

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-21-36
COMPANY’S APPLICATION TO)
IMPLEMENT THE RESIDENTIAL AND) ORDER NO. 35269
SMALL FARM ENERGY CREDIT)
)

On October 27, 2021, Idaho Power Company (“Company”) applied for authorization to implement the Bonneville Power Administration’s (“BPA”) residential and small farm energy rate credit from January 1, 2022, through December 31, 2023. The Company’s proposed rate credit would result in a \$5,942,001 decrease in credits compared with those currently applied to eligible Idaho customers’ bills—the credit decrease effectively results in an increase in rates for affected classes of customers. The Company requested an effective date of January 1, 2022.

On November 12, 2021, the Commission issued a Notice of Application and a Notice of Modified Procedure setting public comment and Company reply deadlines. Order No. 35219.

Commission Staff (“Staff”) filed comments. The Company did not file a reply. No other comments were received.

Having reviewed the record, we now approve the Company’s Application.

BACKGROUND

The Application results from the BPA’s Residential Exchange Program (“REP”). The REP was established by Section 5(c) of the Northwest Electric Power Planning and Conservation Act. 16 U.S.C. § 839c(c). That section makes low-cost power from the federal Columbia River power system available to investor-owned utilities in the Northwest. *See Assoc. of Pub. Agency Customers v. Bonneville Power Admin. (APAC v. BPA)*, 733 F.3d 939, 945 (9th Cir. 2013). The statute permits utilities to “exchange power they have purchased or generated for lower-cost power generated by BPA.” *Portland General Elec. Co. v. Bonneville Power Admin. (PGE v. BPA)*, 501 F.3d 1009, 1015 (9th Cir. 2007). The exchange is a paper transaction—a utility may offer to sell power to BPA at the utility’s average system cost (“ASC”) for producing power, which BPA compares to a Priority Firm (“PF”) Exchange Rate that BPA calculates for purposes of the exchange. *See id.*; *APAC v. BPA*, 733 F.3d at 945-46. If BPA’s PF Exchange Rate is lower than the utility’s ASC, then the utility is entitled to a benefit from BPA. *APAC v. BPA*, 733 F.3d at 946.

Generally, a utility’s benefit is the difference between BPA’s PF Exchange Rate and the utility’s ASC, multiplied by the utility’s residential load. *Id.* at 945. The utility must pass the benefit on to its qualifying residential and small farm customers. *See id.* (citing 16 U.S.C. § 839c(c)(3)). The rate credit reflects the Company’s Idaho share of BPA benefits obtained through the REP, as offset by any over-refunded balance from the prior year, starting in October 2021. Application at 3.

The rate in the Company’s current Electric Service Schedule 98—Residential and Farm Energy Credit, (“Schedule 98”) is 0.3617 cents per Kilowatt hour (“kWh”). *Id.* at 2. The current credit was designed to pass \$22,292,128 in BPA REP benefits to eligible customers through a credit to their energy rates for the two-year period beginning October 1, 2019. *Id.* at 3.

THE APPLICATION

The Company proposed implementing a rate credit of 0.2534 cents per kWh which represents the Company’s Idaho portion of benefits from the BPA REP. *Id.* at 1. Eligible customers would receive \$19,954,079 annually—a \$2,338,049 decrease per year from the fiscal year 2020-2021 exchange period. *Id.*

The proposed BPA REP credit rate would apply to customers in rate schedules 1, 3, 5, 6, 7, 8, 9, 15, and 24, effective January 1, 2022, through December 31, 2023. *Id.* The Company indicated it would notify customers about the Application via bill message in compliance with IDAPA 31.01.01.125 after approval by the Commission. *Id.* at 6.

STAFF COMMENTS

Staff reviewed BPA’s fiscal year 2022-2023 ASC Report for the Company, audited the initial inputs, and independently recalculated the rate. Staff Comments at 3. Staff noted that the Company correctly calculated the 0.2534 cents per kWh rate based on an Idaho jurisdictional annual allocation of REP benefits of \$19,235,913. *Id.* Staff recommended the proposed rate of 0.2534 cents per kWh be approved. *Id.*

COMMISSION FINDINGS AND DISCUSSION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503. The Commission has reviewed the record, including the Application and Staff’s comments.


We find that the proposed rate credit of 0.2534 cents per kWh is just and reasonable. We therefore approve the Application and the Schedule 98 rate credit for schedules 1, 3, 5, 6, 7, 8, 9, 15, and 24, to be effective January 1, 2022.

ORDER

IT IS HEREBY ORDERED that the Company's Application to implement the Schedule 98 rate credit is approved for schedules 1, 3, 5, 6, 7, 8, 9, 15, and 24. The Company is authorized to implement its proposed credit rate of 0.2534 cents per kWh effective January 1, 2022, through December 31, 2023.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 27th day of December 2021.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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