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IDAHO PUBLIC
UTILITIES COMMISSION

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 **COMMENTS ON CASE**

Kiki Leslie A. Tidwell, Intervenor, hereby files comments on Case IPC-E-21-21 pursuant to Rules of Procedure 71 through 75 of the Idaho Public Utilities Commission, ID APA 31.01.01.071-.075 as follows:

1. The name and address of this Intervenor is:

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2. The "Study Design" Primary Objective for this case is only to study on-site generation customers who export energy to the grid. This objective fails to include studying those customers in multi-family buildings who could benefit from receiving solar-generated power from a centralized system on a building. In Idaho currently, there is no possibility for those customers, often low-income, to receive electrons from a central solar system, nor to

receive any net metering credits from such a system if they have a separate meter in their name. The Study Design should also include as an additional Primary Objective how solar generated power and credits can be equitably shared with low income or workforce customers. This should include community solar farms and multi-family buildings.

The study design should include as additional Primary Objective what level of onsite generation total dollar value actually materially impacts rates for all customers; are small net-metering customers bearing undue financial burdens and filings in contrast to their overall percentage of Idaho Power's last rate application's reported $2,355,906,412 Idaho retail rate base?[1] Should not the Idaho Public Utilities Commission's time on behalf of Idaho ratepayers also be spent on a new base rate case since the last one was settled in 2011, during the years, post-economic recession, that Idaho Power had a lower credit rating? Would not the savings to ratepayers with lower adjusted authorized rates of return on equity to Idaho Power eclipse any of the regulatory adjustments to minute streams of income from homeowners with solar on their roofs?

3. The Case, as submitted by Idaho Power, focuses on the Export Credit Rate for on-site generation customers. Idaho Power has the obligation to provide information in this case as to when a level of such on-site generation actually substantively impacts its operations to become a material factor to all ratepayers' costs. In IdaCorp Inc.'s annual report, IDACORP, Inc. - Investor Relations - Financial Info - Performance Metrics (idacorpinc.com)[2] annual gross revenue for fiscal year 2020 is reported as $1,350,729,000 (Idaho Power's June 1 2011 application however reported a $2,355,906,412 Idaho retail rate base.) Facts and data about total on-site generation revenues should be provided by the company. At what point do on-site

[1] https://puc.idaho.gov/Fileroom/PublicFiles/ELEC/IPC/IPCE1108/CaseFiles/20110601Application pg 5
[2] https://www.idahocorpinc.com/investor-relations/financial-info/performance-metrics

generation customers' small streams of revenue from net-metering credits materially impact the rates of all customers when the company annually achieves $1.4 billion in revenue or a $2,355,906,412 rate base? (The discrepancy between these two numbers should be resolved)

Idaho Power should also provide the costs to ratepayers of other activities that could materially impact company costs of operations like cloudseeding. The annual costs of cloudseeding could eclipse the costs to rates from any integration of on-site generation, yet they are never reported.

4. Idaho Power ratepayers need a current base rate case which is updated to 2021 realities. Currently, Idaho Power is allowed to charge rates of return which are far higher than the current low interest environment which constrains all other investors; a 10 year treasury bond yields 1.56% today. The last rate case settlement was in 2011, almost 11 years ago, after the Great Economic Recession, and during a period of time in which Idaho Power's credit rating had been downgraded[3]. The company's credit rating was subsequently changed to A3 in 2014 and remains at that level to date. The minimal streams of net metering income to on-site generation customers should be compared to the 10.5% rates of return on equity allowed to be charged by Idaho Power. Are these minimal payments made to homeowners producing solar on their roofs really substantive when a small reduction in interest rates could bring down costs to ratepayers by millions of dollars?

In June 2011, Darrel Anderson, who was Chief Financial Officer for IdaCorp, Inc., at the time, and who later received significant compensation for many years as CEO (up to $8,271,701 million in total compensation as CEO in 2019), testified in the Case IPC-E-11-08 about the difficult economic times, that "housing permit issuances are low and house prices are still

[3] Idaho Power Company Credit Rating - Moody's (moodys.com)

heading down"[4]. He also testified, "how the stipulation that was approved by the Idaho Public Utilities Commission ("Commission") on January 13, 2010, in Order No. 30978 ("Stipulation")…has made it possible" that "the Company has had the opportunity to earn a level of return that might not have been otherwise attainable."[5] It appears that this stipulation allowed for Idaho Power to pay the extraordinary out-sized salaries of senior management since the stipulation was approved. In IdaCorp Inc's 2012 annual report to shareholders[6], management crowed, "The difference is our financial strength" "Operating Income in 2012 was positively impacted by $65 million due to rate and other regulatory changes, including power cost and fixed cost adjustment mechanisms." In IdaCorp., Inc.'s 2021 Proxy Statement[7], the Company noted that the Quarterly Dividend has increased 137% since 2011. It seems that the Idaho PUC's Stipulation No. 30978 and rate case settlement of 2011 have enriched Idaho Power and IdaCorp., Inc. coffers, and in particular, the compensation of senior management, board directors, and most egregiously, Darrel Anderson, in the years since.

For 2011, CEO LaMont Keen's base salary was $634,423 and "Mr. Anderson's November 2011 promotion"…"resulting in a significant increase in the market median base salary from $383,000 in 2011 (for his prior position) to $505,000 in 2012." According to IdaCorp. Inc's Proxy Statements 2011-2020, Darrel Anderson earned the following amounts of total compensation once he became CEO in 2014 through in June 2020, when he stepped down from the CEO position, but remained on the Board of Directors:

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[4] 20110601Anderson Di.pdf (idaho.gov) pg 8
[5] 20110601Anderson Di.pdf (idaho.gov) pg 3
[6] 2012 Annual Report (q4cdn.com) pg 8
[7] https://s26.q4cdn.com/720254477/files/doc_financials/annual/2020/prxy2021.pdf

Without change in Pension Value	Total
2020, half year $3,704,448	$6,318,342
2019, $4,733,097	$8,271,701
2018, $4,474,464	$5,376,529
2017, $3,933,876	$6,695,596
2016, $3,548,020	$5,594,126
2015, $2,476,533	$3,617,649
2014, $2,115,872	$4,044,729

Darrel Anderson's total annual compensation without change in Pension Value doubled in the 6 years from 2014 to 2020. His total annual compensation with Pension Value was noted in the 2012 proxy as $1,836,644 and in 2019 had grown to $8,271,701. The nine directors of IdaCorp, Inc, each earned from $183,655 to $269,363 total compensation in 2019. In the Study Design of this case, the streams of compensation to on-site generation customers should be compared to other costs to ratepayers, including compensation of senior management and the Board of Directors. All Idaho ratepayers will benefit from an updated base rate case in 2021.

Due to the federal Covid economic relief legislation, federal funds have been distributed to the states, and Idaho's Governor has since provided tax relief to many Idaho ratepayers. Is this a windfall to Idaho Power? Anderson's 2011 testimony discussed a prior repairs allowance tax benefit which occurred in 2010 and its positive effect on their ROE. Could not a similar situation be ongoing now with tax relief in the state of Idaho? The Company should disclose how such beneficial tax relief may be increasing their ROE higher than the authorized ROE of 10.5%. A new base rate case with this information should be conducted in parallel with any case on the supposed "windfall" benefits to onsite generation customers who may receive a couple pennies more for the kWhs they produce.

5. Idaho Power has stated that it does not possess any studies on the benefits of on-site generation. There are numerous studies on the benefits to the grid and to all ratepayers when on-site generation and micro-grids can reduce load at peak power demands. As Idaho Power conducts its 2021 Integrated Resource Planning process, additional generation resources are being explored to be built to cover increased peak loads. 900 MWs of generation has been identified to be built. All Idaho ratepayers benefit when Idaho Power is knowledgeable up to 2021 levels of information about the benefits of microgrids and battery storage which reduce the need to build additional peaker plants. The company should be required to research and provide such studies.

I was the developer of an all-electric multifamily workforce housing rental apartment building, Silver River Place, in Hailey, Idaho which was completed in June 2021 and which also has a solar generation system on its roof, as well as a backup Generac battery. The solar and battery system at Silver River Place apartments cost $112,219 for a 24.75 kW system. This distributed generation which provides power right at load demand during the peak hours in late June and July is a valuable resource which Idaho ratepayers did not have to pay for the capital investment in. I did. I paid the $112,219 up front. The system is anticipated to generate 36,758 kWhs per year, which at $.09 per kWh adds up to $3308 per year. Idaho Power is arguing that the $.09 retail rate should not be used for my on-site generation. Let's use a $.07 retail rate. The savings to all ratepayers then is $734.94. Annually. $735. Contrast that savings with the amount paid to CEO Darrel Anderson from 2014 through 2020. $33,600,330. The Idaho PUC could achieve greater savings for ratepayers by adjusting senior management compensation by a rounding error.

It takes many, many years at $3308 per year without tax credits to pay back that $112,219 investment. With tax credits, breakeven was in forecasted for year 11. Yet many of us have read the IPCC "Code Red For Humanity" report and make these investments because it is what we individually can do to reduce climate change. Idaho Power has applied to the PUC to extend the use of coal fired power plants for longer (current docket) and we as small ratepayers have no way to change their minds. But we can put our own money where our mouths are and generate solar electricity on our own roofs. Our willingness to invest our own capital with long payback profiles should be looked as an asset for the entire Idaho grid. It could be argued that distributed generation net metering customers should receive an incentive rate to compensate them for their capital invested.

Furthermore, my goal was to share the $3308 of generated credits against the power bills of tenant units, to reduce their overall housing/utilities costs. Current net metering rules do not allow a centralized solar system on a multi-family building to apply generation credits to tenants nor share solar power generation when the meters are in the tenants' individual names. This social justice issue must be rectified going forward. Low-income customers should be allowed to receive the benefits of centralized solar production. Many low-income customers cannot afford to have their own roofs in single family homes; they should not be left out of the benefit of solar generation to reduce their utility bills. As well, they should be allowed to receive backup power from centralized batteries in multi-family buildings.

I attempted to work with Idaho Power to share solar generation directly with tenants by installing a microgrid at this building but Idaho Power's current requirements for a microgrid interconnection do not allow for a liveable solution (seconds of power interruption continuously because of a requirement to island from the grid), nor one that is affordable for a workforce housing apartment building. A building is not allowed to run in parallel with the grid. Idaho Power wrote,

> "4. Individually meter the apartments, interconnect solar + battery behind a meter for an EV charging station that is co-located with the common usage.
>
> a. Tariff schedule applicability: Same requirements as the 2nd option above.
>
> b. Electrical configuration: Single meter if it is a Schedule 6 or 8, dual meter if it is a Schedule 9/84. Regarding the battery back-up, if you would like to create a microgrid, all loads (16-units and the house) would need to be disconnected from Idaho Power prior to energizing the microgrid.

Regarding exploration of a microgrid configuration, it would be helpful to know your specific questions so we can better respond. As we have explained, as long as you are not operating the generator/battery in parallel with Idaho Power's system (i.e., all loads (16-units and the house) would need to be disconnected from Idaho Power prior to energizing the microgrid), that type of configuration is permitted."

John Ahrens, Program Director, US West Microgrid Competency Center, Schneider Electric, attempted to work with Idaho Power to resolve this situation as well, so Idaho Power is aware of how their requirements for microgrids do not work in practice. We had to abandon the installation of a microgrid to directly share solar electrons with tenant units. The City of Hailey had a power outage in June of 2021 and the backup battery at Silver River Place provided backup power during the outage as designed, but only to the common areas, as it was not allowed to be designed to provide backup power to the tenants. This is a vital health safety issue during low temperatures or wildfire smoke situations.

6. The current rules also do not enable sharing of solar net metering credits with tenants. Idaho Power requires each rental unit to have its own meter; if solar is generated on a master meter, it cannot be shared with a meter under a different name. Therefore, as owner of the building, I had to enter into gross leases with tenants, which included utilities as part of their rent in order to share the value of solar production credits to reduce their overall rent/utilities

package. This puts a burden on a Landlord to project reasonable electrical use for a tenant to be included as part of their rent. Landlord must reconcile all onsite generation credits against actual rental units' electrical use at year end in a written request to Idaho Power during a one week period in January. I entered into a net metering agreement through my subsidiary management company, Patient Capital LLC, and Idaho Power for the solar production for this building, Silver River Place. All tenant unit meters were also retained under Patient Capital LLC and tenant leases were gross leases including utilities.

7. Idaho Power's current rules do not allow for any credits to be applied against meters except for at year end in a small period of time in January. When I sold the Silver River Place building in July 2021, Idaho Power informed me that all net metering credits were lost as it was before year end. This basic flaw in existing rules needs to be brought to light and changed. An automatic application of credits to production should occur monthly without an on-site generator being tasked to manually request such application. Idaho Power has the billing software capabilities to apply these credits in an automated way.

8. The base starting point for this study must be for Idaho Power to provide information about the actual numbers in kWhs and dollars as to existing onsite generation and to provide an clear case as to when a level of such on-site generation actually substantively negatively impacts its operations to become a material factor to all ratepayers' costs in contrast to other costs of its operations. This study should be designed to focus on how to encourage more distributed generation, more sharing of electrons and credits with workforce or low-income customers, and more benefit to all Idaho ratepayers through microgrids which would alleviate the need for expensive and under-utilized peaker plants. Idaho ratepayers would benefit greatly by the Idaho PUC also undertaking a new base rate case in parallel at this time as it is long overdue

and small ratepayers are subsidizing outsized salaries and profits at Idaho Power and IdaCorp., Inc.

DATED this 7th day of September, 2021.

____

Leslie A. Tidwell
Pro Se

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of September, 2021, I caused to be served a true and correct copy of the foregoing by the method indicated below, and addressed to the following:

CERTIFICATE OF SERVICE I HEREBY CERTIFY that on the 17th day of August 2021 I served a true and correct copy of IDAHO POWER COMPANY'S APPLICATION TO INITIATE A MULTI-PHASE COLLABORATIVE PROCESS FOR THE STUDY OF COSTS, BENEFITS, AND COMPENATION OF NET EXCESS ENERGY ASSOCIATED WTH CUSTOMER ON-SITE GENERATION upon the following named parties by the method indicated below, and addressed to the following:

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