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IDAHO PUBLIC UTILITIES COMMISSION

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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-17-13
AUTHORITY TO ESTABLISH NEW)
SCHEDULES FOR RESIDENTIAL AND) STAFF'S RESPONSIVE BRIEF
SMALL GENERAL SERVICE CUSTOMERS) TO COMMISSION ORDER NO.
WITH ON-SITE GENERATION) 34098
_____)**

BACKGROUND

In Order No. 34098, the Commission granted Vote Solar's Petition for Reconsideration in this matter. The Commission set an August 10, 2018, briefing deadline for parties to discuss generally "whether a customer's ability to export energy should determine if the customer should be included in new Schedules 6 and 8." Order No. 34098 at 3. In that order the Commission also allowed a period for the filing of responsive briefs, with a deadline of August 24, 2018. Staff now files this responsive brief.

STAFF ANALYSIS AND RECOMMENDATIONS

Staff first notes that its proposal in its Technical Brief in Response to Order No. 34098 would alleviate many of the Company's concerns as outlined in its Opening Brief. Staff proposes that the issue of a non-export option for on-site generators should be studied in tandem with the forthcoming docket through which a comprehensive study of "the costs and benefits of

on-site generation on Idaho Power's system, as well as proper rates and rate design, transitional rates, and related issues of compensation for net excess energy provided as a resource to the Company" will be studied. Order No. 34046 at 31.

Staff merely disagrees with the Company that the opportunity to study a non-export option should be foreclosed through this docket. The Commission found that the distinguishing characteristic justifying separation of on-site generators into Schedules 6 and 8 was bi-directionality: "based on the evidence before us, we find it is time to distinguish a class of customers that uses the grid for standard energy import and use, from a class of customers that uses the grid to both import and export energy." Order No. 34046 at 16. Regardless of whether the Company disregards the Commission's findings related to bi-directionality, allowing a non-export option for on-site generators appears to be in line with the Commission's Order and its potential should not be prematurely limited.

More specifically, Staff takes issue with Idaho Power's use of the Limited Export Simulation load profile analysis. *See* Idaho Power's Opening Brief on Reconsideration at 3 *et seq.* First, Staff believes the Company's "simulation" using non-on-site generators as a basis for its analysis is inappropriate. The Company used consumption data from only 272 Boise-area, non-on-site generating customers, offset by the generation from a hypothetical 5 kW system on each rooftop, and then zeroed-out any hour in which exports occurred. *See* Company's Opening Brief on Reconsideration, Attachment 1 at 2. Instead, Staff believes the Company should have used actual on-site generators as a basis for its limited export analysis. Staff used consumption data from all 565 on-site generators in the service territory and zeroed out any hour in which exports occurred. Under that analysis, contrary to the results of the Company's "simulation" which showed that its hypothetical customers would consume less power than average non-on-site generating customers, Staff found that self-generators actually consume 1,805 kWh more Company-supplied energy annually than non-on-site generating customers.¹

Second, Staff believes that the Company's exclusion of customers outside the Boise-area in its simulation is inappropriate. Staff notes that rooftop solar systems are very sensitive to local climatological conditions, and that the Company's simulation omits 52% of the Company's

¹ Based on Staff's analysis, this means that customers who might use export limiting devices would actually provide, rather than receive, a subsidy.

self-generating customers, many of whom live in climatological conditons very different from Boise.

Third, Staff objects to the Company's use of 18 Oregon customers as a proper validation of its Limited Export Simulation. No validation would be necessary if the Company had used actual data from the 565 Idaho on-site generating customers, rather than simulated consumption data. Futher, a sample size of 18 is too small to be meaningful. Lastly, the validation methodology excludes important load characteristics that would verify whether or not it aligns with the simulation. For example, absent from the Company's validation is any mention of total consumption. Staff notes that total consumption is an important cost driver.

Regardless of these points of contention related to analytical methods, simply put, the Commission has ordered the Company to conduct a fixed-cost analysis which, ostensibly, would include a cost shifting analysis, so foreclosing analysis of a non-export option based on hypothetical cost-shifting scenarios is premature until all relevant data is included in a record for reasonable analysis. *See* Order No. 34046 at 31.

Staff also continues to take issue with the Company's continued use of the term "partial requirements." The issue is whether and how a customer exports energy to the Company's grid, not how they might offset usage behind the meter. Staff argues that an export limiting device option for on-site generators would allow the on-site generation system to be sufficiently similar to a standard service customer utilizing energy efficiency measures or alternative energy sources.

Next, Staff would reiterate that the Company's continued argument related to "masking" is irrelevant if export limiting devices were allowed for customers desiring to not export. In other words, whether intra-hour usage is detectable in net hourly consumption is irrelevant to those customers who cannot export. The Company did not refute that an export limiting device would prevent masking. The Company's arguments related to masking are an issue of rate design and meter programming, again, best analyzed and reformed in the forthcoming docket.


Finally, Staff does agree with the Company's safety concerns. However, Staff believes that the more opportunity the Company provides to allow its customers to generate power reasonably and in cooperation with the utility, the safer customers, Idaho Power employees, and the grid will be. The more limitations the utility attempts to impose, the more the utility may inadvertently promote clandestine generation and connection.

Idaho Power states that “[i]f the Commission were to grant Vote Solar’s request to allow customers who do not export to continue to take service under their standard service schedule, the Company would not have an opportunity to verify those systems are interconnected in a manner that would not jeopardize reliability of Idaho Power’s system or the safety of employees.” Idaho Power’s Opening Brief on Reconsideration at 29. This misunderstanding between the parties is exactly why these issues are best left to another docket. Idaho Power makes the assumption that customers with export limiting devices may simply interconnect to the Company. However, while clandestine connection is and may always remain an issue among many customers classes, Staff foresees that all on-site generators would remain in, or start out subject to, Schedules 6 and 8 (as is the case today), unless and until they can sufficiently show that they no longer belong in those schedules because they have removed their capability to export to the Company’s grid. This is similar to what occurs in Hawaii, though Staff does not, as do other parties, promote the idea of the Commission ordering the adoption of Hawaii’s model at this stage.

While Idaho Power argues that “[e]ligibility for Schedules 6 and 8 should be based upon the existence of on-site generation that is connected in parallel with Idaho Power’s system,” it appears to ignore the definitive distinction provided in plain language within Commission Order No. 34046: “To reiterate, we recognize the fundamental difference between, as an example a residential customer with no on-site generation and one that can both import energy from, and export it to, the Company’s grid using the same infrastructure. *This bi-directionality is distinct from a customer purely offsetting its own energy usage outside of the grid.*” Order No. 34046 at 17-18 (emphasis added).

In conclusion, the issue of a non-export option for those customers who desire to offset their own usage with on-site generation deserves to be analyzed in the forthcoming docket and should not be prematurely foreclosed without a full record alongside sufficient analysis.

RESPECTFULLY submitted this 24th day of August, 2018.


Sean Costello

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE ON THIS 24th DAY OF AUGUST, 2018, SERVED THE FOREGOING **STAFF'S RESPONSIVE BRIEF TO COMMISSION ORDER NO. 34098**, IN CASE NO. IPC-E-17-13, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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