the limits of my authority, we will move forward in these critical areas.

We look forward to immediate distribution of the Federal SEP funds to permit my State to make progress in energy efficiency and renewable energy.

As Always – Idaho, "Esto Perpetua"

A handwritten signature in black ink, appearing to read "C.L. Butch Otter".

CLO/sg

C.L. "Butch" Otter
Governor of Idaho

cc: Gil Sperling
Director, Office of Weatherization and Intergovernmental Programs
U.S. Department of Energy
State Energy Director
David Terry, Executive Director
National Association of State Energy Officials



NORTHWEST
ENERGY EFFICIENCY
ALLIANCE

October 21, 2009

The Honorable C. L. "Butch" Otter
Governor of Idaho
State Capitol
Boise, ID 83720

Dear Governor Otter:

Thank you for appointing David Hawk as Idaho's representative to the Northwest Energy Efficiency Alliance (NEEA) Board.

It is an exciting time for energy efficiency and I look forward to working with Mr. Hawk as we continue to serve the region, including Idaho, to accomplish our mission to mobilize the Northwest to become increasingly energy efficient for a sustainable future.

I thank you for bringing an individual to the Board with the depth and breadth of experience that Mr. Hawk has in energy related matters, and particularly his solid understanding of Idaho-related energy concerns. NEEA is appreciative of the time and focus you spent on the selection and for the concentrated focus Paul Kjellander contributed to the effort. We are deeply appreciative to you both.

Sincerely,

A handwritten signature in cursive script that reads "Claire Fulenwider".

Claire Fulenwider
Executive Director

cc:

David Hawk

~~Paul Kjellander~~, Idaho Office of Energy Resources

Warren Kline, Idaho Power

APPENDIX K – Implementation of tiered rate (emphasis added)

Idaho Public Utilities Commission

Case No. IPC-E-08-10, Order No. 30722

January 30, 2009

Contact: Gene Fadness (208) 334-0339, 890-2712

Website: www.puc.idaho.gov.

Idaho Power gets 3.1 percent increase; 1.6 percent for residential customers

Rates for Idaho Power Company customers will increase by an average 3.1 percent effective Feb. 1, according to an order issued today by the Idaho Public Utilities Commission. Rates for residential customers will increase an average 1.6 percent.

Last July, Idaho Power asked the commission to approve an overall average 9.89 percent increase with a requested 6.31 percent increase for residential customers. The utility asked to increase its annual revenue requirement by \$66.6 million. Today's order authorizes a \$20.87 million increase in annual revenue.

The order also establishes a year-round, three-tiered rate structure for residential customers to promote energy efficiency and provide cost-saving opportunities. The new non-summer residential rate of 5.58 cents per kilowatt-hour for the first 800 kWh of monthly use is actually less than the current non-summer rate of 5.78 cents per kWh.

Idaho Power proposed a two-tiered rate under which customers would pay a rate 20 percent higher than the first tier once their monthly consumption exceeded 600 kWh. Instead, the commission adopted a three-tiered rate of 5.58 cents per kWh for non-summer use up to 800 kWh; 6.2 cents per kWh for use between 801 and 2000 kWh and 7.13 cents for use of 2,001 kWh or more. During the summer months, the first tier is 5.78 cents, the second tier is 6.59 cents and the third tier, 8.17 cents. Idaho Power's current summer rate is 5.78 cents on the first 300 kWh and 6.51 cents for use beyond that.

Rates for other customer classes vary depending largely on how much it costs to serve each customer class. The rates approved by the commission for the major rate classes (with the company's original proposal in parenthesis) are as follows:

Residential – 1.61 percent (6.3 percent)
Small commercial – 0.42 percent (10.6 percent)
Large commercial – 3.35 percent (15 percent)
Industrial – 5.62 percent (15 percent)
Irrigation – 6 percent (15 percent)

In adopting a significantly smaller revenue requirement than the utility requested, the commission noted the deteriorating economic conditions since Idaho Power made its application to the commission last July. "The volatility of the market, and general

financial distress on both a state and national level have triggered significant commission concern about ambitious financial projections based on 2007 customer growth” and then extrapolated by the company into 2008, the commission said.

The commission said it expects Idaho Power to continue to demonstrate its ongoing efforts to reduce operating costs and increase efficiencies. Because of the tough economic climate, the commission said all utilities’ fiscal responsibility will be “reviewed extensively and continually.”

Even in tough economic times, the commission must abide by state statutes requiring that regulated electric utilities be allowed to recover all prudently incurred expenses in order to serve customers in a safe and reliable manner. When the commission denies cost recovery to a utility, it must be able to legally demonstrate why the utility’s costs were not prudently incurred or in the best interest of customers.

The commission disallowed some of Idaho Power’s proposed expenses. The utility proposed to include in its revenue requirement an increase of nearly \$16 million in operation and maintenance expenses over 2007 levels based on anticipated growth in its service territory. The commission allowed \$2.87 million, noting that this is an area where Idaho Power has the most discretion to control costs. The commission also deducted \$11.2 million from the company’s proposed \$91.4 million in net power supply costs (fuel to operate plants, power purchases from the wholesale market and other utilities and purchases from in-state small-power facilities).

The commission disallowed the following amounts in these other categories: employee incentive compensation accounts (\$3.2 million), legal services (\$192,300) and employee purchase card expenses (\$885,000). Idaho Power agreed with commission staff’s findings to reduce \$1.4 million in depreciation expense and \$2 million in payroll expense due to a lack of increase in employees during 2008. The company said it has responded to the economic slowdown by instituting a selective hiring freeze. The commission also is requiring Idaho Power to reimburse customers \$3.26 million over five years. That is the amount credited to Idaho Power by federal agencies after it successfully challenged the amount of fees it had to pay the Federal Energy Regulatory Commission and other agencies during 1999-2006.

Idaho Power maintained a near 10 percent increase was necessary to recover investments including \$578 million for 13 new substations, 1,157 miles of distribution lines and 190 miles of transmission lines over the last three years. During the same time period, the company claims it increased the amount of electricity it buys from other utilities from \$876 million to more than \$2 billion. That includes purchases from renewable sources, including wind and geothermal. The company anticipates spending about \$900 million during 2008-2010 in construction expenditures.

In a departure from past practice, the commission allowed the utility to include a greater proportion of projected costs in rates to more closely align rates with the company’s expenses, thereby improving its credit rating and borrowing capacity. Typically, only

actual, historical costs are included in rates. But because of the time it takes to process a rate case (about six months), the company often incurs expense that it cannot recover until months after new plant is in use. The commission allowed Idaho Power to include major plant addition in excess of \$2 million that was to be completed by Dec. 31, 2008 and allowed it to include an escalation in some expense accounts where a specific trend could be identified. However, the commission did not allow as much in forecasted expense as Idaho Power wanted.

The commission approved an 8.18 percent rate of return and 10.5 percent return on common equity. The company requested 8.55 percent and 11.25 percent respectively. Evidence supported a finding that a slightly higher rate of return is required than the current 10.25 percent, the commission said, in order to attract investors and to improve the company's credit ratings, which can benefit customers by lowering Idaho Power's borrowing costs.

The company's ongoing construction needs also prompted the commission to include in rates an allowance for funds used during construction (AFUDC) totaling \$6.8 million related to the Hells Canyon relicensing projects. Typically, AFUDC is not included in rates until a project is in use and benefitting customers. In 2006, the Idaho Legislature amended a 1984 statute that prohibited the commission from including those costs in rates except in extreme emergencies. The 2006 amendment said construction work in progress and plant held for future use can be included in rates if the commission makes an explicit finding that including those costs is in the public interest.

Including the Hells Canyon costs is in the public interest, the commission said, because paying down some relicensing accounts now will mean smaller rate increases in the future because all prudently incurred relicensing costs will have to be included in future rates. Further, the commission said, "Idaho Power's cash flow will improve, which will help maintain its credit strength to access funds for ongoing construction projects." The commission said the relicensing effort, which is required by the Federal Energy Regulatory Commission and has cost \$95.6 million through 2007, is unlike a typical construction project because it has been under way for nearly 10 years with no certain completion date. Further, Idaho Power is able to use the Hells Canyon complex hydroelectric projects during relicensing, thus benefiting customers.

The commission also approved a request by the Community Action Partnership Association of Idaho (CAPAI) to require Idaho Power to provide \$25,000 annually to each of the state's five community-action regions for energy-efficiency education projects. The commission declined a request by CAPAI that Idaho Power increase funding for low-income weatherization. The commission said the utility is already actively involved in funding low-income weatherization projects.

Other parties in the case besides CAPAI, which represents low- and fixed-income customers, included the Idaho Irrigation Pumpers Association, the Industrial Customers of Idaho Power, Micron Technology, the U.S. Department of Energy (on behalf of the Idaho National Laboratory), the Kroger Company (dba Fred Meyer and Smith's) and the

Snake River Alliance. The commission also held three public workshops for customers, three public hearings and a four-day technical hearing.

A full text of the commission's order, along with other documents related to this case, is available on the commission's Web site at www.puc.idaho.gov. Click on "File Room" and then on "Electric Cases" and scroll down to Case Number IPC-E-08-10.

Interested parties may petition the commission for reconsideration by no later than Feb. 20. Petitions for reconsideration must set forth specifically why the petitioner contends that the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.

APPENDIX L – Idaho Power automated meters plan approved

Idaho Public Utilities Commission

February 17, 2009

Case No IPC-E-08-16, Order No. 30726

Contact: Gene Fadness, (208) 334-0339, 890-2712 (cell)

Commission OK's installation of automated meters

Idaho Power will begin this year a three-year project to install automated meters throughout its southern Idaho service territory.

Responding to an urgent directive from the Idaho Public Utilities Commission, the utility will replace its existing meters with advanced metering infrastructure (AMI) that will eventually allow customers to monitor electric prices and adjust their use to take advantage of lower price-periods. Idaho Power submitted a cost estimate of \$71 million for the project and will absorb any costs above that. Rates will not immediately increase, but will be included in base rates as the meters are placed in service. The commission also approved the company's request to accelerate the depreciation time frame on its existing meters down to three years.

The commission is urging Idaho Power to "move forward with all deliberate speed" with installation beginning this year in the Boise area, then in 2010 in the Canyon and Payette regions and, finally, in 2011 in the Magic Valley, Pocatello and Salmon areas.

The advanced meters can be read from a remote location, negating the need for an Idaho Power representative to access customer properties. They can provide the company and individual customers with hourly meter readings and inform customers of current electric prices, potentially allowing them to manage their use and reduce their bills.

Other benefits to customers and the company will include reduced operational costs associated with meter reading and improved meter reading accuracy, outage monitoring and theft detection. Customers can also be disconnected and reconnected from a remote location saving time and labor. There are also billing advantages such as fewer estimated bills, less re-billing and more flexible billing schedules.

After the Western energy crisis of 2000-2001, the commission said advanced metering technology was becoming more necessary. At that time, the commission ordered Idaho Power to evaluate and report on advanced metering technology. In 2002, the commission ordered Idaho Power to complete installation of advanced metering by 2004, but financial and technical problems made it impossible for the company to meet that time frame.

The commission eventually adopted a phased-in implementation and evaluation approach, with advanced meters installed in test areas such as Emmett. In an earlier

order, the commission stated ... "the potential benefits of advanced metering to ratepayers and the company are too great to delay ... implementation indefinitely."

The Idaho Conservation League endorsed adoption of the AMI program, saying it will encourage customers to be more efficient, which will lead to a decrease in overall electrical demand and reduce carbon dioxide emissions. AARP Idaho opposed the plan, saying more information should be obtained through a technical hearing before imposing the additional cost of AMI on customers.

The commission said it is mindful of the large capital expense, but said it expects Idaho Power to "demonstrate its ongoing effort to reduce operating costs and increase efficiencies and reminds the company that in the current economic climate its fiscal responsibility will be reviewed extensively and continually."

Copies of the commission's order are available on the commission's Web site at www.puc.idaho.gov. Click on "Recent Orders and Notices," and scroll down to Case No. IPC-E-08-16. Petitions for reconsideration must be filed by no later than March 5.

APPENDIX M – Update of automated meters in rates

Portion of May 29, 2007, press release including AMI expense in base rates:

Advanced Metering Infrastructure **IPC-E-09-07, Order No. 30829**

Responding to a directive from the commission, Idaho Power has begun a three-year process to replace its existing meters with advanced metering infrastructure (AMI) that will eventually allow customers to monitor electric prices and adjust their use to take advantage of lower price-periods.

Idaho Power estimates the project will cost \$71 million over its three year phase-in process. In this application, Idaho Power sought the first installment, or \$11.2 million for investments made between June 1, 2009, and May 31, 2010, which would have resulted in a 2.22 percent increase.

However, the commission adopted its staff's recommendation to include only costs through 2009, as more representative of the company's actual investment. The resulting increase is 1.8 percent. "We are confident that such an approach will provide the necessary protection to ratepayers and ensure that the company is able to maintain adequate cash flow and access to sufficient capital to maintain a secure financial footing in the midst of the current economic downturn," the commission said.

The Snake River Alliance filed comments supporting the company's application, but acknowledged that the meters' benefits won't be realized immediately. However, "eventual benefits will lead to real energy savings that will benefit all customers ... through reduced energy bills and reduced need for additional investments in generation and transmission."

The commission is urging Idaho Power to "move forward with all deliberate speed" with installation beginning this year in the Boise area, then in 2010 in the Canyon and Payette regions and, finally, in 2011 in the Magic Valley, Pocatello and Salmon areas. Idaho Power is pursuing federal stimulus dollars to help fund the project, which could eventually reduce ratepayer costs.



APPENDIX N

OFFICE OF ENERGY RESOURCES

C.L. "BUTCH" OTTER
Governor

PAUL KJELLANDER
Administrator



322 East Front Street, P.O. Box 83720
Boise, Idaho 83720-0098

(208) 287-4903
FAX (208) 287-6700

October 27, 2009

Will Hart
Executive Director
Idaho Consumer-Owned Utilities Association
PO Box 1898
Boise, Idaho 83701

Will Hart:

The Office of Energy Resources (OER) is in the process of compiling a report on the 2007 Idaho Energy Plan. Specifically, this report is tracking the progress related to various action items contained in the energy plan.

There is a section within the plan that deals directly with Idaho's municipal and cooperative utilities and in an effort to respond appropriately to the legislature, I am seeking your assistance. The specific section of the plan related to your association is as follows:

E-7 Idaho's municipal and cooperative utilities should annually report to the Energy Division their estimates of cost-effective conservation in their service territories, their plans for acquiring this resource, their conservation and energy efficiency expenditures, and their estimated savings in electrical energy (MWh) and peak capacity (kW) during the lifetime of the measures implemented.

At your earliest convenience, could you consult with your membership and provide OER with some language that addresses the section referenced above. Your response to this request will be incorporated into the final report that will be delivered to the Idaho State Legislature prior to the next session.

Thank you for your consideration of this request. If you require additional information, contact me at (208)287-4903.

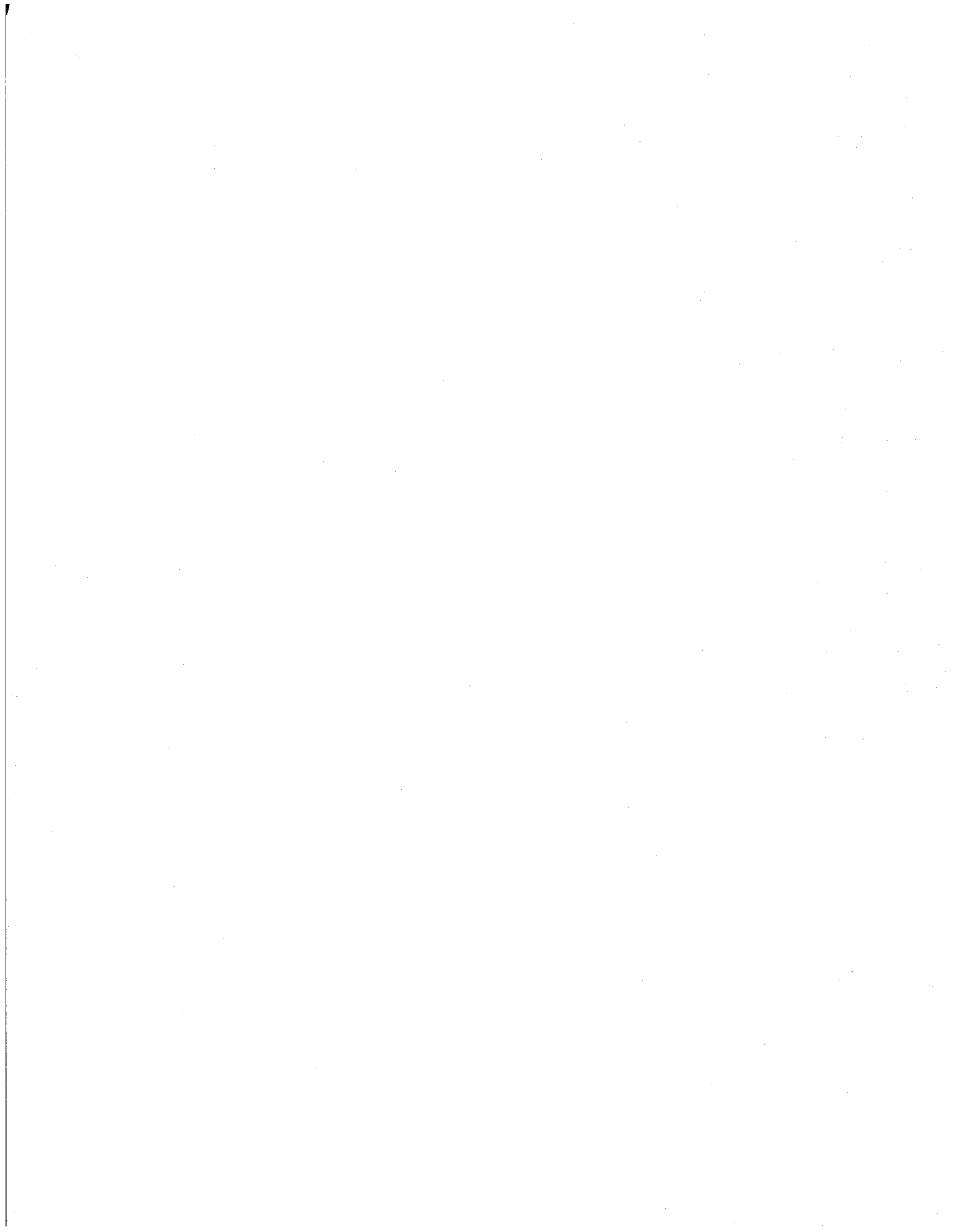
Sincerely,

A handwritten signature in black ink, appearing to read "Paul Kjellander".

Paul Kjellander
Administrator, Idaho Office of Energy Resources

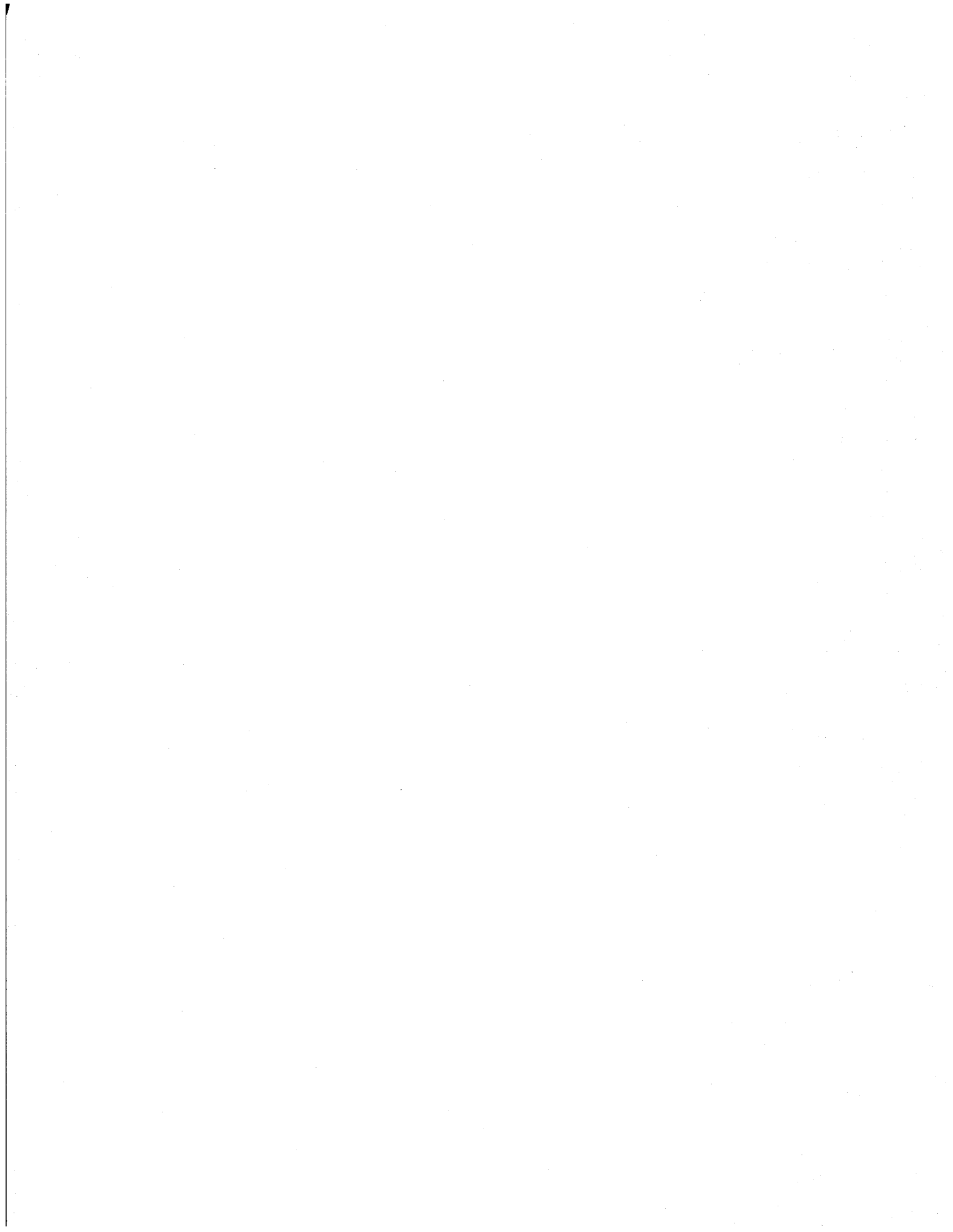
APPENDIX ICOU – 2007

FiscalYear	Measure	Measure Life	Total Kwh Savings	Total Incentive Payments
2007	Cut and pipe press repair of leaking lines	5	16,620	\$2,216
2007	Electronic Thermostats (Programmable)	15	7,778	\$1,600
2007	Energy Star Clothes Washer w/electric DHW	14	126,954	\$29,960
2007	Energy Star Dishwasher	9	12,067	\$6,525
2007	Energy Star Freezer	20	943	\$168
2007	Energy Star Home - Zonal Electric	22	147,915	\$44,000
2007	Energy Star Home - Zonal Electric	25	3,394	\$1,020
2007	Energy Star Lamp/Bulb	9	1,284,054	\$93,860
2007	Energy Star Lamp/Bulb	12	26,401	\$1,895
2007	Energy Star Manufactured Home	45	510,051	\$107,650
2007	Energy Star Refrigerator	22	31,842	\$6,875
2007	Heat Pump		39,706	\$5,903
2007	Heat Pump (Geothermal)	30	31,148	\$18,000
2007	Heat Pump w/PTCS	18	56,615	\$19,275
2007	Insulation (Attic)	45	11,936	\$3,588
2007	Insulation (Floor)	45	2,023	\$607
2007	Insulation (Wall)	45	23,116	\$7,918
2007	Lighting	12	149,982	\$13,696
2007	Motors	15	6,559	\$985
2007	Multi-trajectory sprays that replace low pressure sprinklers	5	31,140	\$3,114
2007	New Center Pivot Boot Gasket Replacement	5	15,300	\$2,250
2007	New drains on wheel-lines, hand-lines, cntr pivots	5	7,590	\$253
2007	New Drop Tube for Low-Pressure Pivot Sprinklers	5	139,260	\$20,889
2007	New Flow Control Type Nozzle for Impact Sprinklers	5	11,240	\$1,686
2007	New Gaskets for Wheel-, Hand- or Main-Line	5	70,740	\$2,358
2007	New Goose Neck Elbow for New Drop Tubes	5	64,800	\$3,240
2007	New Low Pressure Regulators with Pivot Sprinklers	5	466,300	\$69,945
2007	New Multi Config Nozzles-Low Pressure Pivot Sprink	5	17,960	\$1,796
2007	New nozzle replaces existing worn nozzle	5	38,895	\$648
2007	New rotate type sprinkler replace impact sprinkler	5	160	\$12
2007	PTCS Duct Sealing	20	129,728	\$50,800
2007	Rebuilt or new impact sprinklers	5	99,850	\$14,978
2007	Rebuilt or New Low Pressure Brass Sprinklers	5	70,800	\$7,080
2007	Rebuilt or new wheel-line levelers	5	380	\$14
2007	Rotating-type sprinkler replace low pressure sprinkler	5	50,440	\$7,566
2007	Water Heater	14	13,205	\$3,301
2007	Water Heater	25	47,083	\$16,457
2007	Weatherization	45	30,291	\$3,912
2007	Windows	45	9,742	\$2,884
2007 Totals			3,804,010	\$578,922



APPENDIX ICOU – 2008

FiscalYear	Measure	Measure Life	Total Kwh Savings	Total Incentive Payments
2008	Compressed Air System	15	1,130,285	\$135,634
2008	Cut and pipe press repair of leaking lines	5	13,920	\$1,856
2008	Donations	0	33,044	\$14,479
2008	Electronic Thermostats (Programmable)	15	7,778	\$1,600
2008	Energy Star Clothes Washer w/electric DHW	14	164,431	\$31,235
2008	Energy Star Dishwasher	9	13,978	\$9,325
2008	Energy Star Freezer	20	1,104	\$204
2008	Energy Star Home - Zonal Electric	22	33,617	\$10,000
2008	Energy Star Home - Zonal Electric	23	110,305	\$33,150
2008	Energy Star Home - Zonal Electric	61	10,720	\$3,200
2008	Energy Star Lamp/Bulb	9	3,348,341	\$237,650
2008	Energy Star Lamp/Bulb	12	280,312	\$20,120
2008	Energy Star Light Fixtures	15	64	\$3
2008	Energy Star Manufactured Home	45	361,662	\$79,550
2008	Energy Star Refrigerator	22	20,549	\$4,525
2008	Heat Pump (Geothermal)	30	84,792	\$48,000
2008	Heat Pump w/PTCS	18	78,612	\$34,140
2008	Insulation (Attic)	45	16,183	\$4,904
2008	Insulation (Floor)	45	31,653	\$9,476
2008	Insulation (Wall)	45	24,238	\$7,183
2008	Lighting	12	4,433,272	\$347,302
2008	Motors		713,184	\$85,582
2008	Motors	15	167,637	\$13,020
2008	Multiple measures installed	9	777,085	\$71,941
2008	Multi-trajectory sprays that replace low pressure sprinklers	5	5,315	\$473
2008	New Center Pivot Boot Gasket Replacement	5	850	\$125
2008	New drains on wheel-lines, hand-lines, cntr pivots	5	2,640	\$88
2008	New Drop Tube for Low-Pressure Pivot Sprinklers	5	30,160	\$4,524
2008	New Flow Control Type Nozzle for Impact Sprinklers	5	23,720	\$3,558
2008	New Gaskets for Wheel-, Hand-, or Main-Line	5	19,590	\$653
2008	New Goose Neck Elbow for New Drop Tubes	5	18,660	\$933
2008	New Low Pressure Regulators with Pivot Sprinklers	5	75,200	\$11,280
2008	New Multi Config Nozzles-Low Pressure Pivot Sprink	5	23,860	\$2,386
2008	New nozzle replaces existing worn nozzle	5	17,220	\$287
2008	New rotate type sprinkler replace impact sprinkler	5	11,800	\$885
2008	Pump	10	165,806	\$24,692
2008	Rebuilt or new impact sprinklers	5	34,400	\$5,160
2008	Rebuilt or New Low Pressure Brass Sprinklers	5	12,320	\$1,232
2008	Rebuilt or new wheel-line levelers	5	2,180	\$82
2008	Refrigerators	6	893	\$85
2008	Refrigerators	22	17,552	\$3,875
2008	Rotating-type sprinkler replace low pressure sprinkler	5	70,080	\$10,512
2008	Showerhead	10	525,118	\$50,484
2008	Showerhead/Aerator	6	321,429	\$16,440
2008	Variable Frequency Drive (VFD) motor	10	342,622	\$51,393
2008	Variable Frequency Drive (VFD) motor	15	8,680	\$2,000
2008	Variable Speed Drive (VSD) motor	10	162,529	\$13,167
2008	Water Heater	14	13,306	\$3,327
2008	Water Heater	25	50,314	\$17,610
2008	Windows	45	13,284	\$3,932
2008 Totals			13,826,294	\$1,433,261



LEGISLATURE OF THE STATE OF IDAHO

Sixtieth Legislature
2010

Second Regular Session --

IN THE _____

_____ BILL NO. _____

BY _____

AN ACT

RELATING TO INCOME TAX DEDUCTIONS TO PROMOTE ENERGY EFFICIENCY; AMENDING SECTION 63-3022B, IDAHO CODE, TO REMOVE THE REQUIREMENT THAT HOMES BE OLDER THAN 1976 TO CLAIM THE DEDUCTION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-3022B, Idaho Code, be, and the same is hereby amended to read as follows:

63-3022B. DEDUCTION FOR ~~INSULATION~~ ENERGY EFFICIENCY UPGRADE OF RESIDENCES. For taxable years commencing on and after January 1, ~~1976~~ 2010, an individual taxpayer may deduct from taxable income an amount actually paid or accrued by the individual taxpayer during the taxable year for the actual installation, ~~but not replacement,~~ of insulation energy efficiency upgrade measures within any existing building in the state of Idaho which serves as a place of residence of the individual taxpayer. ~~As used in this section, "insulation" means any material commonly used in the building industry and actually installed for the purpose of retarding the passage of heat energy into or out of a building, including but not limited to, such items as fiberglass insulation, weather stripping, double pane windows, and storm doors and windows. As used in this section, "existing building" means any building in being, under construction, or subject to an outstanding legal building permit on the effective date of this act.~~

(1) Definitions:

(a) "Energy efficiency upgrade measure" means an energy efficiency improvement to the building envelope, such as insulation, weather stripping, high efficiency windows, storm doors and windows, or duct system insulation and sealing that reduces the energy use of that building component and is actually installed during the taxable year.

(b) "Existing building" means any single family or duplex building constructed and occupied prior to the taxable year in which the improvement is made or accrued.

(2) Specific requirements for energy efficient upgrade measures:

(a) Upgrade measures shall meet or exceed the prescriptive value for the improved building component established by 39-4109, Idaho Code during the taxable year in which the improvement is paid or accrued subject to the limitation of subsection b and the requirement of subsection c of this section.

1 (b) Insulation shall be added to existing insulation and not in
2 replacement of it. In the case of uninsulated walls and other
3 confined building cavities it may be impossible to install the
4 amount of insulation required by subsection (a). In that case the
5 insulation value required for the deduction shall be determined by
6 the amount of insulation that can be installed in the cavity using
7 blown fibrous insulation.

8 (c) Window replacements must be Energy Star certified by the U. S.
9 Environmental Protection Agency during the taxable year in which the
10 window is installed.

11 (d) Duct sealing and insulation upgrades shall be deductible if they
12 meet these standards: Duct sealing requires mechanical fastening of
13 joints and mastic sealant, and insulation of ducts outside of the
14 living area shall be to a minimum R value of eight (8). In addition
15 performance testing of duct sealing and static pressure is
16 recommended, and the cost of testing and sealing by a technician
17 certified and operating according to the Performance Tested Comfort
18 System requirements promulgated by the Regional Technical Forum of
19 the Northwest Power and Conservation Council is deductible.

20 (e) Duct air flow testing and duct repair for better air flow shall
21 be deductible where the final tested air flow is no less than eighty
22 five percent (85%) and no greater than one hundred twenty percent
23 (120%) of the manufacturer's recommended air flow for the air
24 conditioner or heat pump attached to the duct system at an external
25 static pressure no greater than one half inch water column measured
26 using procedures specified in the Performance Tested Comfort System
27 requirements promulgated by the Regional Technical Forum of the
28 Northwest Power and Conservation Council.

31 SECTION 2. The Legislature finding that an emergency exists, therefore
32 this act shall be in full force and effect on and after January 1, 2010.
33

STATEMENT OF PURPOSE

The purpose of this legislation is to update the existing tax deduction for existing homes. The update removes the restriction that homes must be built prior to 1976 in order to qualify for a tax deduction for energy efficiency improvements, defines minimum levels of efficiency improvements by reference to current energy efficiency requirements in code, defines energy efficiency upgrade measures, and provides standards for insulating, sealing, repairing and sealing ductwork.

FISCAL IMPACT

This amendment will be revenue positive after considering income tax on installation labor and material and product sale profits and sales tax on materials and products. The deduction is estimated to increase 30%--an added state tax loss of \$200,000. A conservative estimate shows this increase would be offset by \$106,000 estimated increased income tax on installation income and material and net product profits and \$105,000 estimated increased sales tax. State revenue is estimated to increase overall by approximately \$10,500.

CONTACT**Name:****Phone:**



NEWS RELEASE

IDAHO OFFICE OF ENERGY RESOURCES

Release 2009-37

FOR IMMEDIATE RELEASE
Boise, Idaho – September 24, 2009

Contact: Paul Kjellander 287-4903
Administrator Office of Energy Resources

Micron Awarded Stimulus Funds for Energy-Efficient Lighting Technology Development Project

Governor Otter Announces Stimulus Support for Project to Develop Technology, Reuse Facilities and Create Jobs at Idaho Innovation Summit at 9:15 a.m. on September 24

The Idaho Office of Energy Resources (OER) will award \$5 million in available American Recovery and Reinvestment Act stimulus funds to Micron Technology Inc. to advance a program focused on producing energy-efficient light-emitting diode (LED) technology.

LED technology uses approximately 1/7 of the electricity of today's standard lighting sources. Applications include general commercial and residential illumination, municipal streetlights and outdoor area lighting; off-grid lighting powered by solar for remote locations; television and display backlighting as well as automotive lighting and instrument illumination.

Micron's LED development efforts were one of four projects selected in May by OER and reviewed by a council convened by the Idaho Department of Commerce as the best proposals to stimulate Idaho's economy while creating an industry that promotes energy efficiency.

"The project fits Idaho's long-term economic development goals through creation of quality jobs and career opportunities in an innovative industry," Governor C.L. "Butch" Otter said.

This stimulus funding provides additional financial support to the significant capital and assets Micron has also committed to the project. These include Idaho-based fabrication facilities, world-class research and development personnel and advanced production tools and machinery.

OER Administrator Paul Kjellander said, "Investing in a new direction for Idaho's high-technology industry will restore jobs and growth for Idaho."

"LED technology aligns well with Micron's core semiconductor technology expertise," said Scott DeBoer, Micron Vice President of Process R&D. "The stimulus support announced today, together with the significant R&D investments Micron is making toward this project, further the possibility that this effort could help Idaho grow as a leader in energy-efficient LED technology."

More information about these projects and the Office of Energy Resources is available at <http://www.energy.idaho.gov/>

(END)



APPENDIX AVU

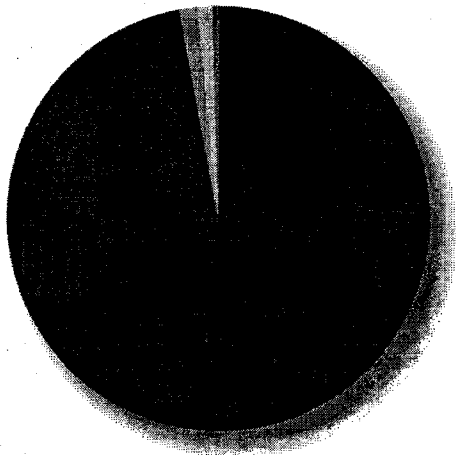
All mixed together

Financial experts always counsel their clients to "diversify."

That's good advice for the energy business, too.

At Avista, we light your reading lamp, charge your laptop and lots more with a mix of fuel sources. That approach can increase reliability and keep rates more manageable.

In 2007, we generated or contracted to purchase this much energy for you:



■ Hydro	50.88 percent
■ Coal	24.72 percent
■ Natural gas	20.09 percent
■ Waste*	1.25 percent
■ Wind**	1.13 percent
■ Nuclear*	0.28 percent
■ Cogeneration	0.11 percent
■ Landfill gases*	0.01 percent
■ Other	0.01 percent
■ Solar	0.00 percent
■ Geothermal	0.00 percent

* Avista doesn't own or operate landfill gases, nuclear or waste generation facilities.

** Participating customers purchased 66,638 megawatt-hours of new, renewable electricity through Avista's Buck-A-Block program. Since participating customers paid for this energy directly, it doesn't constitute an Avista purchase.

Source of data: As reported by Avista Utilities to, and published by, the State of Washington Department of Community, Trade and Economic Development, Energy Policy Division, for the 2007 calendar year.

ENERGY SAVER



Don't be afraid of energy efficiency

You know all those horror movies where our heroine gets a phone call from someone in the house?

Turns out it really is in your house — and our Home Energy Analyzer can tell you where.

This free online service will identify places in need of an efficiency tune up, outline the top ways you can save energy, customized to your home, compare yours to other houses of similar size and energy use, and even more.

You can create an online account then sign up for your analysis at www.avistautilities.com.

connections

OCT. 08

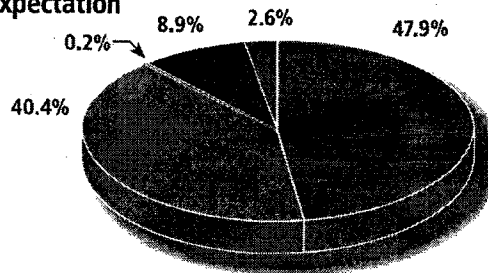
connecting you with your hometown utility

**Where Did Your Electricity
Come From Last Year?**

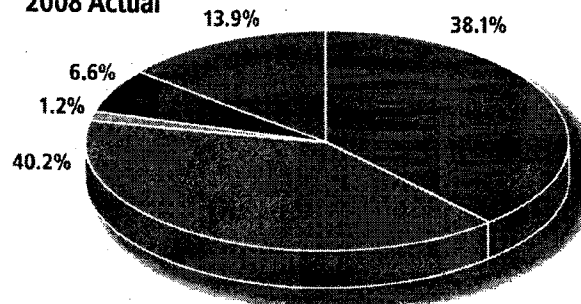
Idaho Power uses a diverse mix of resources to provide its customers with a reliable, low-cost supply of electricity. This mix includes hydroelectricity, power generated by the company's coal or natural gas-fired plants and from purchases from the wholesale energy market.

These charts show the source of your electricity in a normal year and the amount and sources Idaho Power used to meet electrical demand in 2008.

**Normal
Expectation**



2008 Actual



- Hydro
- Coal
- Gas
- Long Term Purchases
- Market Purchases

Energy is a finite, precious resource, and Idaho Power encourages its customers to use it wisely. For more information and to sign up for energy efficiency programs that can help conserve electricity and save money, please go to www.idahopower.com/energyefficiency.



C. L. "BUTCH" OTTER
GOVERNOR

March 19, 2009

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

VIA FACSIMILE & U.S. MAIL

Re: The State of Idaho's Energy Program Assurances

Dear Secretary Chu,

As a condition of receiving Idaho's share of the \$3.1 billion funding for the State Energy Program (SEP) under the American Recovery and Renewal Act of 2009 (H.R. 1)(ARRA), I am providing the following assurances. I have written to our public utility commission and requested that they continue their successful decoupling efforts and consider additional actions to promote energy efficiency, consistent with the Federal statutory language contained in H.R. 1 and their obligations to maintain just and reasonable rates, while protecting the public. I have also written the appropriate state agencies and requested that they consider actions to improve building energy codes, consistent with State law and State Constitutional requirements, and to consider the statutory language contained in ARRA.

We are prioritizing our energy investments to take advantage of existing programs and expand programs where appropriate. Our State is committed to a robust improvement in energy efficiency and renewable energy, as well as a balanced State energy policy. I want to assure you that, within the limits of my authority, we will move forward in these critical areas.

We look forward to immediate distribution of the Federal SEP funds to permit my State to make progress in energy efficiency and renewable energy.

As Always – Idaho, "Esto Perpetua"

A handwritten signature in black ink, appearing to read "C.L. Butch Otter".

C.L. "Butch" Otter
Governor of Idaho

CLO/sg

cc: Gil Sperling
Director, Office of Weatherization and Intergovernmental Programs
U.S. Department of Energy
State Energy Director
David Terry, Executive Director
National Association of State Energy Officials





C. L. "BUTCH" OTTER
GOVERNOR

March 19, 2009

Paul Kjellander
Administrator
Idaho Office of Energy Resources
322 East Front Street
P.O. Box 83720
Boise, Idaho 83720-0098

RE: State Energy Program Funding

Dear Paul,

I am attaching the relevant section of the recently passed American Recovery and Renewal Act of 2009 (H.R. 1)(ARRA), which contains a requirement that Governors make certain assurances regarding energy efficiency programs and energy codes as a condition of the State receiving our share of \$3.1 billion from the Federal State Energy Program (SEP).

I am asking you to work with the Idaho Public Utilities Commission and the Division of Building Safety to coordinate efforts to fulfill the state's requirements under the relevant provisions of the ARRA. Such coordination can benefit the public.

I further request that you inform me of your actions.

As Always – Idaho, "Esto Perpetua"

A handwritten signature in black ink, appearing to read "C.L. Butch Otter".

C.L. "Butch" Otter
Governor of Idaho

CLO/sg

authorization provided in section 365(f) of such Act only if the governor of the recipient State notifies the Secretary of Energy in writing that the governor has obtained necessary assurances that each of the following will occur:

(1) The applicable State regulatory authority will seek to implement, in appropriate proceedings for each electric and gas utility, with respect to which the State regulatory authority has ratemaking authority, a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provide timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently.

(2) The State, or the applicable units of local government that have authority to adopt building codes, will implement the following:

(A) A building energy code (or codes) for residential buildings that meets or exceeds the most recently published International Energy Conservation Code, or achieves equivalent or greater energy savings.

(B) A building energy code (or codes) for commercial buildings throughout the State that meets or exceeds the ANSI/ASHRAE/IESNA Standard 90.1-2007, or achieves equivalent or greater energy savings.

(C) A plan for the jurisdiction achieving compliance with the building energy code or codes described in subparagraphs (A) and (B) within 8 years of the date of enactment of this Act in at least 90 percent of new and renovated residential and commercial building space. Such plan shall include active training and enforcement programs and measurement of the rate of compliance each year.

(3) The State will to the extent practicable prioritize the grants toward funding energy efficiency and renewable energy programs, including—

(A) the expansion of existing energy efficiency programs approved by the State or the appropriate regulatory authority, including energy efficiency retrofits of buildings and industrial facilities, that are funded—

(i) by the State; or

(ii) through rates under the oversight of the applicable regulatory authority, to the extent applicable;

(B) the expansion of existing programs, approved by the State or the appropriate regulatory authority, to support renewable energy projects and deployment activities, including programs operated by entities which have the authority and capability to manage and distribute grants, loans, performance incentives, and other forms of financial assistance; and

(C) cooperation and joint activities between States to advance more efficient and effective use of this funding to support the priorities described in this paragraph.

(b) STATE MATCH.—The State cost share requirement under the item relating to "Department of Energy; Energy Conservation" in title II of the Department of the Interior and Related Agencies

IDAPA 07 - DIVISION OF BUILDING SAFETY

07.03.01 - RULES OF BUILDING SAFETY

DOCKET NO. 07-0301-0902

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 39-4109, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 21, 2009.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Section 39-4109, Idaho Code, provides the Building Code Board with the authority to adopt specified building codes via administrative rule. The rules currently adopt the 2006 editions of the building codes and need to be updated to reflect the most recent 2009 editions of the codes. Additionally, the American Recovery and Reinvestment Act (federal stimulus legislation) includes funding for states to build energy efficient buildings. To receive that funding, Idaho has provided assurances to the federal government that it will adopt the 2009 International Energy Conservation Code. The rule would adopt the 2009 edition of the International Energy Conservation Code with any amendments thereto as adopted by the Board through the negotiated rulemaking process.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: NA

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: None.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220, Idaho Code, negotiated rulemaking was not conducted because of the simple nature of the rulemaking.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Steve Keys, Deputy Administrator - Operations, (208) 332-8986.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 28, 2009.

DATED this 28th day of August, 2009.

Steve Keys
Deputy Administrator - Operations
Division of Building Safety
1090 E. Watertower St.
Meridian, ID 83642
Phone: (208) 332-8986
Fax: (208) 855-2164

THE FOLLOWING IS THE PROPOSED TEXT FOR DOCKET NO. 07-0301-0902

004. ADOPTION AND INCORPORATION BY REFERENCE.

Under the provisions of Section 39-4109, Idaho Code, the following codes enumerated in this Section are hereby adopted and incorporated by reference into IDAPA 07.03.01, "Rules of Building Safety," Division of Building Safety. The effective date of a 2009 edition of any of the codes adopted in this Section with any amendments identified thereto shall be January 1, 2011. Until such time, the 2006 edition of any such code enumerated in this Section without amendment will remain effective pursuant to Section 39-4109, Idaho Code. Copies of these documents may be reviewed at the office of the Division of Building Safety. The referenced codes may be obtained from International Code Council, 5360 Workman Mill Road, Whittier, California 90601-2298 or <http://www.iccsafe.org>. ~~(5-8-09)~~()

01. **International Building Code. 2006 Edition.** (5-8-09)
02. **International Residential Code. 2006 Edition.** (5-8-09)
03. **International Existing Building Code. 2006~~9~~ Edition.** ~~(5-8-09)~~()
04. **International Energy Conservation Code. 2009 Edition.** ()

APPENDIX T

Idaho Public Utilities Commission

IPC-E-08-11, Order No. 30760

April 1, 2009

Contact: Gene Fadness (208) 334-0339, 890-2712

Proceeds from previous credits used to expand energy efficiency education

The Idaho Public Utilities Commission chose a modified version of a proposal by Idaho Power Company as the best use of \$500,000 for energy efficiency education.

In a related case, the commission chose a modified version of a proposal by Idaho Power as the best use of \$500,000 for energy efficiency education.

In the 2008 emissions credits case, the commission agreed with a recommendation from the Idaho Energy Education Project that a portion of \$19.6 million in emissions credits be used for energy education. Proposals for an education program came from IEEP, Idaho Power Co. and a joint proposal by the Office of Energy Resources and the State Department of Education.

The commission adopted the Idaho Power proposal, saying it is more focused on schools within its service territory and has smaller overhead and administrative costs.

Idaho Power's proposal includes expanding its existing program of energy education by increasing the number of energy audits for homes and schools as well as follow-up discussion of those audits.

Idaho Power will distribute classroom energy kits to students to take home. Students will be taught how to read meters, including advanced meters that are being installed throughout Idaho Power's territory. With meters the students take home, they will be able to calculate the energy use of home appliances. Students will also be invited to participate in audits of school buildings, including making recommendations for efficiency measures.

The commission rejected a portion of Idaho Power's proposal to add two more solar projects to the two existing projects in the Solar 4R Schools program. The commission said the \$75,000 allocated for those projects would be better used in the home and school energy efficiency components of the program.

The commission also directed Idaho Power to establish an advisory board to implement the energy education proposal. Its members will include some of the parties who participated in the case. The board will also assist Idaho Power in preparing a final report to the commission after the two-year project is complete.



C.L. "BUTCH" OTTER
GOVERNOR

EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE

EXECUTIVE ORDER NO. 2009-05

**ESTABLISHING THE IDAHO STRATEGIC ENERGY ALLIANCE
REPEALING AND REPLACING EXECUTIVE ORDER 2007-20**

WHEREAS, it is the policy of the State of Idaho to utilize the natural resources of our State to increase our energy supply in an economically efficient and prudent manner while protecting the integrity of our state's resources; and

WHEREAS, the presence of an affordable, reliable and plentiful energy supply is critical for our state and national economy; and

WHEREAS, the development of renewable and/or sustainable energy sources, including but not limited to bio-diesel, biomass, ethanol, methane digesters, wind power and solar, would be beneficial to farmers, rural communities and the state as a whole by establishing additional markets, creating diverse and sustainable forms of energy, and creating new job opportunities for Idahoans; and

WHEREAS, Idaho's energy resources can help Idaho and the nation to lessen dependence on foreign oil; and

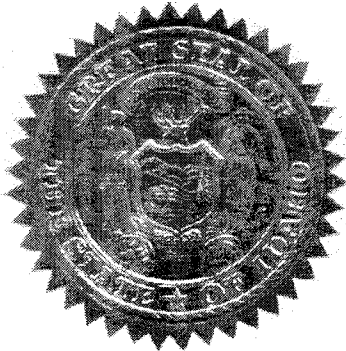
WHEREAS, to this end, it is the goal of the State of Idaho that 25 percent of Idaho's energy needs be provided through renewable and/or sustainable Idaho-based energy sources by the year 2025;

NOW, THEREFORE, I, C.L. "BUTCH" OTTER, Governor of the State of Idaho, by the authority vested in me under the Constitution and the laws of the State of Idaho do hereby order the following:

1. *The establishment of the Idaho Strategic Energy Alliance as a joint effort between local, tribal, State and federal governments, as well as the for profit and not-for-profit private sectors. The purpose of the Alliance is to enable the development of a sound energy portfolio for Idaho that includes diverse energy resources and production methods, that provides the highest value to the citizens of Idaho, that ensures quality stewardship of environmental resources, and that functions as an effective, secure, and stable energy supply.*
2. *The responsibilities of the Alliance shall be:*
 - A. *To provide policy direction and planning through an overseeing Council that is aimed at increasing the State of Idaho's production of renewable and sustainable energy.*
 - B. *To work to improve cooperation, collaboration and information sharing among public and private sector entities in the area of renewable and sustainable energy.*
 - C. *To seek out new and innovative means to increase production of energy in Idaho.*
3. *Membership of the Council shall include a representative from the Office of the Governor and the directors of the following State entities or their designees:*
 - A. *Department of Agriculture*
 - B. *Department of Environmental Quality*
 - C. *Department of Lands*

- D. Department of Water Resources
- E. Department of Commerce
- F. Idaho Transportation Department
- G. Office of Energy Resources

4. *The Council shall engage representatives and members of federal government, local government organizations, tribal governments, Idaho universities, private, and not-for-profit organizations having an interest in the energy future of Idaho pertaining to renewable or sustainable energy, and who can bring the expertise and resources to create a successful Alliance.*
5. *Council members shall serve at the pleasure of the Governor.*
6. *The Council shall meet at least twice annually. The chairman of the Council shall be the administrator of the Office of Energy Resources or his representative.*
7. *The Council shall submit a report of its activities to the Governor and the Legislature annually.*



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho in Boise on this 6th day of February in the year of our Lord two thousand and nine, and of the Independence of the United States of America the two hundred thirty-third and of the Statehood of Idaho the one hundred nineteenth.

C.L. "BUTCH" OTTER
GOVERNOR

BEN YSURSA
SECRETARY OF STATE

IDAHO K-12 ENERGY EFFICIENCY PROJECT

The Office of Energy Resources (OER) has committed over seventeen million dollars of American Recovery and Reinvestment Act (ARRA) State Energy Program (SEP) funds to K-12 existing school building energy efficiency upgrades.

This project will secure savings through a combination of building process changes, mechanical system tune-ups, and the installation of hard measures implemented through building envelope, lighting, mechanical and water savings retrofit. The training will be designed to support the most efficient and effective implementation of both the tune-ups and hard measure installation.

It's estimated that implementation of the K-12 project will either create or help to maintain 150-250 jobs in the Idaho market over the next two year period. A secondary benefit of this project is to make these jobs sustainable in the longer term.



IDAHO'S COMMITMENT

THE GOAL

The goal under this project is the reduction of statewide K-12 classroom energy use by 10 to 15 percent over the next two years when compared to a 2008 baseline.

THE OBJECTIVES

1. During state fiscal years 2010 and 2011 approximately 703 existing Idaho K-12 classroom buildings will undergo heating ventilation and cooling (HVAC) audits and tune-ups to increase system performance and reduce energy bills. Approximately five million dollars will be spent on audits and tune-ups statewide.
2. During this same time period, project engineers will perform scoping audits on 703 K-12 buildings to determine high priority buildings for lighting, envelope mechanical and water saving energy retrofit measures. Almost ten million dollars will be used to retrofit energy systems in selected Idaho K-12 buildings.





GOVERNOR'S MESSAGE

"The primary purpose of this project is to reduce energy bills in K-12 school districts statewide, thereby avoiding the cost of purchased energy. A reduction in energy use in existing buildings will reduce market volatility in the purchase of energy, providing districts greater security in planning both short and long-term energy budgets."

"All this work will benefit not just your district but all of Idaho, since both your state and local tax dollars pay the heating and cooling bills for schools. And the project will provide ongoing benefits in terms of comfort, durability and better equipped and trained staff for our public school buildings. Ultimately, all that will mean healthier learning environments for our children."

Sincerely,

C.L. "Bulck" Otter Governor

For more information, visit the OER website at <http://www.energy.idaho.gov>.



Idaho
Office of Energy Resources



American Recovery
and Reinvestment Act

Costs associated with this publication are available from the Idaho Office of Energy Resources in accordance with Section 60-202, Idaho Code, OER-07-09-1,500

IDAHO OFFICE OF ENERGY RESOURCES



IDAHO K-12 ENERGY EFFICIENCY PROJECT

Appendix W – Energy-related legislation since creation of 2007 Idaho Energy Plan

Idaho Energy Legislation

2007

Biofuel infrastructure investment, income tax credit H0177 - Ch.165
Biofuel Infrastructure/Fuel Independence Act . . . H0150 - Ch.185
Electric facilities, joint participation by cities H0030 - Ch.28
Electric transmission facility, siting, certificate H0152 - Ch.186
Energy Facility Site Advisory Act. H0154 - Ch.164
Energy Resources Authority, operations, investments H0032 - Ch.107
Wind energy electrical production, tax H0189 - Ch.143
Energy Facility Site Advisory Act. H0154 - Ch.164

2008

Energy facility, commercial purpose, endowment lands H0500 - Ch.115
Geothermal energy electrical production, tax . . . H0529 - Ch.227
Energy Efficient State Buildings Act H0422 - Ch.274
Energy savings performance, facilities, contractors H0556 - Ch.366
Energy-producing materials, sales tax exemption. H0561 - Ch.233

2009

Energy-efficient school building design S1132 - ch.145

APPENDIX X

Idaho Statutes

TITLE 33
EDUCATION
CHAPTER 10

FOUNDATION PROGRAM -- STATE AID -- APPORTIONMENT

33-1019.ALLOCATION FOR SCHOOL BUILDING MAINTENANCE REQUIRED. (1) School districts shall annually allocate moneys for school building maintenance from any source available to the district equal to at least two percent (2%) of the replacement value of school buildings, less the receipt of state funds as provided in this section. Any school district expending more than four percent (4%) of the replacement value of school buildings for school building maintenance in any single fiscal year, beginning with the expenditures of fiscal year 2005, may apply the excess as a credit against the two percent (2%) requirement of this section until such credit is depleted or fifteen (15) years have expired. The state shall annually provide funds to be allocated for school building maintenance as follows:

(a) Divide one (1) by the school district's value index for the fiscal year, as calculated pursuant to section 33-906B, Idaho Code; and

(b) Multiply the result by one-half of one percent (0.5%) of the replacement value of school buildings.

(c) For purposes of the calculation in this subsection (1), public charter schools shall be assigned a value index of one (1).

(2) State funds shall be appropriated through the educational support program/division of facilities and disbursed from the school district building account. The order of funding sources used to meet the state funding requirements of this section shall be as follows:

(a) State lottery funds distributed pursuant to section 33-905(2), Idaho Code;

(b) If state lottery funds are insufficient to meet the state funding requirements of this section, then other state funds available pursuant to section 33-905(3), Idaho Code, shall be utilized; and

(c) If the funds in paragraphs (a) and (b) of this subsection (2) are insufficient to meet the state funding requirements of this section, then funds available pursuant to section 33-1018B, Idaho Code, shall be utilized.

(3) Moneys allocated for school building maintenance shall be used exclusively for the maintenance and repair of school buildings or any serious or imminent safety hazard on the property of said school buildings as identified pursuant to chapter 80, title 39, Idaho Code, and shall be utilized, first, to abate serious or imminent safety hazards, as identified pursuant to chapter 80, title 39, Idaho Code. Unexpended moneys in a school district's school building maintenance allocation shall be carried over from year to year and shall remain allocated for the purposes specified in this subsection (3). The replacement value of school buildings shall be determined by multiplying the number of square feet of building floor space in school buildings by eighty-one dollars and forty-five cents (\$81.45). Notwithstanding the definition in subsection (8) of this section, school buildings that are less than one (1) year old on the first day of school shall not be used in the replacement value calculation. The joint finance-appropriations committee shall annually review the replacement value per square foot when setting appropriations for the educational support program and may make adjustments to this figure as necessary.

(4) For school buildings first occupied between July 1, 2009, through September 30, 2019, regarding the replacement value calculation that school districts are directed to use to determine the amount of moneys such districts shall allocate for school building maintenance as directed by subsection (1) of this section, a portion of the square footage of school buildings first occupied on or after July 1, 2009, and constructed pursuant to the provisions of section 33-356, Idaho Code, shall not be used in the replacement value calculation, based on the following schedule:

(a) For school buildings at least one (1) year old but less than two (2) years old on the first day of school, exclude one hundred percent (100%) of the square footage;

(b) For school buildings at least two (2) years old but less than three (3) years old on the first day of school, exclude eighty percent (80%) of the square footage;

(c) For school buildings at least three (3) years old but less than four (4) years old on the first day of school, exclude sixty percent (60%) of the square footage;

(d) For school buildings at least four (4) years old but less than five (5) years old on the first day of school, exclude forty percent (40%) of the square footage; and

(e) For school buildings at least five (5) years old but less than six (6) years old on the first day of school, exclude twenty percent (20%) of the square footage.

(5) The amount of relief provided to any school district pursuant to subsection (4) of this section shall not exceed the amount that would be provided if the school district had a value index of one (1).

(6) School districts shall submit the following to the state department of education by not later than December 1:

- (a) The number of square feet of school building floor space; and
- (b) The funds and fund sources allocated for school building maintenance and any unexpended allocations carried forward from prior fiscal years; and
- (c) The projects on which moneys from the school district's school building maintenance allocation were expended, and the amount and categories of expenditures; and
- (d) The planned uses of the school district's school building maintenance allocation.

The state department of education shall transmit a summary of such reports to the legislature by not later than January 15 of the following year.

(7) If a school district that is participating in the relief provided for in subsection (4) of this section is forgiven the requirement to allocate the school district portion of the moneys for the two percent (2%) of building replacement value for building maintenance provided in subsection (1) of this section, then once the requirements of subsection (1) of this section are reinstated, the provisions of subsection (4) of this section shall recommence from the time the forgiveness took effect.

(8) For the purposes of this section:

- (a) "Annually" means each fiscal year.
- (b) "School building" means buildings that are owned by the school district or leased by the school district through a lease-purchase agreement and are regularly occupied by students.
- (c) "School district" means a school district or public charter school.

The Idaho Code is made available on the Internet by the Idaho Legislature as a public service. This Internet version of the Idaho Code may not be used for commercial purposes, nor may this database be published or repackaged for commercial sale without express written permission.

The Idaho Code is the property of the state of Idaho, and is copyrighted by Idaho law, I.C. § 9-350. According to Idaho law, any person who reproduces or distributes the Idaho Code for commercial purposes in violation of the provisions of this statute shall be deemed to be an infringer of the state of Idaho's copyright.

APPENDIX Y – Text of proposed rules

**IDAPA 07 - DIVISION OF BUILDING SAFETY
07.03.01 - RULES OF BUILDING SAFETY
DOCKET NO. 07-0301-0903**

NOTICE OF RULEMAKING - PROPOSED RULE AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 33-356 and 67-2601A, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 21, 2009. The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking: A new section of the Idaho Code codified at Section 33-356 was passed by the legislature in 2009, which provides financial incentives for school districts to use integrated design and fundamental commissioning building practices in the construction of school building facilities. Pursuant to that statute, the administrator of the Division of Building Safety is required to promulgate rules which provide guidance and technical information for school districts, as well as rules governing an annual optimization review to ensure optimal energy performance of building systems. The rule would provide notice of the availability of guidance, educational, and technical support to school districts to implement the processes of integrated design and fundamental commissioning, as well as the availability of a list of all third party commissioning agents in the state; provide for a process of performing and certifying the annual optimization review to ensure energy efficiency; and provide for certifications regarding qualification of schools for the building replacement value calculation.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: N/A

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: None.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220, Idaho Code, negotiated rulemaking was not conducted because of the simple nature of the rulemaking.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Steve Keys, Deputy Administrator - Operations, (208) 332-8986. Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 28, 2009. DATED this 28th day of August, 2009. Steve Keys Deputy Administrator - Operations Division of Building Safety 1090 E. Watertower St. Meridian, ID 83642 Phone: (208) 332-8986 Fax: (208) 855-2164

DIVISION OF BUILDING SAFETY Docket No. 07-0301-0903 Rules of Building Safety Proposed Rulemaking Idaho Administrative Bulletin Page 157 October 7, 2009 - Vol. 09-10

**THE FOLLOWING IS THE PROPOSED TEXT FOR DOCKET NO. 07-0301-0903 038.
INTEGRATED DESIGN AND FUNDAMENTAL COMMISSIONING.**

01. Definitions. The following definitions are intended to supplement, and should be read in conjunction with the definitions contained in Section 33-356, Idaho Code. () a. Fundamental Commissioning. A

quality-focused process for enhancing the delivery of a project. It makes use of a qualified third party employed directly by the building owner. () **b. Integrated Design.** Integrated design refers to a collaborative design effort in which each of the individual architectural or engineering professionals focuses on the whole building approach, with an emphasis on optimizing the building's performance, environmental sustainability, and cost-savings, to include climate, use, loads and systems resulting in a more comfortable and productive environment, and a building that is more energy-efficient than would be realized using current best practices. ()

02. Technical and Educational Information. Technical and educational information related to integrated design and fundamental commissioning in the form of the American Institute of Architects Integrated Project Delivery Guide; Portland Energy Conservation, Inc. (PECI) Commissioning Guides; ASHRAE Guideline 0- 2005-The Commissioning Process; and the Northwest Energy Efficiency Alliance Integrated Design Special Focus on Energy Performance Guide is available at the Division office locations including 1090 E. Watertower St., Meridian, Idaho 83642, and 1250 Ironwood Dr., Ste. 220, Coeur d'Alene, Idaho 83814. A building commissioned under the prescriptive approaches defined by any of the above-named national organizations is deemed to have completed the Fundamental Commissioning process. () **03.**

Commissioning Agents. The Division has compiled and made available for public examination a list of all known third party building commissioning agents in Idaho and its contiguous states. The Division has ensured that all such commissioning agents appearing on this list have been certified by the Building Commissioning Association (BCA) or other similar certifying entity. ()

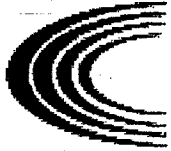
04. Annual Optimization Review. () **a.** A public school building which qualifies for the school building replacement value calculation pursuant to Section 33-356(5)(a), Idaho Code, shall undergo an annual optimization review each year following the first year of operations that the involved school district seeks to qualify such building for the building replacement value calculation. () **b.** The systems within a building required to undergo annual optimization review, as well as any relevant measuring criteria for such systems, shall be formulated by the third party commissioning agent that performs the initial fundamental commissioning. The school district shall be provided with a written report from the commissioning agent identifying the systems which will be subject to the annual optimization review along with any other requirements. () **c.** The report required above in Paragraph 038.03.b. of these rules shall include, but is not limited to, at least the following: () **i.** Verification that the heating, ventilation, and air conditioning (HVAC) controls, dampers, valves, sensors and other equipment used to control the system are functioning as they were at the commissioning of the building. () **ii.** Verification that the lighting controls are functioning as they were at the commissioning of the building. () **iii.** The requirement that any changes made to any of the controls contained on the agent's list after the initial commissioning be re-set back to the commissioned settings unless it can be demonstrated that the new settings result in greater energy efficiency. () **d.** The annual optimization review shall be performed by persons qualified to make the required determinations and adjustments. () **e.** The school district shall submit to the Division written verification indicating that the systems identified by the commissioning agent, including those identified in this Section are functioning as they were at the initial commissioning. Such written verification shall also identify the persons performing the optimization and their qualifications. ()

05. Commissioning Anniversary Date. The date upon which the commissioning agent provides the school district with the required written report described in Paragraph 038.03.b. of these rules shall be the commissioning anniversary date for purposes of this Section. If a school district seeks to qualify a building for the building replacement value calculation, the annual optimization review shall be performed within thirty (30) days of the annual commissioning anniversary date following the first year the building is in operation. The written verification required by Paragraph 038.03.e. of these rules shall be received by the Division not later than sixty (60) days after the annual commissioning anniversary date. ()

06. Fundamental Building Commissioning Requirements. () **a.** School districts seeking to qualify a building for the building replacement value calculation shall engage a building commissioning agent. () **b.** The commissioning agent must document the owner's requirements for each commissioned system in the facility. All HVAC and controls systems, duct work and piping, renewable and alternative technologies, lighting controls and day lighting, waste heat recovery, and any other advanced technologies incorporated

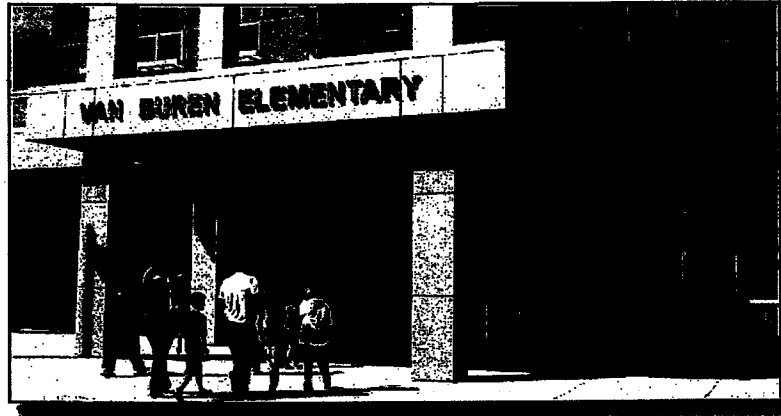
in the building must be commissioned. Building envelope systems must also be verified. The owner's requirements for these systems may include efficiency targets and other performance criteria such as temperature and lighting levels that will define the performance criteria for the functional performance testing that occurs prior to acceptance. () c. The commissioning agent shall include commissioning requirements in the project construction documents. This includes the scope of commissioning for the project, the systems to be commissioned, and the various requirements related to schedule, submittal reviews, testing, training, O & M manuals, and warranty reviews. () d. The commissioning agent shall develop and utilize a commissioning plan. This plan must include an overview of the commissioning process for the project, a list of commissioned systems, primary commissioning participants and their roles, a communication and management plan, an outline of the scope of commissioning tasks, a list of work products, a schedule, and a description of any commissioning testing activities. () e. The commissioning agent must submit a report to the owner once the commissioning plan has been executed. ()

0389. -- 999. (RESERVED).



THE CALDWELL SCHOOL DISTRICT

Building energy-efficient, high-performing schools



Van Buren Elementary

Financially responsible and environmentally conscious.
Caldwell is taking control of energy use.

Energy-smart building choices can significantly reduce operating costs and create better places to learn and teach. The Caldwell School District is proud to be the first school district in Idaho to take energy-smart building to one of the highest national rating levels. Caldwell is creating the next generation of school buildings.

CALDWELL FACT: The Caldwell School District anticipates saving 30 percent in future energy costs by constructing Washington and Van Buren elementary schools with energy saving features.

NATIONAL FACTS: Schools spend more than \$6 billion a year on energy and about 25 percent of those dollars could be saved by being smart about energy, according to the U.S. Department of Energy. In most schools, energy costs are second only to salaries and exceed the cost of supplies and books.

OUR MESSAGE: Energy saving innovation in building schools will greatly improve a teacher's ability to do their job and a child's ability to learn. Teachers and students will breathe healthier air and work in more comfortable conditions and be more successful.

VAN BUREN FACTS

*About 600 students in grades K-5 will attend in the fall of 2009 (89 percent fall below the poverty line; 70 percent are Hispanic)

* Students at Van Buren have for the past two years achieved Adequate Yearly Progress (AYP), an academic benchmark established by the federal government.

*The new school is 70,000 square feet and will cost \$12 million, which is comparable to other recent construction projects in the Treasure Valley.

* The CSD took advantage of a design-build process where professionals worked together to ensure systems were integrated and the work was done swiftly.

* The CSD took advantage of energy-saving performance contracts and energy-saving incentive programs offered by Idaho Power that will return thousands of dollars to the district.

* The CSD took advantage of Idaho's Office of Energy Resources, which has staff focused on helping schools find funding and resources for energy-efficient building.

APPENDIX AA

OFFICE OF ENERGY RESOURCES

C.L. "BUTCH" OTTER
Governor

PAUL KJELLANDER
Administrator



322 East Front Street, P.O. Box 83720
Boise, Idaho 83720

(208) 287-4891
FAX (208) 287-6713

MEMORANDUM OF UNDERSTANDING

By and among

**The Idaho Office of Energy Resources,
Idaho Power Company,
The Amalgamated Sugar Company, LLC**

October 9, 2009

This Memorandum of Understanding (MOU) is entered into by the Idaho Office of Energy Resources (OER), Idaho Power Company (IPC), and the Amalgamated Sugar Company (ASC), referred to herein as "the Parties," for the purpose of exploring the feasibility of a Combined Heat and Power (CHP) project to be located at the Amalgamated Sugar Company's Nampa, Idaho site.

The purpose of this MOU is to set forth understandings with respect to a contemplated opportunity, that if found feasible within the context of Idaho Power's Integrated Resource Planning process, a CHP facility may be built at the ASC's Nampa site.

The Idaho Office of Energy Resources recognizes the potential benefits of this proposed project to improve Idaho's energy resources portfolio, increase source energy utilization efficiency, and reduce environmental impacts. Moreover, the proposed CHP project to be examined conforms with the goals of OER's Combined Heat and Power program, which is to foster development of such projects.

In order to explore the feasibility of this potential project the parties do agree to the following recitals:

1. The Idaho Office of Energy Resources hereby commits up to \$20,000 of its Department of Energy (DOE) Industrial Technologies Program (ITP) grant monies to co-fund contracting of the consulting expertise necessary to conduct the feasibility analyses, the costs of which are to be shared evenly between OER and IPC. Jeff Brooks will be OER's project manager.

2. Idaho Power hereby commits up to \$20,000 to co-fund the costs for the consultant contract(s) necessary to conduct and complete the feasibility analyses, the costs for which are to be shared evenly between OER and IPC. Karl Bokenkamp will be Idaho Power's project manager.
3. Amalgamated Sugar agrees to facilitate the feasibility analyses process by providing site and information access to accurately determine costs, benefits and operational requirements of such a project. Mr. Eric Erickson will be the project manager for ASC.
4. Idaho Power and The Office of Energy Resources will jointly select the consulting contractor(s) to perform the feasibility analyses. Idaho Power will be responsible to insure that the consultant contract language contains end-product specifications necessary for input to Idaho Power's Integrated Resource Plan process. Idaho Power and OER will jointly develop contractor payment milestones and jointly approve payments for completed milestones. OER will provide Idaho Power with copies of all consultant invoices for the project, so contractor costs payment can be accurately shared between the parties.

Each Party hereby acknowledges their shared goals and individual responsibilities contained in this Memorandum of Understanding and agree to fulfill their commitments as so set forth in good faith. It is further agreed that the goal of this effort is to complete the feasibility analyses in a reasonable timeframe of 6 months or less, which requires that each party respond to their commitments in a timely manner that does not unduly delay progress.

IN WITNESS THEREOF, the Parties hereby execute this Memorandum of Understanding to become effective upon the last date written below.

By: _____
 Joe Huff
 Title: Chief Operating Officer
 Amalgamated Sugar Company, LLC

Date: _____

By: _____
 Dan Minor
 Title: Executive Vice President, Operations
 Idaho Power Company

Date: _____

By: _____
 Paul Kjellander
 Title: Administrator
 Idaho Office of Energy Resources

Date: _____

IN THE SENATE

SENATE BILL NO. 1123

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO PUBLIC UTILITY RATES; AMENDING CHAPTER 5, TITLE 61, IDAHO
2 CODE, BY THE ADDITION OF A NEW SECTION 61-541, IDAHO CODE, TO
3 DEFINE A TERM, TO PROVIDE THAT PUBLIC UTILITY COMMISSION BINDING
4 RATEMAKING TREATMENTS ARE APPLICABLE WHEN COSTS OF A NEW
5 ELECTRIC GENERATION FACILITY ARE INCLUDED IN RATES, TO PROVIDE
6 PROCEDURES AND TO PROVIDE FOR RULES.
7

8 Be It Enacted by the Legislature of the State of Idaho:

9 SECTION 1. That Chapter 5, Title 61, Idaho Code, be, and the same is hereby amended
10 by the addition thereto of a NEW SECTION, to be known and designated as Section 61-541,
11 Idaho Code, and to read as follows:

12 61-541. BINDING RATEMAKING TREATMENTS APPLICABLE WHEN COSTS
13 OF A NEW ELECTRIC GENERATION FACILITY ARE INCLUDED IN RATES. (1) As
14 used in this section, "certificate" means a certificate of convenience and necessity issued under
15 section 61-526, Idaho Code.

16 (2) A public utility that proposes to construct, lease or purchase an electric generation
17 facility or transmission facility, or make major additions to an electric generation or
18 transmission facility, may file an application with the commission for an order specifying in
19 advance the ratemaking treatments that shall apply when the costs of the proposed facility are
20 included in the public utility's revenue requirements for ratemaking purposes. For purposes
21 of this section, the requested ratemaking treatments may include nontraditional ratemaking
22 treatments or nontraditional cost recovery mechanisms.

23 (a) In its application for an order under this section, a public utility shall describe the
24 need for the proposed facility, how the public utility addresses the risks associated with
25 the proposed facility, the proposed date of the lease or purchase or commencement of
26 construction, the public utility's proposal for cost recovery, and any proposed ratemaking
27 treatments to be applied to the proposed facility.

28 (b) For purposes of this section, ratemaking treatments for a proposed facility include but
29 are not limited to:

30 (i) The return on common equity investment or method of determining the return
31 on common equity investment;

32 (ii) The depreciation life or schedule;

33 (iii) The maximum amount of costs that the commission will include in rates at the
34 time determined by the commission without the public utility having the burden
35 of moving forward with additional evidence of the prudence and reasonableness of
36 such costs;

37 (iv) The method of handling any variances between cost estimates and actual
38 costs; and

1 (v) The treatment of revenues received from wholesale purchasers of service
2 from the proposed facility.

3 (3) The commission shall hold a public hearing on the application submitted by the
4 public utility under this section. The commission may hold its hearing in conjunction with an
5 application for a certificate.

6 (4) Based upon the hearing record, the commission shall issue an order that addresses
7 the proposed ratemaking treatments. The commission may accept, deny or modify a proposed
8 ratemaking treatment requested by the utility. In determining the proposed ratemaking
9 treatments, the commission shall maintain a fair, just and reasonable balance of interests
10 between the requesting utility and the utility's ratepayers.

11 (a) In reviewing the application, the commission shall also determine whether:

12 (i) The public utility has in effect a commission-accepted integrated resource plan;

13 (ii) The services and operations resulting from the facility are in the public
14 interest and will not be detrimental to the provision of adequate and reliable
15 electric service;

16 (iii) The public utility has demonstrated that it has considered other sources for
17 long-term electric supply or transmission;

18 (iv) The addition of the facility is reasonable when compared to energy efficiency,
19 demand-side management and other feasible alternative sources of supply or
20 transmission; and

21 (v) The public utility participates in a regional transmission planning process.

22 (b) The commission shall use its best efforts to issue the order setting forth the
23 applicable ratemaking treatments prior to the date of the proposed lease, acquisition or
24 commencement of construction of the facility.

25 (c) The ratemaking treatments specified in the order issued under this section shall be
26 binding in any subsequent commission proceedings regarding the proposed facility that is
27 the subject of the order, except as may otherwise be established by law.

28 (5) The commission may not require a public utility to apply for an order under this
29 section.

30 (6) The commission may promulgate rules or issue procedural orders for the purpose of
31 administering this section.

APPENDIX CC – Retail rate for net metering customers

IDAHO PUBLIC UTILITIES COMMISSION

Case No. IPC-E-06-17, Order No. 30227

January 30, 2007

Contact: Gene Fadness (208) 334-0339

Website: www.puc.idaho.gov

Net metering customers will continue to get retail rate

Net-metering customers of Idaho Power Company who generate their own electricity and sell their surplus back to the company will continue to be paid the full retail rate rather than a wholesale rate. However, an order recently issued by the commission allows the company to include power supply expenses associated with the net metering customers in its annual power cost adjustment (PCA) process for possible recovery from ratepayers.

Idaho Power has about 27 residential and small-business customers who offset their own power consumption by generating their own power with small hydro, wind or solar projects. Another 13 customers have pending requests for net-metering generation interconnects.

In August, Idaho Power filed an application with the Idaho Public Utilities Commission to pay net-metering residential and small business customers an amount equal to about 85 percent of the wholesale market rate for electricity rather than the full retail rate. In December, the company modified its application to leave the rate paid for excess generation the same. The final order issued by the commission leaves the rate the same, but grants Idaho Power's request to recover expenses associated with the net metering program through its annual power cost adjustment process. The order also grants the company's request to remove a financial impediment for customers in classes other than residential and small-businesses to participate in net metering by removing a requirement that those customers have a second meter.

In its original application, Idaho Power asserted that excess generation from residential and small-business net metering customers is "non-firm," or intermittent. Thus, those customers should be paid the same rate – a lower wholesale rate – as all sellers of non-firm energy. Under the current system of paying full retail rate for excess generation, Idaho Power said it does not recover its full costs of providing service to net metering customers and that those costs are shifted to the remaining residential and small-business customers who do not have net metering. Customers do get the full retail rate for all the energy that offsets their own consumption, but, the company believes that generation in excess of the customer's consumption should be viewed differently.

The commission said the amount of excess generation sold back to the company by net metering customers is not substantial enough to warrant a revision to the tariff. The cumulative capacity of existing net metering projects is 336 kilowatt-hours and the total amount paid for the projects' excess generation over the past 12 months was \$23,102. "If this increased substantially, it would

be necessary to reconsider the pricing of excess generation. There is no need for that reassessment at this time,” the commission said.

The commission cautioned potential net metering customers against relying on continuation of the current tariff when calculating their investment in net metering projects. “We must note that the net metering program price is a tariff rate. It is not a contract rate. As a tariff rate, it is subject to change,” the commission said. “A persuasive argument could be made that net metering customers are being subsidized by other customers.”

A full text of the commission’s order, along with other documents related to this case, are available on the commission’s Web site at www.puc.idaho.gov Click on “File Room” and then on “Electric Cases” and scroll down to Case No. IPC-E-06-17.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE STATE OF IDAHO
AND
IDAHO NATIONAL LABORATORY
ON ADVANCING ECONOMIC PROSPERITY AND ENVIRONMENTAL
SUSTAINABILITY THROUGH ENERGY SECURITY**

Our national security and way of life depend on stable, secure, affordable and environmentally responsible energy resources. Ensuring this for Idaho and demonstrably contributing to United States energy security through the advancement of science-based solutions is the focus of this Memorandum of Understanding (MOU).

I. Background

The economy and citizens of Idaho have been the beneficiaries of very affordable and reliable energy supplies for decades. As regional, national, and global energy markets evolve, Idaho's businesses and citizens will be challenged to maintain the highly competitive energy position enjoyed in the past.

Meeting this challenge will require developing a sound energy portfolio in Idaho that includes diverse energy resources and production methods, that (1) provides the highest value to the citizens of Idaho, (2) ensures quality stewardship of environmental resources, and (3) functions as an effective, secure and stable energy system while encouraging Idaho citizens to use energy in the most efficient way possible.

As the State builds an energy portfolio to meet the demands of the coming decades, there is an opportunity to simultaneously build new, high-value businesses in Idaho based on innovative energy extraction, conversion, transport and use for local, regional and national markets. Idaho is home to significant renewable energy resources, critically important energy distribution corridors, entrepreneurial energy businesses, and world-class energy systems research, development, testing and demonstration programs at the Idaho National Laboratory. Idaho's neighboring states and Canadian provinces possess world-class fossil energy, uranium, and renewable energy resources, and critically important energy transmission corridors. Seeking regional energy development partnerships focused on innovative ways to maximize the value of these resources is a significant opportunity for Idaho, the Rocky Mountain Region and the nation, and is an essential element of this agreement.

II. Purpose

The purpose of the MOU is to establish a long-term partnership between the State of Idaho (State) and the Idaho National Laboratory (INL) that will result in a sound and secure energy future for Idaho and demonstrably contribute to United States energy security. This agreement also defines the framework and mechanisms by which the State and INL will conduct this partnership.

Key goals associated with the State / INL partnership, established through this MOU, include:

- Developing and implementing mechanisms to provide information, data, and advice necessary for the citizens, leaders, regulators and other stakeholders to make informed decisions regarding energy production, transmission and use, including technology and impact issues;
- Developing innovative approaches to energy extraction, conversion and transmission that will benefit Idaho, the region and the nation;
- Developing regional partnerships between public, private, federal and tribal entities, to enhance energy-based economic development and energy security locally, regionally and nationally;
- Enhancing Idaho citizens' and stakeholders' knowledge about local, regional and national energy challenges and opportunities, including ways to produce and use energy more efficiently and wisely;
- Providing regulatory agencies and stakeholders with credible facts and data about energy development options, approaches and technologies proposed for implementation in Idaho and the region;
- Developing new energy-related business, research, development and demonstration projects in Idaho, including private sector and federal investments; and
- Enhancing Idaho's ability to develop and attract an outstanding energy business workforce.

III. Collaboration

- i) Jointly, the State and INL will:
 - Establish an Energy Innovations Executive Roundtable, chaired by senior State and Laboratory officials, for the purpose of focusing on local, regional and national opportunities in energy-system development;
 - Establish valuable regional state-to-state and state-to-province partnerships based on common economic and environmental interests and complimentary strengths for the purpose of maximizing the value of regional energy resources, businesses and workforce for local, regional and national stakeholders while protecting regional environmental and natural resources and quality of life;
 - Develop and implement public and stakeholder outreach mechanisms for the purpose of education, awareness and enhancement of Idaho's image locally, regionally and nationally in the area of energy production and use issues.
 - Integrate universities in Idaho through the Center for Advanced Energy Studies (CAES) to support State and regional research opportunities.

- ii) The INL will:
 - Promote the key goals, objectives and mechanisms as articulated in this MOU with local, regional and national stakeholders.
 - Provide professional and technical assistance to the State of Idaho, Office of Energy Resources and other state agencies, including, but not limited to, support for the Idaho Strategic Energy Alliance Council, Board, and Task Groups and related or correlated activities to enhance informed energy-related decisions by state government.
 - Work with State officials, where appropriate, to provide assistance in attracting high-value energy resource industry to Idaho.

- iii) The State of Idaho will:
 - Promote the key goals, objectives, and mechanisms as articulated in this MOU with local, regional, and national stakeholders.



C.L. "BUTCH" OTTER
GOVERNOR

EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE

EXECUTIVE ORDER NO. 2007-21

ESTABLISHING A POLICY TO REDUCE FOSSIL FUEL USE AND GREENHOUSE GAS EMISSIONS FROM STATE VEHICLES

WHEREAS, the State of Idaho has demonstrated leadership by establishing policies to reduce air pollution, wasteful, uneconomical and unnecessary uses of energy and greenhouse gas emissions caused by state government; and

WHEREAS, emissions from vehicles are a major source of greenhouse gas gases in Idaho as well as a major source of air pollution in Idaho's urban areas; and

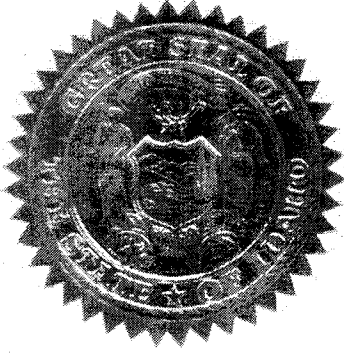
WHEREAS, to perform their duties and service the citizens State of Idaho departments, offices and agencies own or lease a significant fleet of motor vehicles; and

WHEREAS, the State of Idaho can and should lead by example managing its state vehicle fleet to improve and protect air quality, reduce greenhouse gas emissions and reduce the amount of fossil fuels purchased and used; and

WHEREAS, reducing fossil fuel use and increasing fuel efficiency in the state's vehicle fleet will not only reduce greenhouse gas and air pollutant emissions but will also maximize efficiency in state government operations and reduce annual operating costs;

NOW, THEREFORE, I, C.L. "BUTCH" OTTER, Governor of the State of Idaho, by the authority vested in me under the Constitution and the laws of the State of Idaho do hereby order the following:

1. *All executive branch departments, agencies and offices of the State of Idaho shall decrease the amount of gasoline and diesel used in State vehicles by:
 - a. *increasing the fuel economy of its vehicles;*
 - b. *increasing the operating efficiency; and*
 - c. *reducing the number of miles driven by employees.**
2. *All executive branch departments, agencies and offices of the State of Idaho shall limit the purchase or lease of four-wheel drive sport utility vehicles and similar specialty vehicles to situations where there is a clear business need or the mission of the entity requires such vehicles.*
3. *All executive branch departments, agencies and offices of the State of Idaho shall give priority to the purchase and use of hybrid gas/electric and other fuel efficient/low emission and new petroleum efficient technology vehicles.*
4. *The Division of Purchasing will make available to all departments and agencies a list of available vehicle purchasing contracts, which will identify vehicles that meet the requirements of this executive order. Any purchase outside this list will need written justification signed by the director or administrator of the entity.*
5. *The Division of Purchasing will provide the Department of Environmental Quality and Office of the Governor a quarterly vehicle purchasing report.*



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho at the Capitol in Boise on this 20th day of December in the year of our Lord two thousand and seven, and of the Independence of the United States of America the two hundred thirty-second and of the Statehood of Idaho the one hundred eighteenth.

C.L. "BUTCH" OTTER
GOVERNOR

BEN YURSA
SECRETARY OF STATE

APPENDIX FF

Expo #	SRPO #	Order Date	Contract Delivery Date	Agency	Area	Manufacturer	Make	Model/Description	Make	Category	Engine	Justification on file (Vehicle Prod)	Quantity	Order Total	Avg Order Vehicle Cost	Bid Assistance (\$ Savings)	Total Retail (two Bid Assistance)
EXPO1480	SRPO1300	11/3/2008	2/28/2009	ICBVI	B	Chevrolet	Malibu	Hybrid	Malibu	MDSDN	Hybrid	NR	1	\$23,301.00	\$23,301.00	\$0.00	\$23,301.00
EXPO1481	SRPO1305	11/7/2008	2/28/2009	ICBVI	B	Ford	Severnash	Passenger Van	Severnash	MDSDN	FFV	NR	2	\$45,472.00	\$22,736.00	\$11,000.00	\$34,736.00
EXPO1482	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	350	Sierra	MDSDN	Gas	Yes	1	\$19,473.00	\$19,473.00	\$7,600.00	\$27,073.00
EXPO1483	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	1500	Sierra	MDSDN	FFV	NR	1	\$22,232.00	\$22,232.00	\$5,500.00	\$27,732.00
EXPO1484	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	1500	Sierra	MDSDN	FFV	NR	1	\$468,639.80	\$21,301.80	\$143,000.00	\$611,639.80
EXPO1485	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	2500	Sierra	MDSDN	FFV	NR	12	\$408,034.20	\$21,401.80	\$123,500.00	\$531,534.20
EXPO1486	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	2500	Sierra	MDSDN	FFV	NR	19	\$269,316.28	\$24,109.88	\$78,000.00	\$347,316.28
EXPO1487	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	2500	Sierra	MDSDN	FFV	NR	1	\$268,306.59	\$24,208.59	\$71,500.00	\$339,806.59
EXPO1488	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	1500	Sierra	MDSDN	FFV	NR	1	\$48,947.78	\$24,438.99	\$13,000.00	\$61,947.78
EXPO1489	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	2500	Sierra	MDSDN	FFV	NR	1	\$32,758.11	\$23,756.11	\$6,000.00	\$39,758.11
EXPO1490	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	2500	Sierra	MDSDN	FFV	NR	1	\$32,521.22	\$23,521.22	\$7,000.00	\$39,521.22
EXPO1491	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	2500	Sierra	MDSDN	FFV	NR	1	\$32,865.52	\$22,865.52	\$7,300.00	\$39,865.52
EXPO1492	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	2500	Sierra	MDSDN	FFV	NR	1	\$34,097.85	\$24,097.85	\$4,900.00	\$39,097.85
EXPO1493	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	2500	Sierra	MDSDN	FFV	NR	1	\$25,097.21	\$25,097.21	\$6,500.00	\$31,597.21
EXPO1494	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	1500	Sierra	MDSDN	FFV	NR	1	\$24,523.59	\$24,523.59	\$7,200.00	\$31,723.59
EXPO1495	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	1500	Sierra	MDSDN	FFV	NR	1	\$29,752.03	\$29,752.03	\$4,900.00	\$34,652.03
EXPO1496	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	1500	Sierra	MDSDN	FFV	NR	1	\$13,696.50	\$13,696.50	\$18,550.00	\$32,246.50
EXPO1497	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	1500	Sierra	MDSDN	FFV	NR	1	\$26,607.16	\$26,607.16	\$6,600.00	\$33,207.16
EXPO1498	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	1500	Sierra	MDSDN	FFV	NR	1	\$24,803.00	\$24,803.00	\$31,400.00	\$56,203.00
EXPO1499	SRPO1305	11/13/2008	2/18/2009	ICBVI	B	Ford	Sierra	1500	Sierra	MDSDN	FFV	NR	1	\$22,617.00	\$22,617.00	\$9,700.00	\$32,317.00
EXPO1500	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$33,718.00	\$18,859.00	\$10,000.00	\$43,718.00
EXPO1501	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$17,779.00	\$17,779.00	\$25,940.00	\$43,719.00
EXPO1502	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$17,779.00	\$17,779.00	\$9,000.00	\$26,779.00
EXPO1503	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$48,344.00	\$14,898.00	\$14,000.00	\$67,142.00
EXPO1504	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$66,655.00	\$21,898.00	\$28,100.00	\$94,753.00
EXPO1505	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$22,693.00	\$22,693.00	\$6,000.00	\$28,693.00
EXPO1506	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$26,607.16	\$26,607.16	\$34,800.00	\$61,407.16
EXPO1507	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$12,383.00	\$12,383.00	\$15,783.00	\$28,166.00
EXPO1508	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$26,607.16	\$26,607.16	\$34,800.00	\$61,407.16
EXPO1509	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$26,607.16	\$26,607.16	\$34,800.00	\$61,407.16
EXPO1510	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$103,978.50	\$26,025.50	\$250.00	\$104,978.50
EXPO1511	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$121,288.00	\$20,111.00	\$43,200.00	\$164,499.00
EXPO1512	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	7	\$50,374.00	\$39,574.00	\$7,200.00	\$46,774.00
EXPO1513	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$28,391.39	\$28,391.39	\$7,000.00	\$35,391.39
EXPO1514	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$24,100.04	\$24,100.04	\$1,000.04	\$25,100.04
EXPO1515	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$186,302.45	\$18,478.05	\$68,500.00	\$254,280.50
EXPO1516	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	9	\$41,513.04	\$20,756.52	\$13,000.00	\$54,513.04
EXPO1517	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	2	\$42,781.10	\$21,783.30	\$15,000.00	\$57,781.10
EXPO1518	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	2	\$39,927.50	\$19,983.75	\$15,000.00	\$54,927.50
EXPO1519	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	4	\$61,327.20	\$15,331.80	\$19,000.00	\$79,327.20
EXPO1520	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$24,807.00	\$24,807.00	\$6,200.00	\$31,007.00
EXPO1521	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$26,782.00	\$12,891.00	\$6,200.00	\$35,773.00
EXPO1522	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$20,193.00	\$20,193.00	\$2,000.00	\$22,193.00
EXPO1523	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$14,203.00	\$14,203.00	\$4,200.00	\$18,403.00
EXPO1524	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$18,508.00	\$18,508.00	\$28,178.00	\$46,686.00
EXPO1525	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$18,508.00	\$18,508.00	\$10,000.00	\$28,508.00
EXPO1526	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$36,346.00	\$18,678.00	\$11,000.00	\$47,944.00
EXPO1527	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$18,678.00	\$18,678.00	\$22,000.00	\$40,678.00
EXPO1528	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$19,774.80	\$19,774.80	\$2,000.00	\$21,774.80
EXPO1529	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$20,193.00	\$20,193.00	\$2,000.00	\$22,193.00
EXPO1530	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$24,239.48	\$24,239.48	\$7,000.00	\$31,239.48
EXPO1531	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$31,844.05	\$31,844.05	\$6,000.00	\$37,844.05
EXPO1532	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$12,044.85	\$12,044.85	\$4,900.00	\$16,944.85
EXPO1533	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$25,140.00	\$12,570.00	\$6,900.00	\$34,610.00
EXPO1534	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	2	\$13,580.85	\$13,580.85	\$4,900.00	\$18,480.85
EXPO1535	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$23,353.48	\$23,353.48	\$18,480.85	\$41,834.33
EXPO1536	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$28,343.70	\$28,343.70	\$19,500.00	\$47,843.70
EXPO1537	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$24,308.04	\$24,308.04	\$4,900.00	\$29,208.04
EXPO1538	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$18,628.00	\$18,628.00	\$23,726.00	\$42,354.00
EXPO1539	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$15,925.53	\$15,925.53	\$4,900.00	\$20,825.53
EXPO1540	SRPO1300	11/14/2008	2/16/2009	ICBVI	B	Jeep	Escape	SSV	Escape	MDSDN	Hybrid	NR	1	\$18,439.00	\$18,439.00	\$6,000.00	\$24,439.00
EXPO1541	SRPO13																

APPENDIX FF (continued)

EXPO #	SFPQ #	Order Date	Contract Delivery Date (M, Y) (499 Default)	Agency	Ave	Manufacturer	Make	Model/Description	Drive	Category	Engine Type	Justification on file (Yes/Not Req'd)	Quantity	Order Total	Avg Order Vehicle Cost	Bid Assistance (\$awards)	Total Retail (w/ Bid Assistance)
EXPO1528	SFPQ1302	3/23/2009	6/23/2009	IDPR	C	GMC	Sierra	1500	4WD	LDT	FFV	NR	1	\$23,042.84	\$23,042.84	\$7,700.00	\$30,742.84
EXPO1530	SFPQ1302	3/23/2009	6/23/2009	IDPR	C	Jeep	Sierra	1500	4WD	LDT	FFV	NR	1	\$22,964.44	\$22,964.44	\$6,700.00	\$29,664.44
EXPO1531	SFPQ1302	3/23/2009	6/23/2009	IDPR	C	Jeep	Liberty	Spot	4WD	SUV	Gas	Yes	1	\$20,172.00	\$20,172.00	\$3,000.00	\$23,172.00
EXPO1532	SFPQ1302	3/23/2009	6/23/2009	IDPR	C	Jeep	Liberty	Spot	4WD	SUV	Gas	Yes	1	\$21,195.00	\$21,195.00	\$3,000.00	\$24,195.00
EXPO1533	SFPQ1301	3/23/2009	6/23/2009	IDPR	C	Jeep	Cherokee	Laredo	4WD	SUV	FFV	NR	1	\$19,821.00	\$19,821.00	\$8,700.00	\$28,521.00
EXPO1534	SFPQ1301	3/23/2009	6/23/2009	IDPR	C	Jeep	Cherokee	SXT	4WD	MDSN	Gas	Yes	1	\$13,965.00	\$13,965.00	\$2,500.00	\$16,465.00
EXPO1535	SFPQ1299	3/31/2009	7/1/2009	IDPR	A	Ford	Ranger	XL	2WD	LDT	Gas	NR	1	\$14,248.00	\$14,248.00	\$4,000.00	\$18,248.00
EXPO1536	SFPQ1299	3/31/2009	7/1/2009	IDPR	A	Ford	F	150	4WD	LDT	FFV	NR	1	\$18,585.00	\$18,585.00	\$7,200.00	\$25,785.00
EXPO1537	SFPQ1299	4/6/2009	7/6/2009	IDPR	B	Ford	F	150	4WD	LDT	FFV	NR	1	\$20,153.00	\$20,153.00	\$7,200.00	\$27,353.00
EXPO1538	SFPQ1299	4/6/2009	7/6/2009	IDPR	B	Ford	Ram	2500	4WD	LDT	Gas	Yes	1	\$17,970.00	\$17,970.00	\$4,000.00	\$21,970.00
EXPO1541	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1542	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1543	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1544	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1545	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1546	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1547	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1548	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1549	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1550	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1551	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1552	SFPQ1299	4/6/2009	7/6/2009	IDPR	A	Ford	Escape	430	4WD	SUV	Hybrid	NR	1	\$27,058.00	\$27,058.00	\$7,000.00	\$34,058.00
EXPO1549-01	SFPQ1304	7/1/2009	12/15/2009	ISP	B	Dodge	Charger	LS	4WD	FUSDN	Gas	Yes	25	\$736,890.00	\$29,075.60	\$308,000.00	\$1,044,965.60

EXPO #	Category	Engine Type	Justification on file (Yes/Not Req'd)	Quantity	Order Total	Avg Order Vehicle Cost	Bid Assistance (\$awards)	Total Retail (w/ Bid Assistance)
97	FFV	FFV	NR	1	\$23,042.84	\$23,042.84	\$7,700.00	\$30,742.84
164	Hybrid	FFV	NR	1	\$22,964.44	\$22,964.44	\$6,700.00	\$29,664.44
3	Gas-PZEV	Gas	Yes	1	\$20,172.00	\$20,172.00	\$3,000.00	\$23,172.00
3	Diesel	Gas	Yes	1	\$21,195.00	\$21,195.00	\$3,000.00	\$24,195.00
281	Total Vehicles			5	\$119,469.28	\$23,893.86	\$27,000.00	\$146,469.28

EO 2007-21 Justification Requirements	All (281)	Lease ISP Pursuit (238)
Total Cost and Savings	\$5,813,277.61	\$7,574,991.14
Average Cost and Savings	\$20,897.82	\$28,957.28
Total Percent Savings		23.3%
Not Required	133	58%
Yes-	148	53%
Yes (less ISP)	105	44%

281.00 \$5,813,277.61 \$ 20,897.82 \$1,781,713.53 \$7,574,991.14

APPENDIX GG

**Idaho Biofuels Infrastructure Grant (BIG) Program
Grant Award Summary**

GRANT RECIPIENT	FACILITY LOCATION	GRANT AMOUNT	PROJECT DESCRIPTION
Conrad & Bishoff	Idaho Falls	\$48,867	6,000 gal tank at 1 station for B10 & B20
Conrad & Bishoff	Idaho Falls	\$29,047	Station conversion to sell biodiesel blend
Baird Oil Co.	Caldwell	\$60,181	8,000 gal tank & dispenser at 1 station-B20/10
Hailey Chevron	Hailey	\$65,447	1 station, 5 dispensers-1 selling B10 & 4 selling B20
Bingham Coop.	American Falls	\$50,917	Tank cleaning & 4 dispensers for 1 station selling E10 & B5
Conrad & Bishoff	Idaho Falls	\$50,000	84,000 gal E100 bulk facility for ~ 16 E10 stations
Maverick	SE Idaho	\$46,755	6 tanks coating for E10 at 3 stations
Maverick	SC/SE Idaho	\$47,564	34 tanks cleaned for E10 at 17 stations
Valley Co-ops, Inc.	Jerome	\$75,034	New station - 3 B10 dispensers
Maverick	Pocatello	\$56,666	20,000 gal E100 bulk facility for ~ 16 E10 stations
Maverick	Burley	<u>\$66,819</u>	35,000 gal E100 bulk facility for ~ 8 E10 stations
		\$ 597,297	