



# IDAHO ENERGY RESOURCES AUTHORITY

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## The Idaho Energy Resources Authority (IERA)

### Statement of Purpose

#### **Background:**

The Idaho Consumer-Owned Utilities Association's (ICUA) proposed and successfully supported legislation to establish an energy-related lending/financing authority with the ability to issue revenue bonds. This legislation was proposed in response to the recognized inability of Idaho's municipal and cooperative electric utilities to adequately and reasonably finance transmission and generation projects required for the benefit and needs of their residents and members respectively.

#### **Mission:**

Formed in 2005 by the State of Idaho, the IERA's mission is to diversify and expand the state's economy through improvements in Idaho's electric generation and transmission infrastructure to allow the development or expansion of electric facilities in Idaho or the import of low-cost energy from other parts of the region. The IERA can participate in planning, financing, constructing, developing, acquiring, maintaining and operating electric generation and transmission facilities and their supporting infrastructure. The Idaho Energy Resources Authority Act (Act), the enabling legislation, provided the IERA with bonding authority and other powers to promote transmission development in the state and the region.

#### **Goals and Objectives:**

- Fulfill legislative mandate of the Act;
- Build a successful loan portfolio; issue bonds as required to finance new transmission lines and facilities (substations, switching stations, etc.) or expand existing transmission lines and facilities required to support new generation facilities or greater energy transfer requirements in the state or the region;
- Enter into partnerships with public or private entities (such as Wyoming Infrastructure Authority) to build and/or upgrade transmission lines or facilities;
- Investigate, plan and prioritize electric transmissions lines and/or locations for new transmission facilities;

- Develop the capabilities to establish fees and rates for use of its facilities in consultation with state public utility commissions, federal regulatory commissions and other government entities as required for IERA projects; and
- Own and facilitate the operation of transmission facilities in those instances when requested by utilities eligible to participate under applicable law.

**Action Plan:**

- Hold regular public meetings;
- Maintain regular dialogue with appropriate legislators or Legislative Committees;
- Maintain regular dialogue with Governor’s Office;
- Maintain dialogue with regulators including state commissions, the Federal Energy Regulatory Commission (FERC) and county commissions as required for IERA projects;
- Investigate sharing of resources (legal, financial, technology, etc.) with other entities with similar interests;
- Develop budget and work plan, including staffing, administrative support, and outside counsel; and
- Initiate focused information gathering efforts as follows:
  - opportunities to provide viable and competitive financing for transmission and related infrastructure;
  - ongoing regional transmission and generation activity Western Energy Coordinating Council;
  - FERC legal issues or precedents that could impact the Authority’s activities; and
  - Regional Transmission Organizations and Independent System Operators activities.

**Initial Considerations**

- ICUA initial funding commitment of \$50,000 precludes full-time staff until financing or loan requests for projects generates sufficient income for the Authority to hire full-time support staff & incur standard office overheads.
- A limited number of project financings or loans can be successfully processed with part-time staff and other professionals (attorneys, financial advisors, lenders, etc.) on a deferred or success-fee basis. This will necessitate focusing on projects with the highest likelihood of success and low credit risk in order to maximize use of success-fee based professionals and to identify a short list of “Recommended Projects”.