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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO)	CASE NO. IPC-E-21-40
POWER COMPANY'S)	
APPLICATION TO EXPAND)	IDAHO CONSERVATION LEAGUE
OPTIONAL CUSTOMER CLEAN)	
ENERGY OPTIONS THROUGH THE)	COMMENTS
CLEAN ENERGY YOUR WAY		
PROGRAM		

The Idaho Conservation League (ICL) submits the following formal comments regarding Idaho Power's proposed Clean Energy Your Way (CEYW) Program. ICL submits these comments pursuant to Rule 203 of the Commission's Rules of Procedure¹ and pursuant to the Notice of Modified Procedure² issued in this case by the Commission on December 21, 2021.

ICL appreciates the steps that Idaho Power has taken to improve clean energy options for its customers. However, Idaho Power's proposal misses key opportunities to increase distributed and clean generation resources which will improve the resiliency of Idaho's electric grid, save customers money, and accelerate the clean energy transition. In addition, we are concerned that Idaho Power's Clean Energy Your Way Subscription proposal (CEYW-Subscription) does not provide sufficient access to local, clean energy for *all* customers, regardless of wealth. We outline these concerns in Part I of these comments.

¹ IDAPA 31.01.01.203

² Notice of Modified Procedure: Order No. 35266, Case No. IPC-E-21-32, 1-2 (Dec. 21, 2021).

While we support the efforts that the utility and stakeholders have committed to the development of the CEYW program, and we do not ask the Commission to deny Idaho Power's application, we do ask that the Commission direct Idaho Power to make modifications to the CEYW-Subscription program that will protect customer-participants before approving the program. We also ask the Commission to direct Idaho Power to begin working with community stakeholders to develop a community owned solar program that will address the issues we raise in Part I. A framework for this program is outlined in Part II.

I. ICL's Concerns with Idaho Power's Clean Energy Your Way Proposal

A. Idaho Power's CEYW proposal does not go far enough to accelerate the construction of distributed generation.

Distributed generation, or the siting of renewable resources within communities and close to the end-users of the power, is critical for the reliability and resiliency of our electric grid. Distributed generation produces environmental benefits, reduces line losses from long-distance power transmission, and protects communities against blackouts in the case of transmission line failure.³ In addition, a recent report by Vibrant Clean Energy found that while increasing distributed energy buildout raises overall costs in the short term, high levels of distributed generation result in significant cost savings to both customers and utilities in the long term.⁴ Distributed generation also helps reduce demand peak variability which both lowers costs to the grid overall and increases the profitability and feasibility of large, utility-scale renewable energy projects.⁵

³ Denholm, P., et al., *Methods for Analyzing the Benefits and Costs of Distributed Photovoltaic Generation to the U.S. Electric Utility System*, Nat'l Renewable Energy Lab., 3-4 (Sep. 2014).

⁴ Clack, C., et al., *Why Local Solar for All Costs Less: A New Roadmap for the Lowest Cost Grid*, Vibrant Clean Energy, 33 (Dec. 2020).

⁵ *Id.* at 48.

Idaho Power's CEYW proposal may result in the development of some distributed resources, particularly for large customers under the Construction program, but it is unlikely to result in distributed generation for residential communities. Idaho Power implied in their application materials that the Subscription program will likely only build one new resource in the near future, and there is no information about the siting location of this resource.⁶ Even if the resource is sited within or near a community, customers who are not in the vicinity of that resource will not receive the benefits of distributed generation. With only one (or possibly two) new resources, the program will also not result in rapid deployment of distributed generation resources.

B. Idaho Power's CEYW-Subscription proposal will not result in a rapid deployment of clean energy resources.

In setting its goal of 100% clean energy by 2045, Idaho Power recognizes that a transition to clean energy is critical for our economy, health, and environment. Although the CEYW-Subscription proposal could play a significant role in helping Idaho Power achieve its 2045 goal quickly, Idaho Power stated in response to discovery that the program will likely not be operational until the end of 2024, a full three years after it was first proposed.⁷ If Idaho Power wishes to add additional renewable resources to the program, we can anticipate similarly prolonged timelines. ICL fully supports the regulatory process that Idaho Power must follow in order to construct new generation resources. However, new renewable generation can be implemented more quickly if it is built at a smaller scale, and it is not owned or controlled by the utility. As described more fully below, ICL asks the Commission and Idaho Power to begin

⁶ Application, Case No. IPC-E-21-41, 12 (Dec. 2, 2021).

⁷ Idaho Power Company's Response to Second Production Request of the Commission Staff to Idaho Power Company, Case No. IPC-E-21-40, 21 (Mar. 4, 2022).

development of a program mechanism by which customers can own and control small-scale subscription solar in order to increase the speed at which we add new renewable generation to the grid.

C. Idaho Power’s CEYW-Subscription proposal will generate unnecessary and uncertain costs to participants.

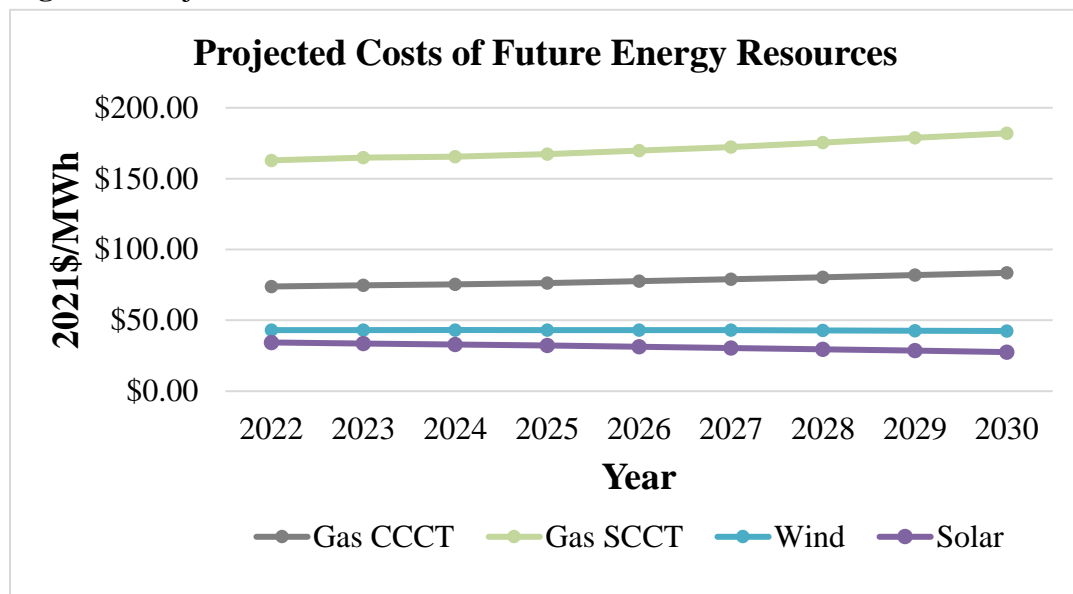
In response to discovery requests, Idaho Power stated that the Program Credit for participation in the CEYW-Subscription program cannot exceed the cost to participate in the program, and that there is “no scenario in which the cost of a dedicated Subscription resource will be less than the value that the resource brings to Idaho Power’s system.”⁸ However, there is increasing evidence that renewable energy generation is comparable in cost or cheaper than other forms of energy production (see Figure 1 below).⁹ In addition, Idaho Power’s most recent IRP plans to build significantly more solar in the next 20 years, indicating that solar is increasingly financially beneficial for the utility.¹⁰ It is unclear why the new subscription resource could *never* provide the utility with more value than the cost of the program, or why Idaho Power is expecting customers to pay additional money for access to renewable generation that is already in the utility’s best interest to build.

⁸ *Idaho Power Response to First Production Request of the Idaho Conservation League*, Case No. IPC-E-21-40, 7 (May 10, 2022).

⁹ Idaho Power, *2021 Integrated Resource Plan: Appendix C*, 46 (Dec. 2021).

¹⁰ Idaho Power, *2021 Integrated Resource Plan*, 152 (Dec. 2021).

Figure 1. Project Costs of Gas, Wind, and Solar for Idaho Power¹¹



In addition, Idaho Power’s application raises uncertainty about how customers will be compensated for the energy produced as well as how much customers will be expected to pay in program fees. In response to discovery, Idaho Power stated that it has not yet determined how it will value the renewable energy produced by the new resource, leading ICL to worry that it will not compensate customers fairly for the resource.¹² In addition, Idaho Power states that it will charge customers multiple forms of marketing and advertising costs, but the utility has not identified how much those costs will be.¹³ ICL understands that this proceeding is only the first step in Idaho Power’s approval process for this program, and that the utility will provide greater detail in future proceedings. However, even though Idaho Power has declined to provide any concrete details about the size, placement, and cost of the new resource, it has already decided that participation costs will always be greater than participation credits. ICL is concerned that no

¹¹ Data for this graph was pulled from Idaho Power’s 2021 IRP.

¹² *Idaho Power Response to First Production Request of the Idaho Conservation League*, Case No. IPC-E-21-40, 6 (May 10, 2022).

¹³ *Id.* at 2-5.

matter the economics of the new resource, the utility will fix program costs and fees to ensure that it profits from this program.

Other forms of renewable energy generation, such as rooftop solar or customer-owned community solar as described in part II of these comments, would allow customers to take advantage of the true cost savings associated with renewable energy. If designed well, these programs could also have limited marketing costs, saving customers money overall while increasing equitable access to renewable energy generation.

D. Idaho Power's CEYW-Subscription proposal does not provide a comprehensive low-income customer program that will improve access to clean energy for all customers.

Many Idahoans struggle to pay monthly electric bills. According to data from the Home Energy Affordability Gap project, around 33,000 Idaho households live at or below 50% of the Federal Poverty Level (\$27,750 for a family of four) and pay an average of 20% of their monthly income on energy bills.¹⁴ Overall, around 11% of Idaho households live in poverty with some counties in Idaho Power's service territory experiencing much higher rates of poverty at 13-15%.¹⁵

While Idaho Power customers have been fortunate in the recent past to enjoy relatively low electric costs, evolving economic, environmental, and demographic conditions will result in higher electric prices in the coming years. For example, Idaho Power recently asked for an 8.27% (\$103.4 million) power cost adjustment to compensate for unexpected expenses in the

¹⁴ Fisher, Sheehan, and Colton, *Home Energy Affordability Gap: Idaho* (2021), http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html (last visited May 11, 2022).

¹⁵ USDA, Economic Research Service, *Poverty* (Jan. 2021), https://data.ers.usda.gov/reports.aspx?ID=17826#P48e489c3ae9f4212b2747db60118db5c_2_229iT3 (last visited May 11, 2022).

past year due to low hydro generation and volatile gas prices.¹⁶ We can expect similar cost increases in future years.

Despite this demonstrated need for low-income assistance in Idaho Power's service territory, Idaho Power's CEYW-Subscription program requires customers to pay a monthly premium to participate¹⁷ and is thus functionally unavailable to low-income customers. Even if Idaho Power were to create a low-income program for the CEYW-Subscription program, such as a mechanism by which participants can subsidize low-income household subscriptions, few customers would be incentivized to participate because the overall program's design does not permit customers to take advantage of the cost savings associated with renewable energy. Furthermore, although lower income customers would likely feel more comfortable agreeing to a month-to-month subscription rather than a 10- or 20-year subscription, the cost of a subscription increases as the term of the subscription decreases. This cost structure presents yet another barrier to low-income participation and ensures that this program will be utilized primarily by customers with significant and stable financial means.

Subscription solar can bring enormous benefits to low-income customers if the program is designed to allow customers to take advantage of the energy cost savings associated with solar as well as the financial benefits associated with solar ownership. Idaho Power should begin development of a subscription solar program that permits customer ownership of solar in order to provide relief to low-income customers on their monthly energy bills.

¹⁶ *Application*, Case No. IPC-E-22-11, 1 (Apr. 15, 2022).

¹⁷ *Idaho Power Response to First Production Request of the Idaho Conservation League*, Case No. IPC-E-21-40, 7 (May 10, 2022).

E. Idaho Power’s CEYW-Subscription proposal does not permit customer ownership of the renewable resource.

Customer ownership of solar and other renewable energy generation infrastructure brings significant financial benefits to both rural and urban communities in Idaho. Local solar ownership creates long-term local Idaho jobs and generates investment income that stays within Idaho communities rather than benefiting out-of-state companies and investors.¹⁸ Local solar ownership can also increase local political support for siting renewable energy projects which can save local developers time and money in the development process.¹⁹ In addition, solar ownership helps stabilize owners’ energy costs and provides additional income in the form of energy credits once the initial capital costs are paid. These financial benefits can come from rooftop solar which is owned and utilized by a single utility customer, but the benefits can also come from community solar in which customers receive energy credits from a solar array that is not owned or controlled by the utility.

The renewable resource in the CEYW-Subscription program will either be owned by Idaho Power or controlled by the utility via a Power Purchase Agreement. Although ICL does not oppose all utility-controlled renewable generation, Idaho customers should be given more options to own renewable generation resources so that they may take advantage of the local financial benefits of this ownership.

II. Framework for a Customer-Owned Community Solar Program.

Given the concerns with the CEYW program identified above as well as the financial and environmental potential of customer-owned solar, the Commission should require Idaho Power to begin development of a customer-owned community solar program. In this program,

¹⁸ Farrell, J., *Advantage Local: Why Local Ownership Matters*, Institute for Local Self-Reliance, 2-3 (Sep. 2014).

¹⁹ *Id.*

customers (individuals, business entities, or nonprofits) can purchase and install solar panels, and other customers can subscribe to the solar array and receive a portion of their power from that array. Functionally, a customer-owned solar program is identical to Idaho Power's proposed CEYW-Subscription program except that customers, rather than the utility, own and control the renewable resource.

The mechanics of this program could work as follows. Customers (or customer entities) who own a solar array would register their project with Idaho Power as a community solar project.²⁰ Individuals in the community would sign up as subscribers to the array, and the solar owner would notify Idaho Power of the identity of the customer-subscribers. Once the array starts producing power, Idaho Power would add the solar credit (equal to the value of solar produced by the customer's portion of the solar array) to the customer's electric bill, exactly as it does with rooftop solar customers.

We encourage Idaho Power to work with community groups and individuals when designing a customer-owned community solar program. As Idaho Power knows from its experience designing the previous proposed subscription solar program, community involvement and buy-in is necessary to ensure the success of a utility program. There is support from nonprofits, individuals, and municipalities for a customer-owned solar program like the one we describe here, but the ultimate success of the program will depend on whether the program meets the specific needs of interested customers.

A customer-owned community solar program addresses all of the concerns that we described in Part I of these comments.

²⁰ Size requirements could be placed on arrays before they qualify as community solar projects.

A. Distributed generation

Customer-owned community solar is generally smaller than utility-scale solar and can be developed within both urban and rural communities in Idaho. Because a customer-owned community solar program will permit the construction of multiple new solar projects, communities throughout Idaho Power's service territory can benefit from this distributed generation.

B. Rapid deployment of clean energy

Because customer-owned solar is not beholden to regulatory approval, new projects can be developed and built quickly. In addition, customer-owned solar is generally easier to site because it can be located on private property. This speeds up the deployment of new clean power generation.

C. Reduction of unnecessary and uncertain costs

Individuals who subscribe to customer-owned community solar will not pay additional fees to the utility, such as fees associated with marketing. In addition, they will receive full credit for the value of the solar produced by their portion of the community solar array. The owners/developers of community solar will be incentivized to keep construction costs and other fees low so as to attract as many subscribers as possible.

D. Expansion of access to solar ownership for all customers, including low-income customers

As described above, solar ownership brings significant financial benefits both to individuals and communities. Rooftop solar ownership is not available to everyone - individuals who rent their homes, individuals who do not have sunny rooftops, and individuals who cannot afford an entire solar system are unable to take advantage of these financial benefits. A customer-owned community solar program will expand access to solar for all Idahoans. In

addition, customer-owned community solar programs can be designed specifically to provide financial benefits to low-income customers.

III. ICL's Request to the Commission

A. The Commission should require Idaho Power to make certain modifications to the CEYW-Subscription program before approving it.

The Commission should require Idaho Power to make a few modifications to the CEYW-Subscription program before approval.

1. Idaho Power should at least allow for the possibility that the participation credit in the CEYW-Subscription program is larger than the participation fee. In this scenario, participants would receive a net gain on their electric bill from participating in the program.
2. Idaho Power should work to minimize any administrative and marketing costs associated with the CEYW-Subscription program.
3. If the CEYW-Subscription program uses a solar array as its renewable resource, Idaho Power should compensate CEYW-Subscription participants for the energy production of the resource using the value of solar that it calculates in the solar study that is completed in Summer, 2022.
4. Idaho Power should consider how the CEYW-Subscription program can be used to increase distributed generation and how the program can be modified to benefit low-income customers.

B. The Commission should require Idaho Power to begin development of a customer-owned community solar program.

For the reasons stated above, Idaho Power should begin development of a customer-owned community solar program. ICL also asks that the Commission create an exception to the

meter aggregation rule created in Order No. 32925 in order to facilitate the development of a customer-owned community solar program.²¹ This exception would permit customers who own part of a community solar array on a property that is not contiguous to the property on which their meter is located to still receive credit for the energy produced on the solar array.

ICL appreciates the opportunity to submit comments on Idaho Power's Clean Energy Your Way proposal. We look forward to working with the utility to ensure equitable access to renewable energy and its associated financial and environmental benefits for all of Idaho Power's customers.

Respectfully submitted this 12th day of May, 2022.

/s/ Emma E. Sperry
Emma E. Sperry
(Assisted by Benjamin Otto)

²¹ *Order No. 32925*, Case No. IPC-E-12-17, 6 (Nov. 19, 2013).

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of May, 2022, I delivered true and correct copies of the foregoing COMMENTS to the following persons via the method of service noted:

/s/ Benjamin J.Otto

Electronic mail only (See Order 35058)

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