

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IDAHO POWER COMPANY’S** ) **CASE NO. IPC-E-21-40**  
**APPLICATION TO EXPAND OPTIONAL** )  
**CUSTOMER CLEAN ENERGY OFFERINGS** )  
**THROUGH THE CLEAN ENERGY YOUR** ) **ORDER NO. 35893**  
**WAY PROGRAM** )  
\_\_\_\_\_ )

On December 2, 2021, Idaho Power Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for authority to expand its optional clean energy offerings. The Company seeks to (1) rename the existing Schedule 62—Green Power Purchase Program Rider (optional) to Clean Energy Your Way (“CEYW”); (2) maintain and expand procurement options for the renewable energy certificate (“REC”) offering under the name Clean Energy Your Way – Flexible (“CEYW – Flexible”); (3) establish a regulatory framework for a future voluntary subscription green power service offering named Clean Energy Your Way – Subscription (“CEYW – Subscription”); (4) offer a tailored renewables option to the Company’s largest customers (Special Contracts and Large Power Service) named Clean Energy Your Way – Construction (“CEYW – Construction”); and (5) procure associated program renewable resources outside the Commission’s current competitive bidding requirements. Application at 1-2.

On January 31, 2022, the Commission issued a Notice of Application and Notice of Intervention Deadline. Order No. 35304. The Commission granted intervention to the Industrial Customers of Idaho Power (“ICIP”), Idaho Conservation League (“ICL”), Clean Energy Opportunities (“CEO”), City of Boise City (“Boise City”), and Walmart Inc. (“Walmart”). *See* Order Nos. 35285, 35301, 35311, and 35320.

On March 9, 2022, the Commission issued a Notice of Modified Procedure establishing public comment and Company reply deadlines. Order No. 35338. The Commission Staff (“Staff”), CEO, Boise City, ICL, and Walmart filed comments to which the Company replied. The Commission also received 31 public comments.

We now issue this final order approving the Company’s Application subject to the modifications and requirements discussed more fully below.

## THE APPLICATION

The Company represented that its Green Power Program has served its customers for years resulting in the purchase of a large amount of renewable energy. Application at 2. However, the Company asserted that customers' preferences regarding renewable energy have changed with many of them seeking additional clean energy options. *Id.* The Company represented it has engaged with customers and employed industry research to develop a "three-pronged offering" that builds off the Green Power Program. *Id.* As a result, the Company proposed to rebrand its Green Power Program as the CEYW program which it claims will better communicate the existing and proposed new offerings. *Id.* at 1. The Company requested to change the following: 1) rename Schedule 62 Green Energy Purchase Program Rider (Optional) to Schedule 62 Clean Energy Your Way (Optional) and 2) rename the Green Energy Purchase Program to Clean Energy Your Way – Flexible. *Id.*

The Company represented the proposed CEYW – Flexible option will operate similarly to the existing Green Power Program. *Id.* at 7. The Company requested approval to expand its REC purchase options to keep up with demand and to satisfy customers with near-term clean energy goals that can be accomplished with RECs, and the Company proposed two options for customers, the Limited Bulk Purchase Option and the REC "Sleeve" Option. *Id.* at 7-8.

Under the Limited Bulk Purchase Option, the Company would purchase a limited quantity of RECs (not to exceed \$5,000 at any time) in advance of customer requests with the intent to sell them to interested customers later under individual customer-specific REC sale agreements. *Id.* The Company proposed that it would not initiate the next bulk purchase until the prior batch had been sold. *Id.*

The Company also asked for authority to serve as a "sleeve" for REC transactions with the Company's customers by connecting customers to non-Company REC purchases. *Id.* The Company represented that this would work similarly to the Limited Bulk Purchase Option where the Company would sell any procured RECs to interested customers at cost, thereby not creating any proceeds to pass through the Power Cost Adjustment ("PCA") and leaving no unsold RECs as the Company would only procure the RECs the customer demands. *Id.*

The Company also requested authority to offer the CEYW – Subscription option where customers "subscribe" to a portion of the output from a new renewable resource on the Company's system. *Id.* at 9. To offer the CEYW – Subscription option, the Company described two phases:

Phase I (this Application) includes requesting authority to offer a voluntary subscription option, and Phase II (following approval of Phase I) would involve the Company determining the resource type, size, and location. During Phase II the Company proposed specific subscription pricing for the structure approved in Phase I. *Id.* at 10.

The CEYW – Subscription option would be open to any customer, but the Company proposes an individual customer cap of 15 percent of program capacity. *Id.* at 11. The proposed individual subscription size would be based on a customer’s average prior year energy usage. *Id.* According to the Application, customers would be able to subscribe at 50 or 100 percent of the average prior year use for either month-to-month, or longer terms of 5 years, 10 years, or 20 years and any REC generated by the subscribed resource would be retained and retired by the Company. *Id.*

CEYW – Subscription option pricing would be developed after a resource was selected. *Id.* The Company proposes the following cost and credit components:

**Program Charge:** (1) cost of the resource (\$/kWh); (2) integration charges associated with the resource; (3) administration and marketing costs to advertise and maintain the offering; and (4) a term adjustment charge applied in tiers to shorter-term (month-to-month, 5-year, and 10-year) subscribers. As anchor tenants of the Subscription offering, full-term subscribers would not pay a term adjustment charge.

**Program Credit:** For the value that the specific resource would bring to Idaho Power’s system, subscribers would receive a credit for both energy and capacity of the program resource.

*Id.* at 12.

Under the CEYW – Subscription option, customers would continue to pay all standard rates and charges applicable to their rate schedule. *Id.* A CEYW – Subscription option customer’s bill would include four new line items to account for the difference: (1) subscriber amount (in kWh), (2) subscriber charge amount, (3) subscriber credit amount, and (4) net charge. *Id.*

The Company represented there is enough initial interest in the CEYW – Subscription option to fully subscribe a 50–100-megawatt (“MW”) resource. *Id.* The Company proposed to sell any unsubscribed RECs and pass the proceeds through the PCA. *Id.* at 12-13.

The Company asserted the proposed CEYW – Construction option will be available to the Company’s large customers served by Schedule 19 and Special Contracts. *Id.* at 13. The CEYW – Construction option will operate by integrating a renewable offering into participating customers’ service agreements with the Company. *Id.* at 13-14.

The Company asserted the CEYW – Construction option offers large customers a tailored way to cover 100 percent of their energy use with a new renewable resource(s). *Id.* This option works by reconciling a customer’s energy use against the generation of a renewable resource (or resources) on an hourly basis. *Id.* Eligible customers would have the ability to work with the Company to select the renewable resource(s) and provide input on the type, size, and location. *Id.* at 14.

The CEYW – Construction option would impact a customer’s existing rate structure by creating new cost and benefit streams resulting from the renewable resource(s) and work as follows:

- When the renewable resource is not generating (for example, a solar resource does not generate electricity at nighttime), the customer continues to take service from the Company at their standard rates.
- When the resource is generating, the customer pays for all the generation output at an agreed-upon price.
- For the value the resource brings to Idaho Power’s system in the form of energy and capacity, the Company credits the customer at an agreed-upon Commission approved value.
- In any given hour, if the renewable generation exceeds the customer’s energy use, Idaho Power credits the customer for that excess at a negotiated value.
- The customer continues to pay all fixed costs present in the customer’s energy rate (Renewable Energy Facility (“REF”) On-Site Usage in Attachment 1), as well as standard rates, charges and fees (e.g., franchise fees) for reliable service provided by Idaho Power.

*Id.* at 14-15.

The Company anticipated that rates and other charges under the CEYW – Construction option would be approved by the Commission on a case-by-case basis. *Id.* at 15. To meet specific requests, several interested customers may partner under a single agreement to be served under the CEYW – Construction option. *Id.* Alternatively, the Company proposed offering tailored options that would serve the needs of interested customers. *Id.*

The Company has designed the proposed CEYW – Construction option to ensure non-participating customers are not affected by the agreements entered between the Company and participating customers. *Id.* at 16.

For the CEYW – Subscription and CEYW – Construction options, the Company plans to work with developers to identify resources that meet the demands of participating customers and requests the ability to waive the competitive bidding resource procurement rules as ordered by Order No. 32745. *Id.* at 16-17.

The Company filed a proposed Schedule 62 in both clean and legislative format with its Application. Attachment 1 to Application.

## THE COMMENTS

### 1. Commission Staff

#### *Renaming Schedule 62 Clean Energy Your Way*

Staff recommended the Commission approve the Company’s request to rename “Schedule 62 Green Power Purchase Program Rider (Optional) to the CEYW Program.” Staff Comments at 2.

#### *CEYW – Flexible*

Noting that the differences between the existing Green Power Program and the Company’s proposed CEYW – Flexible option were few, Staff supported the Company’s plans to maintain and expand the CEYW – Flexible REC procurement options, specifically the Company’s request to offer a Limited Bulk Purchase Option and add the large purchase option to Schedule 62. *Id.* at 4. Staff believed that the Limited Bulk Purchase Option would be beneficial, and the Company had the “necessary safeguards to minimize the risks with advanced REC purchases” by committing to sell an entire batch of RECs before initiating its next bulk purchase. *Id.*

For the Large Bulk Purchase Option (purchases of 750 MWh of RECs or more per year), Staff recognized a need to formally incorporate bulk purchasing options as a policy, and that the increased demand size would require third-party REC purchases. *Id.* Staff initially had concerns that third-party RECs might shift costs from Option 1 (Limited Bulk Purchase Option) and Option 2 (Large Bulk Purchase Option) but resolved those concerns due to the Company’s commitment to have separate accounting treatments and the use of “tailored agreements” for purchases. *Id.*

Staff recommended that the elements from the biennial Green Energy Prudence Report carry over to the CEYW – Flexible option’s reporting requirements, including the Flexible offering. *Id.* at 16; *see* Order No. 33570. In addition to the requirements outlined in Order No. 33570, Staff recommended the CEYW – Flexible option report, according to Staff, should include (1) advanced procurement purchase information, and if RECs can carry over; (2) details on third-

party RECs, including quantity requested, price, REC amount procured, and monthly revenue and accounting, and separate accounting; (3) balance of uncommitted or excess funds that may carry over; and (4) monthly rider balance for Schedule 62. Staff Comments at 16.

### ***CEYW – Subscription***

Staff reviewed the history of subscription programs in Order Nos. 33638 and 34317 and compared those programs to the Company’s current proposal. *Id.* at 5. Order No. 33638 allowed the Company to build a community solar system and allow retail customers to subscribe to its output. *Id.*; *see also* Order No. 34317. Due to low enrollment, however, the Commission suspended the subscription-based program. *Id.*

As proposed, the Company’s CEYW – Subscription option has two phases—Phase I being conceptual and Phase II selecting the actual renewable resource and the rate structure. Staff Comments at 5. The Company proposes to open enrollment in CEYW – Subscription option in the third quarter of 2023 and select the resource by the end of 2024. *Id.*

Staff noted that the Company seeks approval of the general framework and several concepts for the CEYW – Subscription option, including: (1) waiver of procurement guidelines for resource(s); (2) CEYW – Subscription eligibility; (3) CEYW – Subscription size; (4) CEYW subscriber term lengths; (5) RECs; (6) CEYW – Subscription pricing components; (7) CEYW – Subscription charges; and (8) monthly billing. *Id.* However, because the CEYW – Subscription option was conceptual at the time Staff filed comments, Staff expressed concerns about resource procurement, subscription demand, avoided cost methodology, and the accounting treatment about the CEYW – Subscription option that cannot be resolved until those details are available. *Id.* at 5-6. When Staff filed comments, it supported the Company’s proposal to offer “retail customers an opportunity to participate but does not offer support for the proposed framework or the rate structure.” *Id.* at 6.

Staff noted that it could not provide a full analysis of the Company’s proposed conceptual framework because the Company was not prepared to respond to production requests about Phase II while Phase I was being reviewed. *Id.* Staff maintained it would address these concerns in Phase II regarding: (1) the Company’s planned exemption from the Oregon Resource Procurement Rules; (2) how the Company plans to fully subscribe up to 50 MW; (3) how the Company would determine the avoided cost rate; (4) the Company’s planned accounting treatment; and (5) why the Company seeks approval of its framework with supporting data. *Id.*

Staff discussed its concerns about the Company's request to procure associated CEYW – Subscription option renewable resources outside the Commission's current competitive bidding requirements. *Id.* at 6-7. Staff's primary concern centered on the resource not being deployed to benefit all retail customers, but the requested waiver potentially allowing the Company to recover costs for a non-least cost resource through the PCA. *Id.* at 7. Staff recognized that Phase II would bring changes subject to Commission approval, and recommended a thorough Company analysis of the renewable resource procurement process. *Id.*

Prior to filing Phase II, Staff recommended the Company meet with Staff to investigate ways to set a reasonable avoided cost rate where participants will benefit but non-participants will be unharmed. *Id.* Staff recognized that a conceptual, undersubscribed program could potentially shift costs to non-participants and that pricing structure and resource selection were unknown factors. *Id.* To address these unknowns, Staff recommended two workshops—the first workshop would evaluate the full PCA treatment of RECs from the renewable resources of the CEYW options, and the second workshop would focus on the accounting treatment of costs, benefits, and loads for all CEYW options. *Id.* at 8. Staff expected that the second workshop would occur before the next general rate case and that both workshops would be consistent with Staff's recommendations in Case No. IPC-E-21-42. *Id.*

### ***CEYW – Construction***

Staff recommended approval of the Company's CEYW – Construction option, specifically the ability to offer “tailored renewables to Schedule 19 and Special Contract customers” subject to the following conditions: (1) passing 100 percent of REF costs to the CEYW – Construction customers; (2) netting energy on an hourly basis to determine customer energy consumption or exports to and from the Company's system; (3) basing net consumption on the cost-of-service (“COS”); and (4) basing the value of the net production exports (“Excess Generation”) to the Company's system on avoided cost. *Id.* at 9. Staff recognized the limitations of evaluating the CEYW – Construction options without having the additional details. *Id.* Staff noted its appreciation for the structure that also provides customers an opportunity to match individual requirements. *Id.*

Staff's primary analysis focused on potential cost-shifting or harm to other classes of non-participating customers. *Id.* Staff stated its analysis and evaluation are critical because: (1) the Company's proposal will bypass the process used for planning and selecting resources that ensures the selected resource is needed for the system and is at the lowest cost; (2) all the RECs associated

with the resource will be claimed by the CEYW – Construction option customer but the resource will also be used to serve system load; and (3) the customers participating in the CEYW – Construction option will tend to be the Company’s largest customers with the greatest impact on the Company’s system and cost structure. *Id.* at 9-10.

Staff believed that the CEYW – Construction option framework could support Staff’s preferred ratemaking principles because the customer would pay 100 percent of the renewable resource. *Id.* at 11. Staff’s “virtual behind the meter” framework for this option is intended to ensure net consumption (“Supplemental Generation”) rates are based on COS principles and net production exports (“Excess Generation”) can be analyzed using principles of avoided cost. *Id.* Within this framework, Staff emphasized the importance of holding other customers harmless, particularly as the resources are expected to be selected based on the CEYW – Construction option customers’ preferences. *Id.*

For Excess Generation “exported or sold” to the Company, Staff believed Public Utility Regulatory Policies Act (“PURPA”) avoided cost rates should be used to base the rates which hold customers harmless. *Id.* Ideally, Staff noted that the amounts of energy and capacity “would occur on a net basis to minimize any asymmetry or double counting of its value.” *Id.* at 12. Staff represented that the Company “proposes to track and price energy production and consumption on a net basis. However, in the case of capacity and capacity-driven costs, the Company proposes to effectively purchase 100 percent of the capacity contribution from CEYW - Construction customer’s resource(s), while providing 100 percent of the customer’s capacity needs from the system.” *Id.*

Staff supported the Company’s proposed framework for energy treatment for the reasons stated above, specifically because it is based on COS principles. *Id.* However, Staff is concerned that a CEYW – Construction option customer’s load shape may change significantly when up to 110 percent of the customer’s usage might be offset by the REF(s). *Id.* This would change the customer’s COS according to Staff. *Id.* For this reason, Staff recommended “the COS and rates used to recover costs from each CEYW – Construction customer be verified with each proposed REF and that each REF contract be submitted to the Commission for approval.” *Id.* Staff noted that the Company did not propose how excess energy credit would be determined, and Staff again suggested that avoided cost principles should be used as a basis. *Id.* Despite its recommendation,



Staff registered its concern that this treatment would impact the Company's net power costs. *Id.* at 13.

Staff stated it is greatly concerned by “the increase in the proportion of energy priced at avoided cost that make up the Company's net power costs.” *Id.* Staff noted that “[b]ecause the avoided cost of energy is priced at the margin, it is higher than the Company's average embedded energy cost.” *Id.* Staff's concern is that new CEYW – Construction option REFs, aggregated with other CEYW program offerings, additional distributed energy resources, and existing PURPA projects, will put upward pressure on customer rates that are based on avoided cost principles. *Id.* Staff recommended the Company “evaluate this overall effect in combination with alternative methods for determining avoided cost of energy to mitigate it before more of these programs with customers are implemented.” *Id.*

Staff noted that the Company's proposed treatment for capacity is incongruent with its ideal framework because the “capacity contribution of the CEYW – Construction customer's resource is not netted from the capacity needed to serve the customer's load.” *Id.* Staff recommended that the Company determine, on a case-by-case basis, the excess capacity contribution of each REF and the use of the Company's system to meet capacity demands of each CEYW – Construction option customer to ensure other customers are held harmless. *Id.*

Staff supported using existing customer's rate schedules to recover costs associated with the use of system capacity when they become CEYW – Construction option customers. *Id.* at 13-14. Staff supported this because existing customers' capacity needs are not likely to change whether their REFs are producing or not. *Id.* at 14. Staff noted the Company's proposal to charge CEYW – Construction option customers a fixed cost charge for energy generated by the customer's REF and consumed by the customer using the most recent COS information. *Id.* Staff supported this proposal because it would help offset the impact to capacity-related cost recovery that partially occurs through the customer's volumetric rate. *Id.* Staff believed that without the fixed cost charge proposed by the Company, CEYW – Construction option customers will underpay for their use of capacity of the Company's system and shift costs to other customers. *Id.* at 14-15.

Staff recognized the Company's Application did not propose how it would treat capacity credits for exports. *Id.* at 14. Staff proposed that using avoided cost principles would be the best

standard for determining the capacity credits for avoided capacity costs from exports to the Company. *Id.* Staff recommended:

(1) capacity credit payments should not begin until the capacity contribution from its resource(s) begin avoiding capacity cost, which only occurs when the system first becomes capacity deficient; (2) the surrogate used to determine the value of the capacity credit should be based on the lowest-cost capacity resource; and (3) the credit should only be paid for exports of energy to the Company's system during system peak hours, which the Company determines as the hours when additional capacity is needed for the system and capacity cost can be avoided.

*Id.* at 14.

### ***Staff's Proposed Changes to the CEYW Framework***

Staff recommended five additional elements to reduce potential customer harm or cost shifting: (1) each Renewable Construction Agreement ("RCA") should be subject to Commission approval; (2) a financial guarantee of stranded REF costs; (3) CEYW – Construction customers pay for 100 percent of the construction costs associated with connecting the REF to the Company's system, including interconnection costs and any transmission/distribution upgrades; (4) Commission review of resource selection and rates could be bypassed if the agreement included passing 100 percent of costs to the CEYW – Construction customer and if import and export capacity rates are reasonable and based on COS and avoided cost principles; and (5) REF size should not exceed 110 percent of the CEYW – Construction customer's annual energy requirements. *Id.* at 14-15.

Because there will be more funds flowing into the PCA from Company-owned RECs and other costs necessary to support CEYW – Subscription and Construction options, Staff asked the Commission to require the Company to file its reports annually, before the Company's PCA filing. *Id.* at 15-16.

Staff also requested additional details on several items included in the proposed CEYW – Subscription and Construction options be filed with the PCA. *Id.* at 16. These include: (1) CEYW offerings' cost information flowing through the PCA; (2) CEYW – Construction projects' amount of consumption and generation from REFs; (3) a monthly comparison of CEYW – Construction customer load forecasts compared to actual generation for all Power Purchase Agreements ("PPA"); (4) annual CEYW subscription enrollment data; and (5) forecasted CEYW subscription enrollment and load. *Id.* Staff recommended the CEYW – Flexible report be filed annually instead of biennially and be filed before the annual PCA filing on April 15. *Id.*

Finally, Staff noted that these CEYW offerings create additional opportunities for Schedule 84 customers (Commercial, Industrial, and Irrigator) to offset their energy consumption with clean energy. *Id.* at 17-18. Schedule 84 currently has a 100 kW Generation Facility nameplate capacity cap. Staff speculated that there might be changes to the 100 kW eligibility cap in Schedule 84. *See* Order No. 35284. If changes are recommended, these should likely carry over to CEYW – Subscription and CEYW – Construction options. Staff Comments at 18.

## **2. Boise City**

Boise City supported Commission approval of the Company’s Application and authorization to: (1) rename Schedule 62 “Clean Energy Your Way Program,”; (2) maintain and expand procurement options for RECs under CEYW – Flexible; (3) establish a regulatory framework for subscription that is available to all customers; (4) offer the CEYW - Construction option for Special Contract and Schedule 19 customers; (5) allow individually designed and Commission approved CEYW – Construction arrangements; and (6) procure resources to meet customer’s clean energy preferences through these offerings outside of the current competitive bidding requirements. Boise City Comments at 1-2.

Boise City supported the Company’s proposed limited exemption from Oregon’s Resource Procurement Rules because the “costs of the resources will be individually and voluntarily accepted by participating customers in both the Subscription and Construction offerings and because the Company commits to make a showing to the Commission that the Subscription program resource was competitively procured in Phase II.” *Id.* at 3. Boise City recommended the Company move quickly to procure the resources and collaborate with stakeholders in Phase II. *Id.* at 3-4.

Boise City emphasized the importance of holding non-participating customers harmless and asked the Company to minimize administrative and marketing costs. *Id.* at 2. Boise City would like CEYW to have an option for low-income customers’ participation, specifically those customers in the Low-Income Home Energy Assistance or Weatherization Assistance Programs in the Phase II request. *Id.* at 3.

## **3. CEO**

CEO commended the CEYW program for supporting different customers, having purchases be “additional,” and holding non-participants harmless. CEO Comments at 1. CEO recommended the following: (1) “expanding synergies between CEYW programs and customer

self-builds of renewable generation”; (2) evaluating whether a broader view of certifying the clean energy purchased by customers beyond RECs, i.e., considering any self-generators who have installed their self-generation equipment after their respective grandfathering cutoff as meeting the “additionality” requirement; (3) broadening perspectives on providing “community solar” to “consider the exports of customers who have installed self-generation as clean energy” as “Community” resources; and (4) avoiding harm to non-participants that could arise from IPC-Customer negotiated pricing of exports for “Construction” customers. *Id.* at 2.

CEO expressed its concern with using the AURORA model, because AURORA cannot predict short-term macro-economic impacts that can significantly impact the assumptions of a long-term planning tool, and alternative models are available. *Id.* at 6. CEO agreed “that customer purchases beyond their tariff’s allowance to energy at embedded energy costs, as well as all exports, should be valued at a marginal avoided cost during the hour of the purchase or sale event.” *Id.* at 7. If CEYW customers that generate energy beyond their requirements help the Company avoid energy imbalance market (“EIM”) purchases, CEO suggested “there are available real-time, hourly, location specific marginal prices via the EIM.” *Id.*

CEO offered that using EIM prices to value exports when generation exceeds that customer’s load could: (1) reduce the potential for harm to non-participants due to the use of inaccurate estimates of true marginal prices; (2) incentivize the CEYW customer to install storage to provide their own reserves while allowing them to time-shift some their generation to more closely serve their load via their own generation; and (3) reduce Commission and staff workload in having to review separate negotiated export contract values for each new Construction customer. *Id.* CEO requested a PUC-facilitated Workgroup to discuss program changes and the potential impact CEYW might have on ongoing cases. *Id.* at 7-8.

#### **4. ICL**

ICL appreciated the Company’s steps to improve clean energy options. ICL Comments at 1. ICL asked the Commission to direct certain modifications to protect customers of the CEYW – Subscription option. *Id.* ICL specifically asked that the Company address “missed opportunities” to increase access to distributed and clean generation resources, save customers money, and accelerate the transition to clean energy. *Id.*

First, ICL would like rapid program implementation and increased distributed generation opportunities. *Id.* at 2. ICL doubted that the current proposal would increase residential

communities' distributed generation. *Id.* at 2-3. Second, ICL would like expanded access for low-income customers to the proposed CEYW – Subscription option, as the expense will likely deter these customers. *Id.* at 6. Third, ICL does not think it is realistic for the proposed program to be operational before the end of 2024, and the addition of renewable resources will delay implementation. *Id.* at 3.

ICL requested a Commission directive to support a community-owned solar program. *Id.* at 7. This community-owned solar program framework would allow customers (individuals, business entities, or nonprofits) to purchase and install solar panels, and receive power from solar. *Id.* at 8-9. The Company could 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. *Id.* at 9. ICL believed that this approach will expedite adding renewable generation to the grid. *Id.* at 10.

ICL also asked that the Company: (1) allow for participation credits in the CEYW – Subscription option greater than the fee required to participate; (2) work to reduce administrative and marketing costs; (3) compensate participants for the value of energy generated by the resource at the value of solar, if the resource is solar; and (4) consider how the program can be used to increase distributed energy generation and benefit low-income customers. *Id.* at 11.

## **5. Walmart**

Walmart submitted the testimony of Steve W. Chriss, Director, Energy Services. Walmart expressed appreciation and support for the proposed CEYW program, subject to incorporating its suggestions on the CEYW – Subscription and CEYW – Construction options, discussed below. Chriss Direct at 6. Additionally, Walmart took no position on the Company's request for exemption from the Oregon Resources Procurement Rules and requested the following: (1) allow CEYW – Subscription option customers to subscribe up to 100 percent of their past 12 months consumption; (2) if there is oversubscription for the CEYW – Subscription option, prorate subscriptions to match availability; (3) allow for 15-year subscriptions; (4) require the Company to make annual attestations available to CEYW – Subscription option customers who choose to have the Company retain and retire RECs on their behalf; (5) require close examination of program costs (marketing, administrative, and term adjustment components) are applied to varying subscription lengths; (6) allow subscription credits to exceed costs, if warranted, due to resource performance; (7) require a full examination of the specific subscription credit structure in Phase

II; (8) open CEYW – Subscription option to customers who can aggregate more than 5-MW of load across the Company’s service territory; and (9) for CEYW – Construction option participants, allow the Company to offer “cost based demand charges to recover the fixed costs included in energy charges for the customer’s applicable rate schedules” instead of the proposed REF on-site charges. *Id.* at 6-8.

Walmart thought that the parties could negotiate on enrollment, and the Company could add provisions on customer default, dissolution, or relocation. *Id.* at 18 and 21. Walmart suggested cost-based demand charges to recover the fixed costs, rather than the proposed REF on-site charges. *Id.* at 22. Walmart requested annual Company attestations on customers choosing to have the Company retain and retire the RECs. *Id.* at 15. Walmart expressed concerns about the unclear timelines for the program credit structure, the calculation methods for energy and capacity costs, and the administrative and marketing costs. Walmart would like to examine program credits and costs in Phase II. *Id.* at 8.

Walmart advocated for broader eligibility limits in the CEYW – Construction option for commercial and industrial customers who can aggregate more than 5-MW of load across accounts in the Company’s Idaho service territory, regardless of service schedule. *Id.* at 21. Walmart’s concept of expanded eligibility would allow multiple customers to join under a single agreement or one customer with multiple locations to use more than one resource. *Id.* Walmart, and other multi-site customers who are individually too small for Schedule 19, would benefit from this expansion. *Id.*

## **6. Public Comments**

There were multiple public comments advocating for community-owned solar and improving program access for low-income customers. For example, many commenters expressed their willingness to participate in a community-solar subscription program and urged the Company to work with community groups to make this available. Other commenters identified financial barriers to adding solar to their residences or participating in a community-owned solar generation program, even though they believed that such a program was beneficial.

Blaine County supported the CEYW programs and the potential to “significantly improve customer access to clean energy procurement.” Blaine County Comments at 1. As proposed, Blaine County would not benefit from the CEYW – Construction offering and requested expanded options—including 25 and 75 percent options—to increase program flexibility and access. Blaine

County would like the Company to work with municipalities on renewable energy projects through the CEYW – Construction option, including a potential microgrid project in its jurisdiction.

The Idaho Organization of Resource Councils (“IORC”) expressed support for CEYW programs and clean energy and advocated for community-owned solar and affordable program access. Because “many low and middle-income Idahoans do not have the option to pay more per month on their monthly utility bills to receive clean energy,” IORC believes that price is a “key factor” for customer adoption. IORC Comments at 1.

Most commenters requested the CEYW options be available to all customers in Idaho and strongly recommended the Company consider or be directed to offer community solar programs to interested persons. Commenters also cited climate change and social justice as reasons to approve the program and/or offer community solar.

### **7. Company Reply Comments**

The Company acknowledged Staff’s recommendation to approve the name change of Schedule 62 and commented that the name change aligns with the Company’s clean energy goals and creates consistent branding for its program activities. Company Reply at 1.

#### ***CEYW – Flexible***

The Company appreciated Staff’s recommendation to allow procurement of third-party RECs. Because RECs are in high demand, the Company believes that customers will benefit from its experience to source third-party RECs. *Id.* at 5.

The Company committed to additional REC reporting requirements suggested by Staff but disagreed with a separate reporting requirement before the PCA filing for two reasons. *Id.* at 6. First, the Company argued the proposed timing did not align with the PCA filing date. *Id.* at 7. The Company represented that:

RECs are created by a tracking authority, such as WREGIS, 90 days after the end of the generation period. This means December REC generation will not be confirmed until early April in the following year. Once RECs are confirmed, the REC seller then needs time to perform the REC transfers or retirements and prepare confirmation reports or letters for the REC buyers. Company-owned REC sales revenue flows to the PCA when the REC is retired. PCA sales allocation for a given month is determined within the first couple of weeks in the following month. For RECs retired in March, the PCA sharing amount will not be known until early to mid-April. This means the data for CEYW reporting will be incomplete if the reporting deadline is moved to April 15 or earlier.

*Id.*

Second, the Company noted the first quarter always brings about several labor-intensive tasks for managing the REC program and preserving the biennial reporting and the existing August 29 deadline for the additional CEYW reporting elements would be helpful. *Id.* at 7-8.

### ***CEYW – Subscription***

The Company supported Staff’s recommendation to allow the Company to proceed with the general framework of the CEYW – Subscription option and validated the concerns expressed by Staff and intervenors about the lack of detail—which it proposed would be addressed in Phase II. *Id.* at 8-9. The Company agreed to work with Staff to discuss potential avoided cost methods concerning CEYW - Subscription. *Id.* at 9-10. Due to program cost and credit concerns from Staff and intervenors, the Company supported Staff’s recommendation to discuss potential methods “to calculate a reasonable avoided cost to benefit participants while holding non-participants harmless” in advance of Phase II. *Id.* The Company objected to intervenor comments requesting that program credits be allowed to exceed the program charges, because this is a voluntary program, and it would shift costs to non-participants. *Id.* at 10.

The Company supported Blaine County’s suggestion to add 25 and 75 percent subscriber amounts based on a customer’s historic average annual energy use. *Id.* at 11. The Company disagreed with Walmart’s proposal to allow any subscriber percentage up to 100 percent of their average prior year’s use because this would be burdensome to administer. *Id.* The Company also supported the recommendation to add a 15-year subscriber term in addition to 5, 10, and 20-year terms already proposed. *Id.* The Company added that it would propose a Term Adjustment Charge to customers opting for 15-year terms. *Id.* In response to Walmart’s request to prorate customer subscriptions to match program capacity, the Company responded that it believed it could effectively manage a fully subscribed program using the subscriber amounts—25 - 100 percent of historic average use—to fill the program to capacity and allow participation. *Id.* at 11-12. The Company noted it is open to discussing the proposed customer cap of 15 percent of program capacity in Phase II. *Id.* at 12.

Finally, the Company proposed a stakeholder workshop about options for facilitating low-income access to the CEYW – Subscription option without impacting non-participants. *Id.* at 13-14. The Company reiterated “that CEYW is a voluntary premium program.” *Id.* at 14.



### ***CEYW – Construction***

The Company agreed with two of Staff’s three recommended requirements for approval of the CEYW – Construction program. *Id.* at 14-15. The Company agreed it was reasonable to “1) verify the cost-of-service rates used to recover costs from each Construction customer; [and] 2) evaluate the effect of increased energy priced at avoided cost in the Company’s overall net power costs and evaluate alternative methods of determining avoided cost of energy.” However, the Company disagreed that it should submit all PPAs to the Commission for authorization. *Id.* The Company noted it will file all PPAs for the CEYW – Construction option with the Commission but does not believe approval should be required because “the selection, size, and other details of a Construction customer’s supporting resources are not necessary for the Commission to review so long as the customer pays in full for those resources.” *Id.* at 15.

Regarding Staff’s additional recommendations for approval of CEYW – Construction projects, the Company agreed with Staff about ensuring all construction-related renewable resource costs are passed through to the customer; hourly netting of the customer’s energy consumption against the renewable resource(s) generation; and that net consumption is based on cost-of-service rates. *Id.* at 15-16. However, the Company disagreed that net production exported to the Company’s system should be valued based on avoided cost. *Id.* at 16. The Company recommended that the “Commission preserve the flexibility for excess renewable energy generation compensation to be negotiated within each individual Renewable Construction agreement.” *Id.* at 16 and 27-28.

The Company did not support CEO’s recommendation to use EIM as the basis for any excess renewable energy generation exported to the Company’s system instead of the Integrated Resource Plan (“IRP”) market forecast. *Id.* at 16-17. The Company stated:

[a]ctual market prices are surely the best way to compensate Construction customers for a market sale of their excess renewable energy generation. But the Company cannot state with certainty whether any excess renewable energy generation in a given hour will result in system use or a market sale. As a result, the Company finds a market forecast from the IRP to be the most reasonable price stream.

*Id.* at 17.

The Company disagreed with Walmart’s recommendation to allow aggregation of customer load sites in the Construction offering in the CEYW – Construction option. *Id.* The Company argued that the customer aggregation would violate the conditions of the Company’s

Rule C and that it is not feasible or practical (time and effort intensive) to extend the option to its smaller customers. *Id.* at 17-18. The Company iterated that it designed the CEYW – Construction option for its largest customers and developed separate programs for other customers that do not fit into the largest group. *Id.* at 18.

### ***Workshops and Reporting***

The Company agreed to hold a workshop on the PCA treatment of CEYW offerings and how system-generated RECs would be passed through to participants through the PCA in advance of the next general rate case.<sup>1</sup> However, the Company iterated its disagreement with Staff’s suggestion that CEYW participants should not benefit from system-generated RECs through the PCA arguing that it would “penalize this subset of customers from experiencing the same reduction of power costs enjoyed by all customers for energy services they take from Idaho Power.” Company Reply at 19.

The Company agreed to host a workshop on the accounting treatment of costs, benefits, and loads for all CEYW offerings before the next general rate case.<sup>2</sup> The Company agreed that workshops in Phase II of the CEYW – Subscription options would be valuable to discuss and build consensus around program details with the parties. Company Reply at 20. The Company recommended it lead the workshops instead of Staff. *Id.*

The Company considered Staff’s additional reporting requirement reasonable, except that the information belonged in the future CEYW reporting requirement—not the PCA. *Id.* at 20-21. The Company noted that most of the recommendations had little bearing on the PCA and could further complicate what is already complicated, unnecessarily. *Id.* at 21.

### ***Additional CEYW Recommendations and Alternatives***

The Company noted that several comments requested the Company investigate community-owned solar options and expand program access for low-income customers. While the Company believed these ideas fall outside the scope of its Application, the Company agreed to include the issues in a future stakeholder workshop. *Id.* at 21.

Regarding several comments about CEYW and on-site generation, the Company would not rule out that the resource would be distributed (opposed to transmission connected) because the resource had not been selected yet. *Id.* at 22. However, the Company noted it was unclear how

---

<sup>1</sup> This is not feasible since the Company filed its general rate case on June 1, 2023.

<sup>2</sup> *Ibid.*

on-site generation could serve as a CEYW resource because it “does not own or control the on-site generation and therefore cannot assign other customers the costs, credits, or RECS associated with those resources.” *Id.* at 23. The Company did indicate there may be creative ways to allow on-site generators to serve as CEYW resources and invited stakeholders to present alternatives in a future workshop. *Id.* at 24-25.

### ***Resource Procurement***

The Company agreed with Staff’s recommendation to allow the Company to procure resources for the CEYW programs outside of the current competitive bidding requirements. *Id.* at 13.

### ***RECs***

The Company disagreed with Walmart’s request for the Company to “make attestations available on an annual basis to participating customer [sic] who choose to have the Company retain and retire the RECs.” *Id.* at 24 *quoting* Walmart Comments at 7. The Company argued it had accounted for these for the CEYW – Subscription customers when it proposed REC treatment would be considered based on customers’ interest on a case-by-case basis. *Id.* at 12.

## **COMMISSION DECISION**

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, -502, and -503. *Idaho Code* § 61-501 authorizes the Commission to “supervise and regulate every public utility in the state and to do all things necessary to carry out the spirit and intent of the [Public Utilities Law].” *Idaho Code* §§ 61-502 and -503 empower the Commission 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. Pursuant to its statutory duties, the Commission has the authority to review and investigate contracts. *Empire Lumber Co. v. Washington Water Power Co.*, 114 Idaho 191, 192, 755 P.2d 1229, 1230 (1987).

The Commission has reviewed the record, including the Company’s Application, the comments from Staff, the Company, Intervenors, and the public. The Commission commends the efforts of the parties and public to submit thorough and thoughtful comments that have provided the Commission with a robust record to base its decision upon. Based on our review, and consistent with our authority under Title 61, we find it to be fair, just, and reasonable to approve the CEYW program as discussed below.

First, the Commission approves renaming the existing Schedule 62—Green Power Purchase Program Rider (optional) to “Clean Energy Your Way Program” and renaming the Green Power Program to “Clean Energy Your Way – Flexible”. The Commission believes that renaming these programs will help communicate their goals, and the new offerings, to existing customers and customers.

Second, the Commission supports expanding the CEYW – Flexible REC procurement options, including having a Limited Bulk Purchase Option. This is beneficial to the Company and its customers because the demand—according to the Company—will likely require third-party REC options in addition to the Company’s RECs. The Company should ensure it minimizes risks to customers through policy safeguards by selling an entire batch of RECs before initiating its next bulk purchase, and by using separate accounting treatments and tailored agreements for purchases. If the safeguards in place for the Limited Bulk Purchase Options fail to provide the anticipated safeguards, the Company should work with Staff and interested parties to create a solution that ensures all customers are protected adequately.

Third, the Commission appreciates the Company’s desire to include Staff’s proposed additional reporting requirements in a consolidated report. In Order No. 33570, the Commission ordered the Company to submit biennial Green Energy Reports. The Commission directs the Company to provide reporting on an annual basis as opposed to biennially-before the Company’s annual PCA filing on April 15 each year. This reporting shall continue to provide the same information that it was previously ordered to submit in its biennial Green Energy Prudence Reports which includes:

- Customer count under each participation option, by Schedule;
- Monthly RECs purchased;
- Monthly revenue and expenses for Schedule 62;
- Updated costs associated with re-certifying the RECs prior to retirement;
- Summary of marketing activities and expenses;
- Solar 4R Schools expenses;
- Percentage of RECs purchased within the Company’s service territory; and
- Monthly funds transferred to the PCA from the Company-owned REC purchases.

*See* Order No. 33570 at 3. Additionally, the Commission directs the Company to include the following information in this consolidated, annual report:

- Information on advanced procurement purchases and if any remaining RECs from those REC purchases will carry over into the next year;
- Information on all tailored agreements for third-party RECs in Flexible Option 3 Large Purchase Option including, but not limited to: (a) REC purchase agreement price and quantity requested; (b) quantity and price of RECs procured for the customer; (c) monthly revenue and expenses; and (d) provide proof of separate accounting treatment;
- Provide balance of uncommitted/excess funds to be carried over into the next year; and
- Provide the monthly balance of the rider for Schedule 62.

Fourth, the Commission agrees to allow the Company to procure associated program renewable resources outside the Commission’s current competitive bidding requirements, subject to review in Phase II for the CEYW – Subscription option. The Commission reminds the parties that Phase II will provide opportunities to review and adjust the proposed procurement process. We recognize that not all details are available at this “framework” stage and encourage the Company to follow a thorough procurement process that protects all customers. This would include addressing concerns about the possibility of an under-subscribed program. For example, if the CEYW – Subscription option is not fully subscribed, the Company’s proposed recovery through the PCA could negatively impact non-participants for the cost of a resource that is not least cost. Again, this concern is best addressed in Phase II.

In the CEYW - Subscription option, the Company proposed to dispatch unsubscribed energy to the Company’s system with cost of that energy to be included in customer rates and/or in the PCA mechanism. Due to an increase in costs and benefits transferred to the PCA from Company-owned REC purchases and other costs being passed through the PCA from the CEYW - Construction options and potentially the CEYW – Subscription option, the Commission directs the Company to include the foregoing supplemental information in future PCA filings regarding these CEYW options:

- CEYW offering cost information that flows through the PCA;
- The amount of consumption and generation from the renewable resources serving CEYW Construction projects;
- Annual CEYW Construction customer load forecasts compared to CEYW Construction customer's annual generation forecast for all signed PPAs broken down on a monthly basis;
- Annual CEYW Subscription enrollment; and
- Forecasted CEYW Subscription enrollments and load.

Further, the Commission strongly encourages the Company to find alternatives to account for undersubscription that either minimizes or eliminates the impact to non-subscribers during Phase II of the CEYW - Subscription option design phase. The Commission also finds that going forward it is appropriate for Staff to request additional information when the Company files Phase II of the CEYW - Subscription option and on a case-by-case basis after contractual agreements for the CEYW - Construction options are submitted for approval. The Commission accepts the Company's framework for a future voluntary subscription green power service offering under the proposed CEYW – Subscription option. However, we note acceptance of the Company's framework does not guarantee the outcome of the options available; rather, the framework will serve as a starting point for building the subscription offerings, which will be reviewed during Phase II.

Fifth, the Commission directs the Company to discuss potential avoided cost methods for the CEYW – Subscription and Construction options with Staff. It remains vital that COS principles are maintained in these new offerings, and that non-participants are held harmless. This discussion should happen within six months of the issuance of this Order.

Sixth, for CEYW – Subscription, the Commission finds that adding 25 and 75 percent options as proposed by Blaine County, for a total of four subscriber options—25, 50, 75, and 100 percent—will facilitate greater customer access, and is preferable to unique, adjustable subscriber options. Additionally, the Commission also directs the Company to offer a 15-year subscription term, for a total of four term options—5, 10, 15, and 20 years, for similar reasons. The Commission believes the additional term length and subscriber options will benefit customers while maintaining structured parameters for the Company as it develops offerings. In Phase II the parties should determine the appropriateness of caps for individual customer subscription amounts, if necessary.

Seventh, the Commission supports the Company's proposed CEYW – Construction option, subject to the additional requirements discussed below. The Commission directs the Company to verify the COS rates used to recover costs from each CEYW – Construction customer to ensure the Company does not pass on capacity-related costs to the Company's other customer classes that are normally recovered through its volumetric charge for energy no longer supplied from the Company's system, but supplied by the CEYW customer's REF, through a fixed cost charge for energy generated by the customer's REF, as was proposed by the Company.

The Commission reaffirms that principles of avoided cost can provide a threshold to protect other customers when determining credits for excess energy, but it does not require that the amount of the credits should be based on avoided costs as a matter of policy. Order No. 35607 at 12-13. The Company is free to negotiate rates with CEYW – Construction customers and “the Commission will generally approve such rates provided they are fair, just, and reasonable to all customers.” *Id.* To the extent that energy credits paid to CEYW – Construction customers and other types of generation are informed by avoided cost and become an increasing proportion of the Company’s net power cost, the Commission directs the Company to evaluate its impact on overall net power costs and to Idaho customers. To mitigate the impact, the Commission directs the Company to evaluate other methods for determining energy credit payment amounts to ensure these credits do not put upward pressure on rates. The overall goal of these requirements is to ensure no harm non-participants and to uphold COS principles consistent with Commission precedent. To that end, the Commission believes it is important that the Company: (1) ensure all CEYW – Construction related renewable resource costs are passed through to the customer; (2) compare hourly netting of the customer’s energy consumption against the renewable resource(s) generation; (3) base net consumption on COS rates; and (4) value the net production exported to the Company’s system to be no more than avoided cost.

Eighth, the Commission reaffirms its decision to require the performance-based payment method for capacity credits paid to CEYW – Construction customers as directed by the Commission in Order No. 35735.

Ninth, the Commission requires every RCA and associated PPA be submitted to the Commission for review and authorization, consistent with Commission Order No. 35482. The Company shall incorporate the requirements from Order No. 35482 that (a) payments of Renewable Capacity Credits for CEYW-Construction projects begin on the first capacity deficiency date approved by the Commission at the time the PPA (or a resource construction agreement) is executed by the Company, and (b) the resource(s) used as a surrogate to determine avoided capacity cost be identified using the lowest-cost selectable resource from the most recently acknowledged IRP determined at the time of PPA execution.

Tenth, the Commission directs the Company to host a workshop on the CEYW costs, revenues, and loads in base rates within one hundred twenty (120) days of the issuance date of this Order. The Commission also directs the Company to hold a workshop to evaluate how system-

generated REC benefits are passed on to CEYW – Construction customers in the PCA within one hundred twenty (120) days of the issuance date of this Order.

Eleventh, we find it fair, just, and reasonable that the eligibility date for payment of Renewable Capacity Credits of future renewable resources acquired by the Company for CEYW-Construction customers begins on the first capacity deficiency date approved by the Commission at the time the PPA or a resource construction agreement is executed by the Company. Staff and the Company have agreed with this treatment in Case No. IPC-E-22-06.

Twelfth, we reaffirm Order No. 35482, that found it fair, just, and reasonable that the resource(s) used as a surrogate to determine avoided capacity cost be identified using the lowest-cost selectable resource from the most recently acknowledged IRP at the time of PPA execution. This treatment will ensure methodological consistency between CEYW – Construction projects and fair compensation for capacity avoidance resources.

Thirteenth, consistent with our findings in Case Nos. IPC-E-21-42 and IPC-E-22-06 we find it fair, just, and reasonable that the credits for excess energy and capacity included in power supply expense be subject to 95% sharing in the PCA. These credits are based on avoided cost and are an integral part of the Company’s overall power supply expense cost structure, which the Company has the responsibility to manage. Furthermore, the resources under CEYW – Construction projects and associated agreements, unlike resources under PURPA, which the Company is mandated to take by the Federal Energy and Regulatory Commission, are freely negotiated by the Company with its customers.

## **ORDER**

IT IS HEREBY ORDERED that the Commission approves renaming the existing Schedule 62—Green Power Purchase Program Rider (optional) to Clean Energy Your Way and renaming the Green Power Program to Clean Energy Your Way – Flexible.

IT IS FURTHER ORDERED that the Commission supports expanding the CEYW – Flexible REC procurement options, including having a Limited Bulk Purchase Option.

IT IS FURTHER ORDERED that the Company must file a consolidated CEYW report annually before the Company’s PCA filing. The CEYW – Flexible report is to incorporate the requirements from Order No. 33570 including, (1) customer count under each participation option, by Schedule; (2) monthly RECs purchased; (3) monthly revenue and expenses for Schedule 62; (4) updated costs associated with re-certifying the RECs prior to retirement; (5) summary of



marketing activities and expenses; (6) solar 4R Schools expenses; (7) percentage of RECs purchases within the Company's service territory and; (8) monthly funds transferred to the PCA from the Company-owned REC purchases. Additionally, the consolidated report must include (1) information on advanced procurement purchases and if any remaining RECs from those REC purchases will carry over into the next year; (2) information on all tailored agreements for third-party RECs in Flexible Option 3 Large Purchase Option (REC purchase agreement price and quantity requested; quantity and price of RECs procured for the customer; monthly revenue and expense; proof of separate accounting treatment); balance of uncommitted/excess funds to be carried over into the next year; and the monthly balance of the rider for Schedule 62.

IT IS FURTHER ORDERED that the Commission approves the Company's framework for a future voluntary subscription green power service offering under the proposed CEYW – Subscription option subject to Commission review during Phase II of the CEYW – Subscription option design phase.

IT IS FURTHER ORDERED that the Company may procure associated program renewable resources outside the Commission's current competitive bidding requirements, subject to review in Phase II for the CEYW – Subscription option.

IT IS FURTHER ORDERED the Company shall include the foregoing supplemental information in future PCA filings regarding CEYW options: (1) the CEYW offering cost information that flows through the PCA; (2) the amount of consumption and generation from the renewable resources serving CEYW - Construction projects; (3) annual CEYW - Construction customer load forecasts compared to CEYW - Construction customer's annual generation forecast for all signed PPA's broken down on a monthly basis; (4) annual CEYW - Subscription enrollment; and (5) forecasted CEYW Subscription enrollments and load. The Commission strongly encourages the Company to find alternatives to account for undersubscription that either minimizes or eliminates the impact on non-subscribers during Phase II of the CEYW – Subscription option design phase.

IT IS FURTHER ORDERED that the Commission directs the Company to discuss potential avoided cost methods for the CEYW – Subscription and Construction options with Staff and that such discussion should happen within six months of the issuance of this Order.

IT IS FURTHER ORDERED that the Company shall include subscriber options of 25, 50, 75, and 100 percent. The Company shall offer term length options of 5, 10, 15, and 20 years.

IT IS FURTHER ORDERED that the Company's proposed CEYW – Construction option framework is approved.

IT IS FURTHER ORDERED that the Company verify the COS rates used to recover costs from each CEYW – Construction customer to ensure the Company does not pass on capacity-related cost to the Company's other customer classes that are normally recovered through its volumetric charge for energy no longer supplied from the Company's system, but supplied by the CEYW customer's REF.

IT IS FURTHER ORDERED the Company evaluate the impact of energy credits and other types of generation informed by or set at avoided cost as the proportion of these types of cost in overall net power cost increase, and to investigate other methods for determining energy credit payment amounts to ensure these credits do not put upward pressure on rates.

IT IS FURTHER ORDERED that the Commission reaffirms its decision to require the performance-based payment method for capacity credits paid to CEYW – Construction customers as directed by the Commission in Order No. 35735.

IT IS FURTHER ORDERED that the Company submit every RCA and associated PPA to the Commission for review and authorization, consistent with Commission Order No. 35482.

IT IS FURTHER ORDERED that the Commission directs the Company to host a workshop on the CEYW costs, revenues, and loads in base rates within one hundred twenty (120) days from the issuance date of this Order. The Commission also directs the Company to hold a workshop to evaluate how system-generated REC benefits are passed on to CEYW – Construction customers in the PCA within one hundred twenty (120) days from the issuance date of this Order.

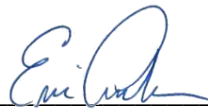
IT IS FURTHER ORDERED that we find it fair just and reasonable that the eligibility date for payment of Renewable Capacity Credits of future renewable resources acquired by the Company for CEYW - Construction customers begin on the first capacity deficiency date approved by the Commission at the time the PPA or a resource construction agreement is executed by the Company. Staff and the Company have agreed with this treatment in Case No. IPC-E-22-06.

IT IS FURTHER ORDERED that we reaffirm Order No. 35482, that found it fair, just, and reasonable that the resource(s) used as a surrogate to determine avoided capacity cost be identified using the lowest-cost selectable resource from the most recently acknowledged IRP at the time of PPA execution.

IT IS FURTHER ORDERED that consistent with our findings in Case Nos. IPC-E-21-42 and IPC-E-22-06 we find it fair, just, and reasonable that the credits for excess energy and capacity included in power supply expense be subject to 95% sharing in the PCA.

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 15<sup>th</sup> day of August 2023.



ERIC ANDERSON, PRESIDENT

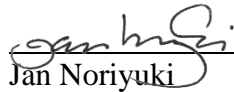


JOHN R. HAMMOND, JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

I:\Legal\ELECTRIC\IPC-E-21-40 CEYW\orders\IPCE2140\_final\_cs.docx