

FALL RIVER RURAL ELECTRIC
COOPERATIVE, INC.

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Wednesday, October 26, 2011

Senator Curt McKenzie (Co-Chairman)
WW43 Capitol Annex
Boise, ID 83720-0081

Representative George Eskridge (Co-Chairman)
Idaho State Legislature
Capitol Building PO Box 83720
Boise, ID 83720-0038

Energy, Environment & Technology Interim Committee
Legislative Services Office
PO Box 83720
Boise, ID 83720-0054

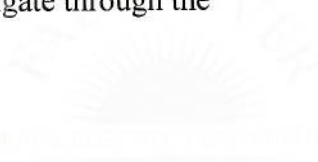
Dear Chairmen McKenzie and Eskridge,

Fall River Rural Electric Cooperative, Inc. (FRREC) appreciates the hard work and dedication exhibited by the 2011 Interim Committee and the Idaho Strategic Energy Alliance (ISEA) that resulted in the review and updating of Idaho's 2007 Energy Plan.

FRREC represents 12,000 members in Eastern Idaho and provides power to Island Park, the Teton Basin, and as far south as Ririe. FRREC serves in Clark, Fremont, Jefferson, Madison, and Teton counties in Idaho.

It is the position of FRREC that 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.

Keeping the plan at a high level allows more detailed guidance to occur on an ongoing basis 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.

FRREC supports the fact 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.

FRREC 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 energy providers to react to rapid development of new energy technologies. In addition, most renewable energy targets ignore the significant investment in existing hydroelectric facilities which are a renewable resource and should be considered.

The plan places priority on cost effective energy efficiency, something public power in Idaho has committed to for decades and been very effective at advancing in Fall River’s service territory. In fact, the Bonneville Power Administration (the entity FRREC purchases 86% of its power from) is currently exceeding the conservation targets set by the Public Power and Conservation Council’s 6th Power Plan. FRREC will oppose any proposed additional state mandates regarding conservation and efficiency.

The plan emphasizes the importance of transmission in providing 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. FRREC supports continued local control of siting.

FRREC 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 FRREC.

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In closing, FRREC 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,



Bryan L. Case
General Manager/CEO, Fall River Rural Electric Cooperative, Inc.



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