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IDAHO PUBLIC
UTILITIES COMMISSION

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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF IDAHO POWER
COMPANY'S APPLICATION TO INITIATE A
MULTI-PHASE COLLABORATIVE PROCESS
FOR THE STUDY OF COSTS BENEFITS AND
COMPENSATION OF NET EXCESS ENERGY
ASSOCIATED WITH CUSTOMER ON-SITE
GENERATION

Case No. IPC-E-21-21

**CITY OF BOISE CITY'S
INITIAL FORMAL
COMMENTS**

The city of Boise City ("Boise City") submits these initial formal comments on the proposed scope of the study to be undertaken by Idaho Power to comprehensively evaluate the costs and benefits of on-site generation. Boise City submits these initial formal comments pursuant to Rule 202 of the Commission's Rules of Procedure, IDAPA 31.01.01.202, and pursuant to the Notice of Initial Comment Deadline, Order No. 35176, issued by the Commission on September 22, 2021.

1. Boise City has an interest in ensuring the study design will comprehensively evaluate the costs and benefits of customer-owned on-site generation so its citizens have the opportunity to

be fairly compensated for installing on-site generation and to prevent non-participants in the program from being unfairly and unreasonably burdened by the decisions of others. Only through a fair, just, and reasonable program design can both ends be attained. The study framework must represent a balanced approach and must reasonably account for all costs and benefits from on-site generation. The study must address the concerns of Idaho Power customers and answer their questions about on-site generation. The study must also provide the Commission with a basis to analyze future proposals to change the net-metering program.

2. Pursuant to the procedure established for this docket, Boise City and other parties to the case submitted proposed additions to the Company's Study Framework to Commission Staff, which Staff integrated into Commission Staff's Study Framework submitted to the Commission on September 30, 2021. For easy reference, Boise City's proposed additions to the study are attached as Attachment 1.

3. To ensure a balanced perspective in the study design, Boise City looks forward to listening to members of the public in forthcoming workshops and during the telephonic public hearing on October 28, 2021. *See* Order No. 35193 (outlining the dates and times for public workshops, the public hearing, and comment deadlines). Boise City also anticipates drawing from the extensive public record developed in IPC-E-18-15, wherein numerous members of the public expressed their unresolved questions about on-site generation. Boise City intends to integrate the customer concerns in its final comments to be filed with the Commission on November 16, 2021. Boise City believes that customer concerns, in addition to the utility's concerns, must be addressed for the study to be considered comprehensive.

DATED this 13th day of October 2021.

A handwritten signature in black ink, appearing to read "Ed Jewell". The signature is written in a cursive style with a stylized initial "E".

Ed Jewell
Deputy City Attorney

CERTIFICATE OF SERVICE

I hereby certify that I have on this 13th day of October 2021, served the foregoing documents on all parties of counsel as follows:

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Michelle Steel
Paralegal, City of Boise

City of Boise

Informal Comments on the Proposed Study Design to Determine the Costs and Benefits of Distributed Generation

IPC-E-21-21

The city of Boise City ("City") proposes the following additions to the scope of the comprehensive cost benefit analysis ordered in Order No. 34509, IPC-E-18-15.

Items from PAC-E-19-08, Order No. 34573:

1. Quantify the value of grid stability, resiliency, and cybersecurity protection provided by customer generators at each penetration level.
2. Quantify the value to local public health and safety from reduced local impacts of global warming such as extreme temperatures, reduced snowpack variation, reduced wildfire risk, reduced hydroelectric generation, degraded air quality, and other impacts that can have direct impacts on Idaho Power customers at each penetration level.
3. Quantify local economic benefits, including local job creation and increased economic activity in the immediate service territory at each penetration level.
 - a. Recommend Idaho Power incorporate the IMPLAN model analysis as completed in Maryland's 2018 Cost and Benefits of Solar study completed by Daymark. Methodology detailed at 171-180. <https://www.psc.state.md.us/wp-content/uploads/MD-Costs-and-Benefits-of-Solar-Draft-for-stakeholder-review.pdf>
4. Quantify the reduced risk from end-of-life disposal concerns for the Company compared to fossil-fueled resources at each penetration level.
5. Explain how seasonal and time-of-delivery price differences will be used to help align customer generated exported energy with the Company's system needs at each penetration level.
6. Quantify and analyze the fuel price guarantee value provided by customer generators at each penetration level.
 - a. Quantify the avoided uncertainty in fuel price fluctuations from the displaced marginal resource across the planning period.

Other Items to Study:

1. Utilize consistent and reasonable penetration levels of on-site generation throughout study. Current levels, 10x, and 25x would be appropriate.
2. Quantify the total avoided carbon emissions from on-site generators and the benefit of avoided costs of compliance with carbon emissions regulation at each penetration level and incorporating the following carbon costs:
 - a. 2021 IRP Planning Case Carbon Cost.
 - b. \$51 per metric ton of CO₂ – 2020 social cost of carbon at 3% discount rate from Interagency Working Group on Social Cost of Greenhouse Gases. (https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf at 5)
 - c. \$93 per metric ton of CO₂- to achieve Net zero emissions by 2040 as identified in Kaufman, N., Barron, A.R., Krawczyk, W. et al. A near-term to net zero alternative to the

social cost of carbon for setting carbon prices.

(<https://www.nature.com/articles/s41558-020-0880-3#citeas>)

3. Quantify the benefits from the following avoided environmental impacts of distributed PV at each penetration level:
 - a. Methane: Quantify the avoided methane leakage from the displaced marginal natural gas resource, incorporating natural gas production, transmission rates and intra-plant leakage/loss throughout. The Gas Index 2020 “Where Leaks Occur” report identified 338 grams methane per Mcf natural gas through the production and distribution systems to Boise. Utilizing the identified total methane leakage avoided from distributed PV, quantify the avoided social cost of methane utilizing the February 2021 Interagency Working Group on Social Cost of Greenhouse Gases reported \$1500 in 2020 dollars per metric ton of CH₄. (https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf at 5)
 - b. Water: Quantify the avoided acre feet and cost of water from decreased water use required for electric generation as Crossborder Energy quantified in Arizona Public Service costs and benefits of distributed generation study (<https://www.seia.org/sites/default/files/resources/AZ-Distributed-Generation.pdf> at 12).
 - c. Land: Quantify the land use required per MW of utility scale solar generation in an acre/MW calculation. Utilizing 2021 IRP preferred portfolio, quantify potential for avoided land costs and acres preserved by distributed PV compared to planned utility scale solar deployment.
4. Quantify and evaluate the customer generator capacity resource value for customer generators with 4 hours of available on-site energy storage at the penetration levels indicated above according to the method agreed to for calculating capacity payments in the IPC-E-18-15 settlement agreement and according to ELCC value.
5. Quantify and evaluate the customer generator capacity resource value for solar PV customer generators at the penetration levels indicated above and according to the method agreed to for calculating capacity payments in the IPC-E-18-15 settlement agreement and according to ELCC value.
6. Utilizing the 2021 IRP Climate Change scenario with increased hydro variability year over year, high gas price, and high load growth, quantify the avoided costs at each penetration level of distributed energy resources.
7. Using the method to calculate the avoided cost of energy agreed to in the IPC-E-18-15 settlement agreement, compare the avoided cost of energy rates a customer-generator would have received given a typical rooftop solar PV output profile in southern Idaho, with the cost of the Company’s actual marginal resource for each hour of the year in 2018, 2019, and 2020.