



My name is Aaron Menenberg. My email is aaron@renewablenw.org and my business address is 421 NW 6th Ave, Suite 1400, Portland, Oregon, 97204. I am the Idaho Policy Manager for Renewable Northwest. I am testifying in opposition to House Bill 348.

Renewable Northwest is a registered 501(c3) non-profit and membership organization consisting of over 80 members, including energy developers, environmental organizations, law firms, and others. We support competitive marketplaces for energy development in Idaho, Montana, Washington, and Oregon.

H 348 raises - and does not address - significant and wide-ranging questions. From how it would address implementation challenges, to legal questions, to whether it interferes in our energy system's free-market dynamics, this bill would introduce significant uncertainty and friction into counties, state government, industry while also causing energy bills to rise.

The status quo for energy siting and permitting in Idaho allows county and state governments discretion in how they review and approve or deny projects, and owners/operators of energy facilities must already seek review and approval from county, state, and/or federal agencies for each project. H 348 states that "each governing board shall require a conditional use permit" for a prospective energy project requiring it to "offer for purchase the electricity generated from the facility first to any electric supplier...that furnishes electric service to Idaho consumers before making an offer to any other electric supplier that does not furnish electric service to Idaho consumers." These requirements leave many questions unanswered.

First, what does H 348 mean by "governing board?" If it is referring to a county commission, this is a new requirement placed upon Idaho counties. Are the counties interested, capable, or benefited by this requirement? If it is referring to a state agency, have all the relevant agencies been consulted on this new requirement? What if a project falls on federal land? In that case, H 348 is likely in conflict with the Supremacy Clause.

Second, prospective energy projects typically do not start permitting, interconnection requests, or construction without contractual offtake for their power being secured, most often via a power purchase agreement (PPA). By requiring a CUP for every project and tying a CUP to contracting and pricing processes, it appears H 348 would upend the status quo, efficient business model that achieves timely development of projects and effective competition to keep prices low. How does H 348 envision improving on the status quo? The answer is not clear in the bill as drafted.

Third, by requiring facilities first seek offtake only from customers in Idaho, H 348 removes competition from the contracting process and will drive electricity rates up in Idaho for residents and businesses. The bill would also force energy generators to seek offtake in areas where transmission capacity may not be available and interconnection costs may be high. High interconnection costs or increasing wheeling prices would increase costs which would be

handed off to Idaho's rate payers. How does H 348 intend to mitigate the direct effect it would have on increasing electricity costs?

Fourth, H 348 requires contractual offtake for power be set at the "market price existing at the time of the offer". Market electricity rates are set by time-interval by location (i.e. locational marginal prices, LMPs). LMPs vary dramatically by season, day, and hour. Idaho's utilities leverage disparate LMPs across the region to purchase electricity from out of state when LMPs out of state are lower, and sell electricity out of state when LMPs out of state are higher. This allows them to optimize economic dispatch of electricity over a large footprint and save Idahoans money. By undertaking efficient economic dispatch in the market, Idaho Power has saved its customers \$247 million from 2018 to 2024. H 348 is not clear if or how it seeks to harmonize contractual offtake with a regional electricity market, or how prices could reasonably be set "at the time of the offer".

Fifth, by requiring contractual offtake only in Idaho for facilities which are all designed to dispatch to Idaho and the region, H 348 could be in violation of the Commerce Clause, which gives Congress the exclusive right to regulate commerce between states.

For these reasons, we urge members of the Committee to vote "no" on the bill. Thank you for your consideration.