

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION TO INITIATE) CASE NO. IPC-E-21-21
A MULTI-PHASE COLLABORATIVE)
PROCESS FOR THE STUDY OF COSTS,)
BENEFITS, AND COMPENSATION OF NET)
EXCESS ENERGY ASSOCIATED WITH)
CUSTOMER ON-SITE GENERATION)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

CONNIE G. ASCHENBRENNER

1 Q. Please state your name, business address, and
2 present position with Idaho Power Company ("Idaho Power" or
3 "Company").

4 A. My name is Connie G. Aschenbrenner. My
5 business address is 1221 West Idaho Street, Boise, Idaho,
6 83702. I am employed by Idaho Power as the Rate Design
7 Senior Manager in the Regulatory Affairs Department.

8 Q. Please describe your educational background.

9 A. In May of 2006, I received a Bachelor of
10 Business Administration degree in Finance from Boise State
11 University in Boise, Idaho. In December of 2011, I earned
12 a Master of Business Administration degree from Boise State
13 University. In addition, I have attended the electric
14 utility ratemaking course The Basics: Practical Regulatory
15 Training for the Electric Industry, a course offered
16 through New Mexico State University's Center for Public
17 Utilities.

18 Q. Please describe your work experience with
19 Idaho Power.

20 A. In 2012, I was hired as a Regulatory Analyst
21 in the Company's Regulatory Affairs Department. My primary
22 responsibilities included support of the Company's
23 Commercial and Industrial customer class's rate design and
24 general support of tariff rules and regulations. In 2015,
25 I assumed responsibilities associated with Residential and

1 Small General Service rate design, as well as regulatory
2 support associated with demand-side management ("DSM")
3 activities. In 2016, I was promoted to a Senior Regulatory
4 Analyst, and my responsibilities expanded to include the
5 development of complex cost-related studies. In 2017, I
6 was promoted to Rate Design Manager for Idaho Power, and in
7 2019 I was promoted to my current role as Rate Design
8 Senior Manager. I am currently responsible for the
9 management of the rate design strategies of the Company, as
10 well as oversight of all tariff administration. In my
11 current role, I am one of the Company representatives at
12 its Energy Efficiency Advisory Group ("EEAG") meetings.

13 Q. What is the purpose of your testimony?

14 A. My testimony describes the Company's proposal
15 to initiate a multi-phase collaborative process for a study
16 of the costs and benefits of on-site generation. The
17 proposed process includes a "study design," "study review,"
18 and "implementation" phase.

19 Q. What is the Company's primary objective of
20 this multi-phase study process?

21 A. The Company's primary objective of the study
22 process is to establish a sustainable on-site generation
23 offering that limits subsidies by implementing a more
24 equitable pricing and compensation structure. The multi-
25 phase study process will be accomplished through a

1 transparent and collaborative approach with stakeholders
2 and the public. Ultimately, the Company anticipates
3 proposals to implement changes to the on-site generation
4 offering will be informed by the studies and should seek to
5 eliminate or minimize potential cross-subsidies that exist
6 between participants and non-participants of on-site
7 generation through rate design and compensation structures
8 for on-site generation customers. Further, the Company
9 believes recommendations to modify the existing offering
10 should focus on cost-of-service principles, while
11 identifying the appropriate value of excess net energy to
12 ensure equitable compensation for on-site generators.

13 Q. How is your testimony organized?

14 A. The first section of my testimony will discuss
15 pertinent case history related to the Commission's
16 directive for the Company to comprehensively study the
17 costs and benefits of on-site generation and rate design.
18 In the second section, I will describe the Company's
19 proposed scope for the "study design" phase. The third
20 section of my testimony will outline the broader proposed
21 timeline for the "study design," "study review," and
22 "implementation" phases of the study. The concluding
23 section will describe proposed stakeholder engagement and
24 public workshops to solicit input in the "study design"
25 phase.

1 I. Background

2 On-Site Generation

3 Q. What is on-site generation?

4 A. The Company uses the term "on-site generation"
5 to refer to its retail customers who install equipment used
6 to generate electricity, most commonly solar panels, to
7 meet some or all of their electric needs. While generating
8 electricity on-site, these customers are also
9 simultaneously connected in parallel to Idaho Power's grid
10 and the vast majority export energy to the grid.

11 Q. What rate schedules are applicable to
12 customers with on-site generation?

13 A. Customers who install on-site generation can
14 interconnect an Exporting System under the terms of
15 Schedule 6, Residential Service On-Site Generation
16 ("Schedule 6"), Schedule 8, Small General Service On-Site
17 Generation ("Schedule 8"), Schedule 68, Interconnections to
18 Customer Distributed Energy Resources ("Schedule 68") and
19 Schedule 84, Customer Energy Production Net Metering
20 Service ("Schedule 84").

21 Customers who install a Non-Exporting System
22 continue to take service under the retail rate schedule
23 they qualify for based on the applicability of the
24 Company's retail tariff schedules.

1 All customers with on-site generation are subject to
2 the terms of Schedule 68 governing interconnection.

3 Q. How many customers currently have an
4 Exporting- or Non-Exporting System interconnected to Idaho
5 Power's grid?

6 A. As of May 31, 2021, there are 7,789 Exporting
7 Systems interconnected and taking service under Schedules
8 6, 8, and 84 and three (3) Non-Exporting Systems
9 interconnected and taking service under Schedules 9 and 19.
10 Collectively, these customer systems represent
11 approximately 70 MW of generation.

12 Q. Please describe the billing and compensation
13 structure currently in place for Schedules 6, 8, and 84.

14 A. The billing structure currently applicable to
15 these schedules is referred to as "net metering." Under
16 the net metering compensation structure, if electricity
17 supplied by the Company during a Billing Period exceeds the
18 electricity generated by the Customer and delivered to the
19 Company during the Billing Period, the Customer is billed
20 for the net electricity supplied by the Company at the
21 rates contained within the applicable service schedule. If
22 the electricity generated by the Customer and delivered to
23 the Company during the Billing Period exceeds the
24 electricity supplied by the Company during the Billing
25 Period, the Excess Net Energy is carried forward as a

1 kilowatt-hour ("kWh") credit to offset energy usage in a
2 subsequent Billing Period. These customers are often
3 referred to as "partial requirements" customers because
4 they are offsetting some or all of their usage with their
5 own generation.

6 Q. Were Idaho Power's retail rates designed in a
7 manner that considered the unique load characteristics of
8 partial requirements customers?

9 A. No. Idaho Power's current retail rates were
10 designed to align with the load characteristics of full
11 requirements customers. Historically, residential electric
12 rate designs bundled all electric services into one kWh
13 rate, charging customers for the amount of energy they
14 used. Non-Residential or Small General Service class's
15 rate design also recover a portion of fixed costs through
16 Demand and Basic Load Capacity charges. When applied only
17 to customers taking full service from the utility, this
18 structure represented a fair and reasonable manner to
19 collect service costs from customers.

20 A large portion of the Company's revenue requirement
21 is collected through volumetric energy rates, including
22 costs associated with all components of the electrical
23 system, from investment in generation resources to the
24 meters installed on customers' premises. Consequently, the
25 energy rates for Idaho Power's customers include not only

1 the variable energy-related components of the revenue
2 requirement, but fixed operations and maintenance and
3 plant-related costs associated with generation,
4 transmission, distribution, and customer care.

5 Q. Does the net metering billing and compensation
6 structure provide the Company a reasonable opportunity to
7 collect the costs associated with serving an on-site
8 generation customer?

9 A. No. A customer who installs on-site
10 generation does so with the intent to offset their usage
11 and reduce or eliminate the volume of energy they consume
12 from Idaho Power. Recovering fixed costs through a
13 volumetric rate does not work well for this segment of
14 customers because fixed costs do not vary with changes in
15 the amount of energy consumed from Idaho Power.

16 The Company's residential and small general service
17 ("R&SGS") customers have the most significant portion of
18 fixed costs - 91 percent¹ - collected through those
19 schedules' volumetric charge. The Company's large general
20 service (commercial), industrial, and irrigation customer
21 classes have 60, 39, and 70 percent, respectively, of each
22 schedule's fixed costs collected through the volumetric

¹ Fixed costs collected through volumetric charges proportion is calculated from inputs sourced from the Company's most recent general rate case, Case No. IPC-E-11-08.

1 charges. These customers are collectively referred to as
2 "CI&I" customers.

3 Q. Has the Commission acknowledged the
4 limitations of retail rate net metering?

5 A. Yes. Most recently, in Order No. 34046, the
6 Commission found:

7 Our analysis of the history of the
8 Company's on-site generation program reveals
9 an unfairness in how current and future on-
10 site generation customers avoid fixed costs.
11 The ability these customers have to "net out"
12 or net to zero their electricity use causes
13 them to underpay their share of the Company's
14 fixed costs to serve customers, and this
15 inequity will only increase as more customers
16 choose on-site generation.²

17 The Commission also found that "the present netting of
18 energy not only allows these customers to avoid paying
19 their fair share of fixed costs, but also prevents them
20 from realizing presently unquantified benefits to the
21 grid."³

22 Q. What steps did the Commission order the
23 Company take to address the issues related to rate design
24 and quantifying the costs and benefits of on-site
25 generation on Idaho Power's system?

² *In the Matter of the Application of Idaho Power Company for Authority to Establish New Schedules for Residential and Small General Service Customers with On-Site Generation*, Case No. IPC-E-17-13, Order No 34046 at 16 (May 9, 2018).

³ *Id.* at 23 and 31.

1 A. In Order No. 34046, the Commission ordered the
2 Company to (1) "undertake a comprehensive study of fixed
3 costs" and (2) "initiate a docket to comprehensively study
4 the costs and benefits of on-site generation on Idaho
5 Power's system, as well as proper rates and rate design,
6 transitional rates, and related issues of compensation for
7 net excess energy provided as a resource to the Company."⁴

8 **IPC-E-18-15 and IPC-E-18-16**

9 Q. Did the Company initiate a docket to
10 comprehensively study the costs and benefits of on-site
11 generation on Idaho Power's system?

12 A. Yes. The Company filed a petition to initiate
13 Case No. IPC-E-18-15 on October 19, 2018.

14 Q. Did the Company perform any studies related to
15 customers with on-site generation in that case?

16 A. Yes. In advance of petitioning the Commission
17 to initiate Case No. IPC-E-18-15, the Company conducted an
18 initial study evaluating costs and benefits of on-site
19 generation on Idaho Power's system. That initial study
20 evaluated cost-of-service, rate design, billing and
21 compensation structures, and the value of excess net energy
22 and served as the foundation for analysis and input from
23 parties. Ultimately, the Company, Commission Staff
24 ("Staff"), and numerous intervening parties with diverse

⁴ *Id.* at 31.

1 interests⁵ reached a settlement on an agreed-upon
2 compensation structure for excess generation and a value
3 for the excess generation, as well as several other aspects
4 of the Company's on-site generation service. The
5 Settlement Agreement was the product of several studies
6 resulting from a year-long collaborative process that
7 included eight half or all-day settlement meetings and
8 hours of collaborative analysis and deliberation.

9 Q. Did the Company seek to implement changes as a
10 result of these studies in Case No. IPC-E-18-15?

11 A. Yes. On October 11, 2019, Idaho Power and
12 Staff jointly submitted a Motion to Approve Settlement
13 Agreement. The Settlement Agreement requested the
14 Commission approve changes to Idaho Power's net metering
15 program, supported by the underlying information studied by
16 the Company and parties and representing a settlement of
17 several other key issues.

18 Q. Did the Commission approve the Settlement
19 Agreement?

20 A. No. In Order No. 34509 issued on December 20,
21 2019, the Commission rejected the Settlement Agreement,
22 stating:

23 We thus find it appropriate to reject
24 the Settlement Agreement and prescribe
25 procedures to be followed to develop an

⁵ While all 13 parties participated in the settlement process, nine of those parties ultimately signed the Settlement Agreement.

1 adequate record and address our ongoing
2 concerns. More specifically, we find the
3 public was not adequately notified this
4 docket might result in a significant change
5 to the Company's net-metering program
6 structure. Further, filing the Settlement
7 Agreement in the absence of a comprehensive
8 study does not comply with our directive to
9 parties in Order No. 34046.⁶

10 Ultimately, the Commission found an insufficient record to
11 support that the Settlement Agreement was reasonable, in
12 the public interest, or otherwise in accordance with law or
13 regulatory policy.⁷

14 Q. What did the Commission determine necessary
15 before it could decide on modifications to the Company's
16 net metering design?

17 A. In Order No. 34509, the Commission directed
18 Idaho Power to prepare and file a "credible and fair study"
19 of the costs and benefits of distributed on-site
20 generation.

21 Q. What guidance did the Commission provide about
22 what would constitute an acceptable study?

23 A. The Commission identified the following
24 criteria for a credible and fair study: (1) the study must
25 use the most current data possible and must be readily

⁶ *In the Matter of the Application of Idaho Power Company to Study the Costs, Benefits, and Compensation of Net Excess Energy Supplied by Customer On-Site Generation*, Case No. IPC-E-18-15, Order No. 34509, at 6 (December 20, 2019).

⁷ *Id.* at 8.

1 available to the public, and in the Commission's decision-
2 making record; (2) the Company must design the study in
3 coordination with the parties and the public, and the
4 Commission will determine the final scope of the study; (3)
5 the study must be written, so it is understandable to an
6 average customer, but its analysis must be able to
7 withstand expert scrutiny.⁸

8 Q. What other criteria did the Commission
9 establish for a study?

10 A. The Commission outlined a "study design" phase
11 and a "study review" phase. During the "study design"
12 phase, Staff and the Company will both "host public
13 workshops to share information and perspectives on net-
14 metering program design with the public and to listen to
15 customer concerns and input."⁹ In the "study review" phase,
16 the public will have the opportunity to comment on whether
17 the study sufficiently addressed their concerns and their
18 opinions on what the study shows.

19 Q. Did the Commission issue any other directives
20 in Case No. IPC-E-18-15?

⁸ *Id.* at 9.

⁹ *Id.*

1 A. Yes. The Commission established criteria¹⁰ to
2 define legacy treatment for systems under Schedule 6 and
3 Schedule 8. The legacy systems would be subject to the
4 rules in place as of the service date of Order No. 34509,
5 December 20, 2019. Additionally, the Commission stated
6 that the more clearly worded disclosure in the recently
7 enacted Residential Solar Energy System Disclosure Act, and
8 its more complete description in Order No. 34509 of what "a
9 tariff can change" means provides a reasonable difference
10 between legacy and new systems.

11 Q. What criteria did the Commission outline for
12 legacy treatment?

13 A. A legacy system is defined as either an on-
14 site generation system interconnected with Idaho Power's
15 system as of the service date of Order No. 34509, or a
16 customer with a binding financial commitment to install an
17 on-site generation system that proceeds to interconnect
18 their system on or before December 20, 2020.¹¹ Legacy
19 systems shall operate under the terms of Schedule 6 or
20 Schedule 8 as those Schedules exist on December 20, 2019.
21 Legacy status terminates December 20, 2045.¹²

22 Q. Are the rates and rate structure subject to

¹⁰ *Id.* at 8-9 and 10-11.

¹¹ *Id.* at 14.

¹² *Id.* at 9.

1 change for legacy systems?

2 A. Yes. Schedule 6 and Schedule 8 state, "The
3 following rate structure and charges are subject to change
4 upon Commission approval" and lists the current rate
5 structure comprised of the monthly service charge and the
6 monthly energy charges. The Commission also stated the
7 following regarding legacy treatment:

8 These rates and rate structure are
9 still subject to change. We make this
10 distinction based on our finding that
11 customers who installed on-site generation
12 understood that rates for consumption could
13 change, and recognized that the value of the
14 1:1 monthly kWh offset would change in value
15 along with the rates for consumption. We
16 expect proposals for changes to consumption
17 rates and rate structures to be made only in
18 a general rate case in which rates and rate
19 structure for all customer classes are under
20 review. See also Order No. 32846 at 12-13. We
21 recognize that an increase to the monthly
22 service charge could impact the financial
23 payback period on a customer's on-site
24 generation system, but rates for consumption
25 are not frozen in time, and we find that such
26 a change has always been within the realm of
27 customer expectations.¹³

28 Q. How many Schedule 6 and Schedule 8 customers
29 have legacy systems?

30 A. As of May 31, 2021, there are 5,400 legacy
31 Schedule 6 and Schedule 8 systems interconnected to Idaho
32 Power's system.

¹³ *Id.* at 14-15.

1 Q. Did the decision in Case No. IPC-E-18-15 to
2 define legacy systems apply to the Company's CI&I
3 customers?

4 A. No. In Order No. 34546, the Commission stated
5 that the decision was based on the facts of that case. The
6 Commission further noted that if CI&I customers in Schedule
7 84 are to receive legacy treatment as of a specific date,
8 that decision must be based on the facts presented in a
9 separate case.¹⁴

10 Q. Did the Company undertake a comprehensive
11 study of fixed costs?

12 A. Yes. On October 19, 2018, the Company filed a
13 petition to open Case No. IPC-E-18-16 related to studying
14 fixed costs of providing electric service to customers.
15 Several parties intervened in the docket, and the Company
16 participated in multiple workshops in advance of filing a
17 Fixed Cost Report on September 30, 2019. On March 31,
18 2020, the Commission issued Order No. 34608, recognizing
19 the Company filed a Fixed Cost Report, in compliance with
20 Order No. 34046.

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22 ///

¹⁴ *In the Matter of the Application of Idaho Power Company to Study the Costs, Benefits, and Compensation of Net Excess Energy Supplied by Customer On-Site Generation, Case No. IPC-E-18-15, Order No. 34546 at 12 (February 5, 2020).*

1 IPC-E-20-26 and IPC-E-20-30

2 Q. Did the Company initiate a separate case to
3 determine if existing CI&I customer systems would receive
4 legacy treatment before initiating the "study design"
5 phase?

6 A. Yes. In the same way that the Commission
7 provided Schedule 6 and Schedule 8 customers a more
8 complete description of what "a tariff can change" means,
9 Idaho Power thought it was essential for the same
10 communication and determination on legacy treatment for
11 CI&I customers under Schedule 84. The Company initiated
12 Case No. IPC-E-20-26, where it applied for authorization to
13 change the two-meter requirement in Schedule 84 to a
14 single-meter requirement for new customer-generators and to
15 grant legacy treatment to existing customer-generators
16 under the current rules as of December 1, 2020.

17 Q. What was the outcome of Case No. IPC-E-20-26?

18 A. The Commission issued Order Nos. 34854 and
19 34892 on December 1, 2020, and January 14, 2021,
20 respectively. As a result, the Commission established
21 criteria similar to Case No. IPC-E-18-15, to provide legacy
22 treatment to Schedule 84 systems under the rules in place

1 as of the service date of Order No. 34854.¹⁵ The decision
2 delineated between legacy systems and new systems subject
3 to future changes informed by a comprehensive study.

4 Q. What criteria did the Commission outline for
5 legacy treatment for Schedule 84?

6 A. A legacy system is defined as either an on-
7 site generation system interconnected with Idaho Power's
8 system as of the service date of Order No. 34854, or a
9 customer with a binding financial commitment to install an
10 on-site generation system that proceeds to interconnect
11 their system on or before December 1, 2021.¹⁶ Legacy status
12 terminates December 1, 2045.¹⁷

13 Q. Did the Commission add additional clarity to
14 the term "legacy treatment" in its Order No. 34892?

15 A. Yes. The Commission delineated between
16 existing customer-generators who are eligible for legacy
17 treatment and new customer-generators who are not eligible
18 for legacy treatment and explained that the term
19 "grandfather" or "legacy treatment" in this specific

¹⁵ *In the Matter of Idaho Power Company's Application to Modify Schedule 84's Metering Requirement and to Grandfather Existing Customers with Two Meters*, Case No. IPC-E-20-26, Order No. 34854 at 11 (December 1, 2020).

¹⁶ *In the Matter of Idaho Power Company's Application to Modify Schedule 84's Metering Requirement and to Grandfather Existing Customers with Two Meters*, Case No. IPC-E-20-26, Order No. 34892 at 9 (January 14, 2021).

¹⁷ Order No.3 34854 at 10.

1 context means that customer-generators are entitled to
2 continue to take service according to the terms of the
3 existing schedules in place as of the service date of the
4 Commission order for a period of 25 years.¹⁸ Similar to
5 Case No. IPC-E-18-15¹⁹, Schedule 84 systems that qualify for
6 legacy treatment continue to be subject to changes in
7 consumption rates. However, they would not be subject to
8 changes in the 1:1 monthly kWh retail rate compensation
9 structure until the legacy treatment terminates.²⁰

10 Q. How many Schedule 84 customers have legacy
11 systems?

12 A. As of May 31, 2021, there are 302 legacy
13 Schedule 84 systems interconnected to Idaho Power's system.

14 Q. What other docket related to customer
15 generation has the Company initiated since the issuance of
16 Order Nos. 34509 and 34546?

17 A. On July 20, 2020, in compliance with Order
18 Nos. 34046 and 34147 in Case No. IPC-E-17-13, Idaho Power
19 filed an application to initiate Case No. IPC-E-20-30 to
20 establish smart inverter requirements. This case also
21 addressed other interconnection requirements for

¹⁸ *Id.* at 11.

¹⁹ Order No. 34509, at 14-15.

²⁰ Order No. 34854 at 11.

1 interconnections to customer distributed energy resources
2 ("DERs").

3 Q. What was the Company's request in Case No.
4 IPC-E-20-30?

5 A. The Company sought to establish a Smart
6 Inverter standard for all new DER interconnections²¹ and
7 establish interconnection requirements for Non-Exporting
8 Systems.²²

9 Q. What was the outcome of Case No. IPC-E-20-30?

10 A. The Commission approved the Company's
11 application in Case No. IPC-E-20-30 and Schedule 68 on
12 March 9, 2021.

13 **Rocky Mountain Power's On-Site Generation Study Design**
14 **Phase**

15 Q. What did Rocky Mountain Power request in its
16 application in Case No. PAC-E-19-08?

17 A. On June 14, 2019, Rocky Mountain Power ("RMP")
18 applied to the Commission for an order closing net metering
19 service and opening a net billing service to new customers.

²¹ In Order No. 34046, the Commission directed the Company to submit a filing within 60 days of the final adoption of IEEE standards 1547 and 1547.1.

²² On page 16 of Order No. 34147 issued in Case No. IPC-E-17-13, the Commission stated it was "open to the possibility of allowing the customer opportunity to remove himself from the company's net metering schedules" if that "customer can reasonably and safely eliminate the export of energy to the Company's grid." The Commission further found that "a non-export option should be studied for feasibility and vetted for safety and operational concerns by the Company and interested stakeholders in the forthcoming docket."

1 The proposed modifications would have modified the
2 compensation structure and the value of excess net energy
3 for RMP's on-site generation customers.

4 Q. How was Case No. PAC-E-19-08 procedurally
5 impacted by the Commission's decision in Case No. IPC-E-18-
6 15?

7 A. After the Commission issued a final order in
8 Case No. IPC-E-18-15 directing Idaho Power to complete
9 additional studies, RMP submitted a Supplemental
10 Application on April 23, 2020, with updated inputs to the
11 proposed export credit rate and an updated proposal
12 regarding legacy treatment for existing customers. RMP and
13 Staff held public workshops on June 16 and June 18, 2020,
14 respectively. Staff's Revised Comments submitted on July
15 2, 2020, included Attachment A with study design
16 recommendations. RMP filed Reply Comments on July 16,
17 2020, responding to many of the issues raised by Staff and
18 other parties.

19 Q. What was the outcome of PAC-E-19-08?

20 A. On August 26, 2020, the Commission issued
21 Order No. 34753 and found it reasonable to use Staff's
22 Attachment A as the basis of the ordered scope of the
23 study. The Commission modified Staff's Attachment A to
24 reflect the proposed order on legacy treatment issued
25 concurrently with recommendations from other parties and

1 responses from RMP. The Commission indicated that this
2 order completed the "study design" phase and determined the
3 scope of the study Rocky Mountain Power is to undertake.

4 **II. On-Site Generation Study Design Phase: Idaho Power's**

5 **Proposed Scope**

6 Q. Has the Company developed a recommended scope
7 for Idaho Power's on-site generation study?

8 A. Yes. In compliance with Commission Order No.
9 34509, the Company has developed a draft scope of an on-
10 site generation study for public review and input. The
11 draft scope is included as Attachment 1 to the application
12 filed in this case.

13 Q. How did the Company determine what elements
14 should be included in the scope of the study?

15 A. The Company leveraged the studies performed in
16 Case No. IPC-E-18-15, to the extent applicable, considered
17 components of the Commission-approved scope in Order No.
18 34753²³ for RMP and considered comments from intervenors in
19 Case Nos. IPC-E-18-16, IPC-E-20-26, and IPC-E-20-30.

20 Q. How does the Company's recommended scope
21 compare to what the Commission approved for Rocky Mountain
22 Power?

²³ *In the Matter of the Application of Rocky Mountain Power to Close the Net Metering Program to New Service & Implement a Net Billing Program to Compensate Customer-Generators for Exported Generation*, Case No. PAC-E-19-08, Order No. 34753 (August 26, 2020).

1 A. One primary difference is that the Company's
2 recommended scope includes evaluating the cost to serve
3 grid consumption of on-site generators consistent with
4 discussions in Case No. IPC-E-18-15.²⁴ Because Idaho Power
5 has separate rate classes for R&SGS on-site generation
6 customers, it is appropriate to study cost-of-service and
7 alternative rate designs within the scope of a
8 comprehensive study. Additionally, Idaho Power does not
9 propose to study a Smart Inverter requirement as it
10 recently received Commission approval to require Smart
11 Inverters for all new DER interconnections.

12 Q. What does the Company propose to study
13 regarding billing structure?

14 A. The Company proposes to evaluate the following
15 measurement intervals: (1) monthly, (2) hourly, and (3)
16 separate channel, often referred to as "instantaneous."
17 Under each of the three measurement intervals, the Company
18 would evaluate the class revenue requirement and consider
19 revenue collection for existing customer-generators under
20 each proposed measurement interval. Additionally, the
21 Company would conduct a bill impact analysis to compare how
22 each measurement interval may impact existing and future
23 customers with on-site generation.

²⁴ Order No. 34546 at 7 .

1 Q. What does the Company recommend including in
2 scope for the study as it relates to the Export Credit Rate
3 ("ECR")?

4 A. The Company proposes to include several value
5 components. The Company suggests including an avoided cost
6 of energy and studying the firm versus non-firm nature of
7 exported energy from customer-generators. Additionally,
8 Idaho Power proposes to evaluate avoided generation
9 capacity, avoided transmission and distribution capacity,
10 avoided line losses, and integration costs as part of the
11 value components of the ECR study.

12 The Company also recommends studying how the
13 expenditures associated with the ECR should be recovered.

14 Q. Why has the Company included evaluating the
15 project eligibility cap in its proposed scope?

16 A. Parties initially raised questions regarding
17 the project eligibility cap through discussions in Case No.
18 IPC-E-18-15. Most recently, in Case No. IPC-E-20-26, the
19 Company and Staff addressed questions regarding the project
20 eligibility cap for CI&I customers during the public
21 workshop held on September 28, 2020. In their comments
22 filed in the case, the City of Boise and Idaho Conservation
23 League both suggested that the Company evaluate the system
24 size limit in its comprehensive study and the Idaho Sierra

1 Club requested the Commission modify the size limit based
2 on the total load of the customer.

3 The rationale for a cap for individual installations
4 of 25-kW and 100-kW was to limit the costs that non-net
5 metering customers subsidize to serve net metering
6 customers.²⁵ Additionally, in implementing the cap for
7 Schedule 84, the Commission noted a reasonable limit for
8 CI&I customers should align with the Federal Energy
9 Regulatory Commission minimum qualifying facility size of
10 100 kW.²⁶ Therefore, a review of the project eligibility
11 cap is appropriately considered when changes to other
12 program fundamentals, including rate design and the pricing
13 for exports are evaluated.

14 Q. Does the Company propose to include any other
15 areas of focus in the scope of the study?

16 A. Yes. The Company has included various
17 implementation issues such as credit expiration and the
18 frequency of updating the ECR. Idaho Power provides
19 Attachment 1 as an initial draft for Staff, other
20 intervenors, and the public to provide feedback and

²⁵ *In the Matter of the Application of Idaho Power Company for Amendments to Schedule 84 - Net Metering*, IPC-E-02-04, Order No. 29094 at 3, citing Order No. 28951 at 11 (August 1, 2002).

²⁶ *In the Matter of the Application of Idaho Power Company for Approval of a New Schedule 84 - Net Metering Tariff*, IPC-E-01-39, Order No. 28951, at 11 (February 13, 2002).

1 adequately build a record for the Commission to approve the
2 completion of scope for the "study design" phase.

3 **III. Proposed Study Design Schedule**

4 Q. Does the Company have a proposed schedule as
5 it relates to accomplishing the Commission's desire for a
6 "two-phase" study process?

7 A. Yes. In evaluating the "two-phase" approach
8 that the Commission has laid out for the study, the Company
9 intends to propose a broader schedule to provide
10 transparency to parties and the public as it relates to the
11 "study design" and "study review" phases and the eventual
12 implementation as informed by a Commission-approved study.
13 The Company believes the following timeframe for the "study
14 design" phase provides the public, stakeholders, and the
15 Commission time to adequately consider the issues before
16 the Commission.

17 The Company requests that the Commission consider
18 the issuance of a notice of public workshops to be held in
19 August or early September 2021 and party comments to be
20 filed in early October 2021 with Company reply due late
21 October or early November 2021. This schedule would allow
22 for robust public involvement as parties finalize scoping
23 recommendations to be considered by the Commission. The
24 Company believes this proposed procedural schedule would

1 position the Commission to issue an order establishing the
2 scope of the study before the end of 2021.

3 Q. Is there significance to completing the "study
4 design" phase before the end of 2021?

5 A. Yes. Pursuant to the Commission's direction in
6 Order No. 34046, the Company plans to use the most recent
7 data available to complete its study. Receiving an order
8 establishing the scope by the end of 2021 will allow the
9 Company to use 2021 data to complete the study in the first
10 half of 2022. The Company would then plan to initiate the
11 "study review" phase by June 2022.

12 Q. Does the Company intend to request changes to
13 the net metering service in either the "study design" or
14 the "study review" phase that is expected to occur
15 throughout 2021 and 2022?

16 A. No. In both the "study design" and the "study
17 review" phase, the Company only intends to meet the
18 Commission's directive for a comprehensive study to be
19 completed. Absent the Commission establishing a different
20 process, the Company anticipates requesting to implement
21 any potential changes to the net metering rate design,
22 compensation structure, or ECR after the Commission
23 acknowledges a study.

1 IV. Stakeholder and Customer Notification

2 Q. Will the Company notify its customers of its
3 Application in this matter?

4 A. Yes. Attachment 2 is a bill insert that will
5 be sent to all customers in the next billing cycle. This
6 bill insert will be sent to existing customer-generators,
7 regardless of legacy treatment, and all other customers
8 that might choose to pursue on-site generation in the
9 future.

10 Q. Please summarize the key components of the
11 customer notice.

12 A. The bill insert will provide notice to all
13 customers of the Company's application to initiate the
14 study. Additionally, the bill insert addresses the
15 following: (1) a brief summary of on-site generation; (2)
16 why Idaho Power is making the filing to initiate the study,
17 (3) the key tenants of the study as directed by the
18 Commission, (4) an estimated timeline to complete both the
19 study design and study review phases, and (5) how customers
20 can participate and provide feedback in the study design
21 and study review process.

22 Q. Does the Company intend to provide any other
23 notice to stakeholders?

24 A. Yes. Idaho Power will notify the on-site
25 generation system installer community through an email to

1 the distribution list for its periodic publication, the
2 Customer Generation Newsletter. Attachment 3 to the
3 Application includes a copy of the notification that will
4 be sent to installers following the filing.

5 Q. What other means will the Company use to
6 communicate with customers and installers regarding the
7 proposed change?

8 A. The Company has, concurrent with this filing,
9 updated its website to notify potential customers of the
10 proposal; the Company will maintain a list of Frequently
11 Asked Questions ("FAQs") that will remain accessible to
12 customers, as well as installers. Idaho Power has also
13 served its Application and testimony on the parties of
14 record in Case Nos. IPC-E-18-15 and IPC-E-20-26.

15 **V. Conclusion**

16 Q. Please summarize the Company's request in this
17 case.

18 A. The Company requests that the Commission
19 initiate the multi-phase process for a comprehensive study
20 of the costs and benefits of on-site generation. Idaho
21 Power further requests the Commission acknowledge
22 Attachment 1 as an initial draft for Staff, other
23 intervenors, and the public to consider and provide
24 feedback on for the Commission's consideration.
25 Ultimately, the Company requests the Commission to approve

1 a final scoping document, which will conclude the "study
2 design" phase.

3 Q. Does this conclude your testimony?

4 A. Yes.

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DECLARATION OF CONNIE G. ASCHENBRENNER

I, Connie G. Aschenbrenner, declare under penalty of perjury under the laws of the state of Idaho:


1. My name is Connie G. Aschenbrenner. I am employed by Idaho Power Company as the Senior Manager of Rate Design in the Regulatory Affairs Department.

2. On behalf of Idaho Power, I present this pre-filed direct testimony in this matter.

3. To the best of my knowledge, my pre-filed direct testimony is true and accurate.

I hereby declare that the above statement is true to the best of my knowledge and belief and that I understand it is made for use as evidence before the Idaho Public Utilities Commission and is subject to penalty for perjury.

SIGNED this 25th day of June 2021, at Boise, Idaho.



Connie G. Aschenbrenner