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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for the Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO)	
POWER COMPANY'S)	
APPLICATION FOR AUTHORITY)	CASE NO. IPC-E-19-15
TO STUDY THE MEASUREMENT)	
INTERVAL, COMPENSATION)	IDAHO CONSERVATION LEAGUE
STRUCTURE, AND VALUE OF NET)	
EXCESS ENERGY FOR ON-SITE)	AND
GENERATION UNDER SCHEDULE)	
84 AND TO TEMPORARILY)	VOTE SOLAR
SUSPEND SCHEDULE 84 NET)	
METERING SERVICE TO NEW)	COMMENTS
IDAHO APPLICANTS.)	

The Idaho Conservation League (ICL) and Vote Solar submit the following comments in response to Order No. 34315. ICL and Vote Solar recommend the Commission reject this Application as unnecessary and inefficient, except for the sole issue of whether to suspend Schedule 84, which the Commission should deny as unwarranted by a meaningful system impact and unfair to customers trying to meet their own energy needs. This Application by Idaho Power Company seeks to balkanize discussions of important policy issues when the public interest is currently being served through the existing dockets addressing the same issues Idaho Power raises here - the value of and possible compensation structures for excess energy generation in IPC-E-18-15 and the proper methodology, spread, and recovery of fixed costs in IPC-E-18-16. We note the Commission directed all stakeholders "to comprehensively study on-site generation, in terms of rates, rate design, and compensation, prior to any future rate or compensation proposals or revisions to the Company's on-site generation program." *Order No 34046 at 1*. We recommend the Commission reject Idaho Power's request to establish new compensation

structures for a subset of customers before completing the work already underway in the existing dockets.

It is troubling that Idaho Power made the decision in Case No. IPC-E-17-13 to request changes to the rate classification for its Residential and Small Commercial (“R&SGS”) customers with no mention of the Irrigation, Large Commercial, or Industrial classes (“CI&I”) only to return two years later and attempt to add these customers to ongoing discussions. As a result of IPC-E-17-13, two follow-on discussions have begun in IPC-E-18-15 and IPC-E-18-16. Now, after numerous settlement discussions have been held in each of the two cases, Idaho Power has indicated that they would like to interfere with progress made by seeking to add additional customer classes to the discussion and attempting to separately consider important topics that are not practical to separate. Instead of creating unnecessary additional proceedings, the Commission should reject Idaho Power’s Application here and reaffirm the importance of the current dockets.

The only new issue raised by Idaho Power here is to suspend Schedule 84 retroactively. On that sole issue, ICL and Vote Solar believe, to the extent the proposal is not immediately dismissed as unwarranted and unfair, a hearing is necessary to fully vet the substantial due process concerns and the impact that suspending Schedule 84 has on the legitimate interests of Idahoans investing their own money to meet their own energy needs.

1) Whether and to what extent this Application impacts or is impacted by IPC-E-18- 15 and IPC-E-18-16.

This Application creates substantial overlap with existing dockets and tries to impose arbitrary timelines on an orderly and collaborative processes. The existing dockets IPC-E-18-15 and IPC-E-18-16 address the same issues of valuing excess generation and considering compensation structures that Idaho Power raises here. Confusingly, here Idaho Power requests that CI&I dual meter measurement interval and compensation structure for Schedule 84 be considered in this new docket of IPC-E-19-15, but that the value of net excess energy for all on-site generation classes be considered in IPC-E-18-15. This approach is impractical as the definition of what will be considered net excess energy is inextricably linked to the measurement interval. Bifurcating this discussion by creating parallel proceedings for separate rate classes inhibits a holistic consideration of the issues. IPC-E-18-15 and IPC-E-18-16 can holistically

consider the issues presented in this case including Idaho Power's specific requests regarding Schedule 84 - the metering interval, the value of excess generation and whether to recover the costs for excess generation credits through the PCA. *See Tatum Di at 28 -29*. ICL and Vote Solar recommend the Commission reject this attempt to subvert the progress made in IPC-E-18-15 and IPC-E-18-16 and order Idaho Power to return to those collaborative processes.

Docket IPC-E-18-15 began on October 19, 2018 with Idaho Power's filing of an application to study the cost, benefits, and compensation of net excess energy supplied by customer on-site generation. The Commission issued a Notice of Application and established an intervention deadline of November 30, 2018. *Order No 34189*. Since then, the parties that properly intervened in that docket have engaged in three formal settlement workshops that have progressed in a collaborative, orderly fashion to address the value of excess generation and potential compensation structures. *See Staff Report in IPC-E-18-15* (February 8, 2019).

Now Idaho Power seeks to upend this process by asking the Commission to reopen the intervention period in IPC-E-18-15 and open a new docket to address the same issue, the value of excess generation, for a subset of customers with an arbitrary deadline of January 1, 2020. *Application at 8*. The Company provides no evidence that the Notice or intervention deadline established in IPC-E-18-15 was insufficient. The Company's Application does not explain why it is necessary to reopen the intervention period in IPC-E-18-15 nearly five months after it closed. The Company likewise does not explain how addressing the value of excess energy in IPC-E-18-15 and in IPC-19-15 is administratively efficient. ICL and Vote Solar submit that reopening an existing docket and then opening another docket that covers the same issue is the opposite of administrative efficiency. Doing so would waste the time spent by parties in IPC-E-18-15 by having to retread old ground to fairly incorporate new intervenors. Doing so would also waste everyone's time and resources by duplicating efforts in the new docket, risking inconsistency and delay. The Commission should reject Idaho Power's attempt to confuse the process and order the Company to return to the collaborative approach in IPC-E-18-15.

Docket IPC-E-18-16 also began on October 19, 2018 when Idaho Power filed an Application to study the fixed costs of providing electric service to customers. The Commission issued a Notice setting an intervention deadline of November 30, 2018. *Order No. 34190*. Since then, parties have engaged in formal settlement workshops to work through the proper methodology to analyze the spread of fixed costs to customers. Idaho Power's Application here

in IPC-E-19-15 mentions this existing process and appears to recommend the Commission and parties continue with that docket. ICL and Vote Solar are baffled as to why Idaho Power would file another docket, IPC-E-19-15, asking the Commission to open a collaborative process to address these issues when such process already exists and is making substantial progress. The Commission should reject this unnecessary request.

2) Whether and to what extent the issues raised in IPC-E-18-15, IPC-E-18-16, and this docket can and should be examined holistically.

As described above, ICL and Vote Solar submit this Application does not raise any meaningful issue that is not already being examined in IPC-E-18-15 and IPC-E-18-16. While those dockets are separate, the parties are largely the same and the process is being organized with similar schedules and information. It appears that Idaho Power is largely in agreement on the core issues, indicating a preference that the value of net excess energy for all on-site generation classes be considered in IPC-E-18-15 and rate design and rate structures for all classes be considered in IPC-E-18-16. *See Application at 8.*

Despite this ongoing collaborative process to address the issues, Idaho Power's new Application requests that CI&I dual meter measurement interval and compensation structure be evaluated in this new case along with a proposal to treat "Excess Net Energy credits" as a power supply expense. *See Application at 8, Tatum Direct at 29.* This approach is impractical and ill-advised. Valuation of net excess energy will depend on the meter measurement interval by which net excess energy is defined. It simply does not make sense to bifurcate this discussion for CI&I customers into a new docket when the existing process in IPC-E-18-15 includes explicit evaluation of the impact of the metering interval on determining the value of excess energy generation. In addition, compensation structure for customers, and rate recovery for the Company, of yet to be defined or established "Excess Net Energy credits" cannot proceed independently of the ongoing discussion regarding rate design and rate structures that is occurring in IPC-E-18-16. Opening a parallel proceeding to address the same issues in existing proceedings inhibits a holistic consideration of the issues.

ICL and Vote Solar note Idaho Power does not request any change to rates for consumption by net metering customers in this docket, rather points to the existing IPC-E-18-16 docket as the appropriate place to study those options. *See Tatum Di at 30.* This statement

encourages ICL and Vote Solar because any proposal to adjust rates for consumption must be addressed holistically in a general rate case. Before proposing new rates, Idaho Power should complete the Commission ordered study in IPC-E-18-16 in order to provide a meaningful toolkit for the Commission to consider proposed rate design changes.

The only issue raised by Idaho Power appropriate for separate consideration from IPC-E-18-15 and IPC-E-18-16 is the proposal to retroactively suspend Schedule 84. That issue can be addressed and immediately rejected for the reasons provided below in question 5, separately from the more meaningful issues of valuing excess generation and considering compensation structure options.

3) Whether this docket should be processed according to Idaho Power's proposal on page 8 of the Application.

No. Idaho Power's proposed process calls for a confusing mix of new and existing dockets, which will create an administrative headache for parties and the interested public. For the reasons stated above, the Commission should reject this application as unnecessary and unwarranted. Instead, the Commission should order Idaho Power to return to being a collaborative participant in the existing dockets addressing the issues raised here.

4) Whether the Commission should process this docket by modified procedure or by hearings.

Unless dismissed for the reasons provided below in question 5, the Commission should conduct a hearing on the issue of whether to suspend Schedule 84 only. Because Idaho Power's proposed suspension would impact the rights of several classes of customers who make decisions about investing in customer owned generation for a wide variety of reasons, and because Idaho Power is seeking extraordinary procedure here, the Commission should conduct a public hearing to ensure ample opportunity to hear from affected Idahoans.

5) Whether the Commission should suspend Schedule 84 for new applicants while IPC-E-19-15 is being processed, and if the Commission does suspend Schedule 84 in the interim, whether the suspension should be from the date of filing-April 5, 2019-or some other date.

The Commission should not suspend Schedule 84. Not only does retroactive suspension of an existing schedule without providing affected parties notice and opportunity to be heard raise substantial due process concerns, it is unnecessary. In IPC-E-12-17 Idaho Power sought a

cap on the net metering program. The Commission properly rejected this proposal because such a limit “may disrupt and have a chilling effect on investment in and installation of distributed generation”. *Order No 32846 at 7*. Instead, the Commission wisely balanced individual rights and impacts to utility customers by ordering the Company to return when they could establish a material effect on system reliability. *Id.* Idaho Power’s Application here does not even attempt to show that current growth in the net metering program is having a material effect on the system. Instead, Idaho Power claims to be trying to protect customers from making their own decisions. This paternalistic abuse of monopoly power should be rejected out of hand. By seeking to upend existing collaborative processes and establish a parallel proceeding with an arbitrary deadline, without even attempting to show this would address a meaningful impact to the system, IPC is causing unnecessary confusion and imposing additional workloads on stakeholders while chilling investments by Idahoans to meet their own energy needs.

It is notable that, for the duration of parallel conversations surrounding potential modification of compensation for on-site generation for the R&SGS classes, the Commission found no need to suspend the net metering program. Indeed, in Order No. 34046 which created Schedules 6 and 8 for R&SGS customers and led to the current dockets IPC-E-18-15 and IPC-E-18-16, the Commission stated “we believe the use of on-site generation will continue to rapidly grow, and may someday become a critical resource for the Company.” *Order No. 34046 at 18*. Clearly, the Commission does not see adoption of on-site generation, *prima facie* as cause for suspension of Schedule 84. Moreover, in Order No. 34046 the Commission indicated a belief that “current and prospective on-site generators will be better positioned to analyze the costs and benefits of buying, installing, and maintaining an on-site generation system as a result of this Order.” *Order No. 34046 at 19*. Idaho Power has provided no evidence as to why its residential customers are capable of evaluating the regulatory uncertainty associated with adoption of on-site generation, but its CI&I customers lack the sophistication to make their own decisions in this regard.

Because suspending Schedule 84 is not necessary to address a meaningful impact on system reliability or costs, and doing so drastically impairs customers ability to meet their own energy needs, ICL and Vote Solar recommend that Idaho Power’s proposal to suspend Schedule 84 be rejected outright.

6) *Whether the Company's proposed effective date of January 1, 2020 in IPC-E-19-15 is feasible.*

There is no need to establish an effective date now because the parties have not been identified nor have the issues been fully developed. Further, for the reasons stated above, the Commission should reject this application as it pertains to the issues of valuing excess generation and studying compensation options in IPC-E-18-15 and IPC-E-18-16. Idaho Power did not consult with the parties in those cases before seeking to impose the arbitrary date of January 1, 2020 to address these same issues in a wholly new, and unnecessary, parallel proceeding. ICL and Vote Solar recommend, in the event that the proposal is not rejected outright, the Commission hold a hearing to consider Idaho Power's ill-advised request to suspend Schedule 84. The Commission can set an effective date for that narrow decision that best protects the rights of Idahoans to invest their own money to met their own energy needs.

Respectfully submitted this 2nd day of May 2019.



Benjamin J. Otto
Idaho Conservation League

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of May 2019, I delivered true and correct copies of the foregoing COMMENTS to the following persons via the method of service noted:

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