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September 6, 2016

Public Utility Commission of Oregon  
Filing Center  
201 High Street SE, Suite 100  
P.O. Box 1088  
Salem, Oregon 97301

RE: Tariff Advice No. 16-13  
Schedule 62, Green Energy Purchase Program Rider

Attention Filing Center:

Idaho Power Company ("Idaho Power" or "Company") respectively requests that the Public Utility Commission of Oregon ("Commission") authorize the following tariff sheets as filed with an effective date of October 28, 2016.

First Revised Sheet No. 62-1	Cancelling	Original Sheet No. 62-1
First Revised Sheet No. 62-2	Cancelling	Original Sheet No. 62-2
Original Sheet No. 62-3	New	

### **BACKGROUND OF GREEN ENERGY PURCHASE PROGRAM RIDER**

The Green Energy Purchase Program Rider ("Green Power Program" or "Program") was established April 1, 2003,<sup>1</sup> as an optional program designed to provide customers and non-customer<sup>2</sup> participants an opportunity to participate in the purchase of new<sup>3</sup> environmentally friendly green energy. "Green" energy, certified as such by various organizations throughout the country, is primarily considered to be generated from wind, solar, geothermal, and other renewable resource facilities. In 2015 alone, the Green Power Program served approximately 1,700 Oregon and Idaho program participants and resulted in the purchase of 17,650 megawatt-hours ("MWh") of green energy.

Participant contributions to the Green Power Program fund the purchase of Green-e certified renewable energy credits ("REC"). A REC is created when a MWh of renewable energy is produced and delivered to the grid. A REC is a tradable, non-tangible commodity

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<sup>1</sup> Idaho Power Company Oregon Advice No. 03-01

<sup>2</sup> Non-customer participants may sign up to participate in the Green Power Program. When they sign up, they receive an account number and are billed only for their participation in the Program.

<sup>3</sup> The term "new" is defined, by Green-e Energy, to include any eligible renewable generation or resource facility that began operation or was repowered in the 15 years immediately preceding the sale of its generation.

that represents the environmental attributes associated with one MWh of electricity generated from a renewable energy resource and can be sold separately from the electricity commodity. The owner of the REC can legally claim to have purchased renewable energy. Green-e Energy is the nation's leading independent certification and verification program for renewable energy.

Currently, at the time of enrollment, participants select a fixed monthly payment amount (any dollar amount) based on their desired level of participation ("Dollar Contribution Method"). The designated amount is in addition to all other charges included in the service schedule under which the customer receives electrical service and is added to the customer's monthly electric bill. The Company has used the Bonneville Environmental Foundation ("BEF") to facilitate the purchase of reen energy for the Program. Idaho Power, BEF, and the Green Power Program participants have also collaborated since 2003 to bring the renewable energy educational program, "Solar 4R Schools," to k-12 schools located in Idaho Power's service area.

### **PROPOSED PROGRAM MODIFICATIONS**

The Company believes the proposed modifications to the Program would not only satisfy some customer preferences for a green energy option, but would also align the Green Power Program with the best practices of other green energy programs in the industry.

#### **Program Participation Options**

The Company is proposing to replace the existing Dollar Contribution Method with both a block option and a 100 percent of usage option for customers who wish to participate in the Program. Under the block option, a customer or non-customer participant will pay a premium of \$1.00 per 100 kilowatt-hour ("kWh") block of renewable energy. The 100 percent of usage option is only available to customers and will provide for the purchase of renewable energy equal to a customer's total monthly kWh usage.

The Company believes this change to the participation options will benefit participants by allowing the RECs purchased and retired through the Program to be Green-e Energy certified.<sup>4</sup> The program will provide customers with more purchase options that may better fit their needs. Additionally, the proposed block option better aligns the Green Power Program with similar programs offered by utility peers in the northwest.<sup>5</sup>

If approved, the Company plans to send each current program participant a letter detailing the changes to the Program. Initially, all participants will be converted to the block

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<sup>4</sup> The Green-e Energy standard requires that Green-e Energy certified products sold to customers must be a "percentage-of-use" or "block" product. The Company does not believe that the Dollar Contribution Method complies with the standard necessary to be Green-e certified. (Green-e Energy National Standard Version 2.8 Section III, Part A, page 10, <http://www.green-e.org/docs/energ/GreeneEnergyNationalStandard.pdf>).

<sup>5</sup> Portland General Electric Company, Schedule 7, "Renewable Usage and Fixed Options"; Pacific Power, Oregon Schedule 212, "Portfolio Fixed Renewable Energy Supply Service".

option. Participants who contribute a whole dollar amount each month will be transferred over to the block option. The remaining participants who do not contribute a whole dollar amount will be transferred over to the block option rounded down to the nearest dollar. Additionally, the letter will provide instruction on selecting the 100 percent option or changing their purchase amount.

### **REC Sourcing and Certification**

Currently, BEF sources RECs used in the Green Power Program primarily from large-scale wind projects located in the northwest with a small portion sourced from small solar projects. Going forward, RECs will still be sourced from the northwest, but Idaho Power will direct BEF to give preference to RECs from sources located closest to or within Idaho Power's service area, whenever possible.

In keeping with industry best practices, Idaho Power will seek Green-e certification of the RECs purchased through BEF to ensure that the marketing and claims about renewable energy comply with the Federal Trade Commission's truth in advertising rules. Currently, Idaho Power purchases Green-e certified RECs through BEF; however, they are not re-certified before being retired by Idaho Power for the Program. While Idaho Power certification would add to the cost of the Program, it provides an extra layer of assurance to participants that the RECs were not used for multiple purposes and that the certification complies with the national standards detailed above.

### **Program Expenses**

Under the design of the current Program, the funds received are only used to purchase green energy and support Solar 4R Schools. Program participant contributions are not currently used to cover program overheads or marketing expenses. The Company proposes that up to 15 percent of the total Program funds be used for Program marketing expenses. This change allows additional funds to be spent specifically on marketing for the Program. The additional marketing dollars will allow the Company to reach more customers and purchase more renewable energy and better align the Program with industry best practices. However, if REC prices increase significantly, the Company may choose to use these funds to cover the increase in REC prices rather than increase the tariff price for participants. In no case would these funds be used for purposes other than the Green Power Program.

### **Program Timing and Consistency Between Jurisdictions**

Idaho Power filed an identical proposed Program modification in its Idaho jurisdiction, Case No. IPC-E-16-13, which was authorized by the Idaho Public Utilities Commission on August 29, 2016, Order. No. 33570, with an effective date of October 28, 2016, sixty days following the date of the order. Idaho Power endeavors to keep consistency of the Program across its Idaho and Oregon jurisdictions. The importance of offering a consistent Program across the Idaho Power service area cannot be overstated. Offering two separate program designs could create confusion amongst customers and

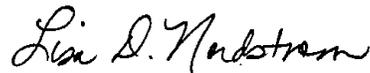
could inhibit participation. In addition, Program infrastructure is designed to implement consistent programs across jurisdictions. Differing programs in the Company's two jurisdictions could cause increased costs associated with maintaining separate Program infrastructure. Idaho Power is requesting that the Commission approve the tariff schedule as filed with the same effective date as in the Idaho jurisdiction to provide for consistency of Program delivery.

### **PROGRAM FUNDING**

Idaho Power does not propose a change to customer rates associated with the ongoing funding of the Program. The Company believes that the current level and method of recovery will adequately fund the ongoing operation of the Program for the foreseeable future. A comparison of the existing Green Power Program to the proposed Green Power Program with modifications can be found in Attachment 1 to this advice filing.

If you have any questions regarding this filing, please contact Regulatory Analyst Jill Simpson at (208) 388-2417 or [jsimpson@idahopower.com](mailto:jsimpson@idahopower.com).

Sincerely,



Lisa D. Nordstrom  
Lead Counsel

LDN:kkt

Enclosures

### Green Power Program Modification Comparisons

	<b>Existing Program</b>	<b>Proposed Program</b>
Customer Cost of renewable kWh	\$0.0085 / kWh	Choice 1: Block Option \$1.00 / 100 kWh Choice 2: 100% of Usage Option (1¢/kWh)
REC Sourcing	<ul style="list-style-type: none"> <li>• Northwest</li> <li>• Large scale wind</li> <li>• Small solar project</li> <li>• No IPC connected resources</li> </ul>	<ul style="list-style-type: none"> <li>• Northwest</li> <li>• Large scale wind</li> <li>• Small solar projects</li> <li>• Allow Idaho Power connected resources (through a broker) including:               <ul style="list-style-type: none"> <li>○ RECs owned by Idaho Power (contingent they meet the Green-e Standard)</li> <li>○ Projects connected to Idaho Power system (including PURPA projects)</li> </ul> </li> </ul>
Certification	No Green-e re-certification of Green Power Program RECs after purchased	Green-e certify Green Power Program RECs after purchased through the Program
Community Support	Solar 4R Schools (1 to 2 projects per year)	Continue Solar 4R Schools (1 or more projects per year)
Solar	No solar-only option	Add solar-only option when enough solar RECs become available
Marketing	Funded by O&M only	Use up to 15% of program funds for marketing

SCHEDULE 62  
GREEN ENERGY PURCHASE  
PROGRAM RIDER  
(OPTIONAL)

PURPOSE

The Green Energy Purchase Program is an optional, voluntary program designed to provide Customers and non-customer participants an opportunity to participate in the purchase of new environmentally friendly "green" energy. (N)

APPLICABILITY

Service under this schedule is applicable to all Customers and non-customer participants who choose to participate in this Program. (N)

RENEWABLE ENERGY

For the purpose of this schedule, renewable energy will be in the form of Renewable Energy Certificates from new renewable projects as defined by the Center for Resource Solutions Green-e Energy standard. Renewable energy will be sourced from projects located in the Western Electricity Coordinating Council's geographic area of authority with preference given to projects located in Idaho Power's service area and the northwest. Renewable energy types will be primarily wind but may include other certified types such as solar, geothermal, low-impact hydroelectric, landfill gas, and biomass. (D)

PURCHASE

Customer participants will designate one of two billing options upon enrollment. Non-customer participants may participate under Option 1. (N)

Option 1: Block

Block Size: One Block equals 100 kWh of renewable energy  
Charge Per Block: \$1.00 per month

Option 2: Total Usage

Customers may purchase renewable energy equal to their monthly usage each month at a price premium of 1.0 cent per billed kWh.

MONTHLY BILL

For a Customer who chooses Option 1, the monthly bill shall be the number of blocks the Customer has agreed to purchase multiplied by the Charge Per Block. For a Customer who chooses Option 2, the monthly bill shall be the Customer's usage, times the price premium per kWh. The monthly bill is in addition to all other charges contained in the Customer's applicable tariff schedule. A non-customer participant who chooses Option 1, will be issued a monthly invoice that reflects their designated fixed dollar per month amount.

PROGRAM ADMINISTRATION

No funds collected from the Program Rider may be used for program administration (program management). A portion of the funds may be used to support program communications, participant outreach, and marketing. (N)

SCHEDULE 62  
GREEN ENERGY PURCHASE  
PROGRAM RIDER  
(OPTIONAL)  
(Continued)

SPECIAL TERMS AND CONDITIONS

Program participants may apply for, or terminate participation from, the Program anytime during the year. The Company may limit availability of the Program subject to available renewable power at the cost incurred under the terms described above.

(N)  
|  
(N)

No electric service disconnections will result in the event of non-payment of Program commitments.