



November 4, 2011

Senator Curt McKenzie (Co-Chairman)
Representative George Eskridge (Co-Chairman)
Energy, Environment & Technology Interim Committee

Dear Chairmen McKenzie and Eskridge,

The Idaho Consumer-Owned Utilities Association (ICUA) commends the 2011 Interim Committee and the Idaho Strategic Energy Alliance (ISEA) for the hard work and dedication that has gone into the review and updating of Idaho's 2007 Energy Plan.

ICUA represents fourteen rural electric cooperatives and nine municipalities that provide power in the State of Idaho. ICUA member utilities serve over 126,000 customers throughout Idaho; making ICUA 'collectively' the second largest utility in the state behind Idaho Power, and slightly ahead of Avista Utilities on a per-customer basis.

It is the position of ICUA that the Idaho Energy Plan (the plan) in its current form, as well as the draft being considered by the Committee, is intended to serve as a Strategic Planning Document to provide a global view, general guidance and overall direction.

ICUA supports keeping the plan at a high level to allow more detailed guidance to occur on an ongoing basis based regarding evolutionary change to the industry, versus putting our utilities in a position of attempting to reverse policy. We believe that flexibility is important to utilities as we navigate through the ever changing political, regulatory, economic, and operational realities.

The plan focuses on essentially "three pillars" to Idaho's Energy Future:

1. Access to the right type of energy and the ability to maintain and enhance a stable, secure, affordable energy system.
2. Economic Value: The plan recognizes the link between energy resource/availability and economic development.
3. Energy IQ: educating Idahoans on the facts about energy and helping provide understanding regarding the positives and negatives of every option.

ICUA supports that the plan provides for resource flexibility and that it encourages diversity - key to maintaining Idaho's low electricity rates and retaining a broad variety of resource options for utilities.

ICUA strongly encourages the committee to reject proposed changes to the plan intended to adopt specific targets or standards related to renewable energy, conservation, or carbon reduction. Setting arbitrary targets would conflict with the goals of maintaining Idaho's low-cost energy supply and ensuring access to affordable energy for all Idahoans. Additionally, targets may not provide sufficient flexibility for Idaho electrical utilities to react to rapid development of new energy technologies.

The plan places a priority on cost effective energy efficiency, something public power in Idaho has been committed to for decades and has been very effective at advancing in our service territories. In fact, the Bonneville Power Administration (the entity public power in Idaho purchases 96% of its power from) is currently exceeding the conservation targets set by the Public Power and Conservation Council's 6th Power Plan. ICUA will oppose any proposed additional state mandates regarding conservation and efficiency.

The plan emphasizes the importance of transmission in delivering reliable power and it recognizes transmission as a critical resource.

In addition, the plan retains energy siting as a local issue and recommends continuing the support of state agency resources through Energy Facility Site Advisory Teams for generation siting. It encourages local jurisdictions to hear testimony about impact of facilities for citizens and businesses in neighboring jurisdictions and largely defers to local land use planning. ICUA supports continued local control of siting.

ICUA appreciates that the plan clearly delineates the difference between the Idaho Public Utilities Commission's (PUC) jurisdiction over Idaho's Investor Owned Utilities and the regulation of our utilities by their democratically elected boards of directors and city councils. Any attempt to force PUC jurisdiction over public power in Idaho will be strongly opposed by ICUA.

In closing, ICUA is supportive of the draft energy plan submitted to the committee. We believe the plan continues to provide strategic guidance to our industry while maintaining the flexibility needed for our utilities to continue to provide low cost and reliable electrical power to our consumers.

Sincerely,



Will Hart: Executive Director, Idaho Consumer-Owned Utilities Association