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**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE PETITION OF  
IDAHO POWER COMPANY TO STUDY  
COSTS, BENEFITS, AND COMPENSATION  
OF NET EXCESS ENERGY SUPPLIED BY  
CUSTOMER ON-SITE GENERATION

**Case No. IPC-E-18-15**

BOISE CITY'S ANSWER TO  
IDAHO POWER COMPANY'S  
PETITION FOR  
RECONSIDERATION AND/OR  
CLARIFICATION

COMES NOW, the city of Boise City, herein referred to as "Boise City", by and through its attorney of record, and pursuant to Rule 331.05 of the Rules of Procedure of the Idaho Public Utility Commission (IDAPA 31.01.01.331.05), hereby submits this Answer to Idaho Power Company's ("the Company") Petition for Reconsideration and/or Clarification ("Answer"). Although numerous petitions for reconsideration have been filed, in the interest of brevity, Boise City's Answer only rebuts the arguments put forward by the Company's Petition.

## I. INTRODUCTION

On December 20, 2019, the Idaho Public Utilities Commission (“Commission”) issued Order No. 34509. This Order was in response to the matters pending before the Commission in Case No. IPC-E-18-15, including a proposed joint Settlement Agreement signed by various parties to the case, the outstanding issue of treatment for existing net metering customers, and procedural next steps.

Order No. 34509 essentially did three (3) things: 1) it rejected the proposed Settlement Agreement; 2) ordered the Company to conduct a credible and fair, comprehensive net-metering cost/benefit study informed by public workshops and public input; and 3) grandfathered existing net-metering customers into Schedules 6 and 8. *See generally* Order No. 34509.

The Company has now filed a Petition for Reconsideration and/or Clarification (“Petition”) regarding the Commission’s Order. The Company’s Petition asks the Commission to approve the Settlement Agreement and, in the alternative, to reconsider the “extensive procedures it has ordered” the Company to comply with. Petition for Reconsideration and/or Clarification at 3. Included in its Petition to reconsider the procedure ordered by Commission, the Company specifically requests that net hourly billing be immediately imposed on new Schedule 6 and 8 customers. *Id.*

Although Boise City ultimately signed the Settlement Agreement, it did so based on the nature of the settlement negotiations to date and in an attempt to mitigate potential harmful unknowns if the case did not settle. From the beginning of this case, Boise City suggested the need for a credible, fair, independent, third-party study to be conducted. However, as negotiations

progressed, it was apparent that a comprehensive study was not going to be conducted and that it was best to negotiate for what could be achieved for the citizens and the industry in the present case. Boise City disagrees with the Company's assertion that a comprehensive study was conducted and that based on this, "participants analyzed and ultimately resolved numerous longstanding and contention issues." *Id.* at 4. In Boise City's opinion, these issues were not comprehensively analyzed and resolved; a compromise was negotiated.

For that reason, Boise City agrees with the Commission's decision to reject the Settlement Agreement and agrees with its proposal to conduct a fair and credible comprehensive study. Boise City also supports the Commission's decision to grandfather existing net-metering customers into Schedules 6 and 8 as they currently exist. Boise City asks that the Commission deny the requests of the Company in its Petition as discussed below.

## **II. ANSWER TO PETITION**

- 1. The Commission should deny the Company's request to approve the Settlement Agreement because the Company provides no additional evidence to rebut the Commission's decision to deny the Settlement Agreement.**

The Commission rejected the Settlement stating that "filing the Settlement Agreement in the absence of a comprehensive study does not comply with our directive to parties in Order No. 34046." Order No. 34509 at 6. Boise City agrees with this statement. Throughout the settlement negotiations Boise City maintained its concerns that negotiating a settlement without conducting a comprehensive study did not align with the Commission's Order No. 34046 stemming from IPC-E-17-13. Boise City supports conducting a comprehensive, credible, and fair study to inform what if any changes are implemented to the net metering program and future customers. The

Commission also based its rejection of the Settlement Agreement on the basis that the public was not adequately on notice that the Settlement Agreement or this case as a whole, could result in substantial changes to the net-metering program. Order No. 34509 at 6.

First, The Company argues that the Settlement Agreement should be approved because the Company did in fact conduct a comprehensive study. The Company argues that it originally submitted an “Initial Study” which was revised and presented as a final “Export Credit Rate Study.” Petition at 11. The Company attempts to support its argument that the Export Credit Rate constitutes a comprehensive study by pointing to the attachments and workpapers provided in the Motion to Approve Settlement Agreement and Comments in Support of the Settlement Agreement. *Id.* at 17. However, as the Commission points out, “[T]hese files appear to be the starting point of negotiations between the parties and not the comprehensive study ordered by the Commission.” Order No. 34509 at 8. Boise City agrees and would add that the confidential nature of the settlement agreement makes it impossible to present all information or varying opinions that were presented. A fact that is not brought up by the Company in discussing what documents and data officially made it into the record.

Building on this, the Company states that the Commission should reconsider its decision to reject the Settlement Agreement because the Company failed to provide a narrative presentation and roadmap describing the “studies” conducted and therefore such description will show adequate support for the Settlement Agreement to be approved. Petition at 12. However, the Company provides no additional data, evidence, or analysis to support the Commission reversing its decision to reject the Settlement Agreement. All the data and information the Company points to in order

to support its claim that reconsideration should be granted has already been acknowledged and reviewed by the Commission and found insufficient to demonstrate that a comprehensive study was conducted. Order No. 34509 at 8. This is evidenced by the Commission's thorough description of the documents and data it reviewed in making its decision to reject the Settlement Agreement. *Id.* The Company has provided no new evidence to support the Commission reversing its decision.

Second, the Company argues that the Commission should reconsider its rejection of the Settlement Agreement on the assertion that the public was not on adequate notice that this docket would result in substantial changes to the net metering program. Petition at 22. Again, the Company has failed to provide any new or additional evidence to support the Commission reconsidering its holding on this issue. As the Commission rightfully points out, the title of this case itself did not indicate that program changes would be an outcome of this docket. Order No. 34509 at p. 6. The title of the docket, "In the Matter of the Petition of Idaho Power Company to Study the Costs, Benefits, and Compensation of Net Excess Energy Supplied by Customer On-Site Generation," implies that a study would be conducted. *Id.* It is reasonable for members of the public to not expect this case to result in program changes, but instead to result in a publicly accessible, comprehensive study. The Company claims that members of the public had an opportunity to intervene and participate in this case, but the very description of the case could have resulted in the public feeling it unnecessary to intervene at this stage. Upon the outcome of this case and the filing of the Settlement Agreement, it was apparent from the public testimony at the two (2) public hearings, that many members of the public were not aware that program changes would result from this docket.

The Company also asserts that whether or not the public was on notice of this docket and the changes that may result from it, is moot based on the Commission's decision to grandfather existing customers. This assertion is inaccurate as it does not account for the impacts this docket will have on future customers who have not been grandfathered into this case. As the Commission states, the public (not just current customers) was not on notice of the possible changes to the net metering program, not just the then current program. *Id.* at 6. This Settlement Agreement if approved did not have the potential to only affect existing customers, it also controlled how the new program would look to future customers. *See generally, Motion to Approve Settlement Agreement*, October 10, 2019 Attachment 1. These future customers would have had an interest in participating in the docket to be involved in how the program should be constructed in the future. These future customers likely had the same inaccurate expectations of what this docket would result in that existing customers did. These future customers were not put on notice of how this docket may affect program structure and potentially would have participated had they known. Therefore, the Company's assertion that the issue of proper notice is moot because of the Commission grandfathering existing customers does not account for the potential harm suffered by future customers to participating based on an ill-informed understanding.

**2. The Commission should deny the Company's request to revise the procedure to be followed by the parties in the forgoing study process.**

The Company asks that the Commission reconsider the procedure it has proscribed for conducting a credible, fair, and comprehensive study. Petition at 26. The Company alleges following the Commission's directive would result in "largely discarding thousands of hours" of work completed in this case to date. *Id.* However, nowhere in the Commission's Order does the



Commission state that the work done previously in this docket by the parties should be disregarded. Nothing would prohibit the work, such as *Table 1. Study Items and Implementation Issues*, which was included in the first Staff Report, from informing the process moving forward. *Staff Report*, February 28, 2019, attached.

The Company makes two specific requests of the Commission related to reconsidering its outlined procedure in Order No. 34509. First, the Company requests the Commission immediately implement net hourly billing for new Schedule 6 and 8 customers. Petition at 27. Second, the Company requests, essentially, that the Commission reconsider requiring that the “scoping phase [and the] study design phase” be removed from the required procedure moving forward. *Id.* at 30.

As to the issue of immediate implementation of net hourly billing for new customers, Boise City believes this is contrary to reasoning provided in the Commission’s Order No. 34509. The Commission makes clear that it does not intend to make changes to the net metering program until a fair, credible, comprehensive study is complete. Order No. 34509 at 9. The Commission states, “Before the Company files a case to change its net-metering program structure, the Commission must approve the study as credible and fair.” *Id.* This statement by the Commission reiterates that this docket and any new or continuation of this docket, should not be utilized to change the net metering program, but instead study the costs and benefits. The Company’s request to implement net hourly billing attempts to circumvent the requirements the Commission has made clear are important to achieve before any changes to net metering are implemented.

The Company bases its request to immediately implement net hourly billing on the notion that moving to net hourly billing from net monthly billing will reduce the inequitable cost shifting

that is occurring between net metering customers and other Company customers. Petition at 28. It should be noted, though, that the Company bases this assertion on the Company's Initial Study, which the Commission found was insufficient to meet the requirements of a comprehensive study or to support the approval of a Settlement Agreement which included net hourly billing in its terms. Therefore, it follows that changes from net monthly to net hourly billing should not be implemented until a proper study of the potential effects can be conducted and analyzed. Furthermore, the fundamental argument by the Company that net metering customers cause a cost shift because they are not paying their portion of fixed costs is an issue that should be studied and addressed with rate design as a whole (the purpose of IPC-E-18-16), not by making program changes to one category of customers.

Regarding the Company's request to "streamline" procedures, the Company has failed to demonstrate how deviating from the Commission's proposed procedure will not result in the same outcome as this current docket. The Company suggests the Commission revise its direction to allow the "Company [to] file a final study and Export Credit Rate recommendation for Commission review that incorporates feedback from the Commission, the public, and other parties, and relies on the most recent data then available." Petition at 31. It appears that this proposal is likely to result in the same type of outcome as this docket, where the public and ultimately the Commission are not able to direct and control the nature and contents of the study. Boise City believes the Commission's requirement that "the final scope of the study be determined by the Commission" is crucial to achieving the outcome of a fair, credible and comprehensive study. Order No. 34509.



### III. CONCLUSION

Boise City respectfully asks that this Commission deny the requests contained in the Company's Petition. The Company has failed to produce any new evidence or facts that would support the Commission finding it necessary to reconsider the aspects raised by the Company's Petition. Boise City believes the Commission's decision to reject the Settlement Agreement and grandfather existing customers is reasonable and based on the evidence and information in the record.

DATED this 17 day of January 2020.

  
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### CERTIFICATE OF SERVICE

I hereby certify that I have on this 17 day of January 2020, served the foregoing documents on all parties of counsel as follows:

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