



Clean Energy Opportunities for Idaho

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IDAHO PUBLIC
UTILITIES COMMISSION

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Building 8, Suite 201-A
Boise, Idaho 83714

Re: Case No. IPC-E-22-12 - In the Matter of Clean Energy Opportunities for Idaho's Petition for an Order To Modify The Schedule 84 100kW Cap & To Establish A Transition Guideline For Changes To Schedule 84 Export Credit Compensation Values

Dear Ms. Noriyuki:

Enclosed for electronic filing pursuant to Order No. 35453 is Clean Energy Opportunities for Idaho's Reply Comments in the above-entitled matter. Thank you for your assistance, and please do not hesitate to contact me with any questions.

Sincerely,

Kelsey Jae
Attorney for CEO

Enclosures

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF CLEAN ENERGY

OPPORTUNITIES FOR IDAHO’S PETITION)	
FOR AN ORDER TO MODIFY THE)	CASE NO. IPC-E-22-12
SCHEDULE 84 100kW CAP & TO)	
ESTABLISH A TRANSITION GUIDELINE)	REPLY COMMENTS OF CLEAN ENERGY
FOR CHANGES TO SCHEDULE 84 EXPORT)	OPPORTUNITIES FOR IDAHO
CREDIT COMPENSATION VALUES)	

SUMMARY & REVISED REQUEST

The Petition CEO filed presents the Commission with the question of how best to serve customer, Company, and public interests with regard to revising the Schedule 84 system size limit. The fundamental dichotomy in commenters’ views is that people on the receiving end of the 100kW cap convey the harm and unfairness of delay, while Staff speaks to benefits of addressing all matters in IPC-E-22-22. CEO’s mission is to craft solutions informed by stakeholder interests. A narrowed CEO request is presented further below to serve customer, Staff, Company, and public interest by performing needed technical workshops promptly under the IPC-E-22-12 docket.

Strong Public Support for the Petition, especially from Ag interests. The Commission noted, when issuing its Order No. 35453 in this docket, that “written comments have proven to be an effective means for obtaining public input and participation”.¹ Comments have validated that the relief proposed in this petition matters to farmers (including Idaho Farm Bureau Federation & Idaho Grain Producer Association), dairies, resource councils, the City of Boise, and other organizations. For example, supportive comments were filed by:

Idaho Farm Bureau Federation	Idaho Grain Producer Association	Idaho Organization of Resource Councils
Magic Irrigators, Inc	M & R Farms, Inc	Magic Water Company, Inc.
BCF Farms, Inc	Darrell Funk Farms	Hooley Farms
North Cinder Cone Butte Farm	Standlee Premium Western Forage	Double Eagle Dairy & Eagle View Dairy
R M Robertson Farms	Pioneer Road Farm	Grant 4-D Farms
Young Family Farms	Schiermeier Farms	Pickett Ranch
Hidden Valley Organic	Chris Unruh, Inc.	

Farmers plea for relief. “Farmers in Idaho live or die with our power costs, and we deserve the fair opportunity to manage our costs.”² Commenters make clear that they are financially harmed by a

Order No. 35453, page 3.

² Russell Schiermeier, July 19, 2022 Public Comment, IPC-E-22-12. Further, “It seems unfair that the utility can keep making cost additions and earning a return on those additions by collecting revenue from us customers, while irrigators do not have the same opportunity to invest in solar in 2022.”



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100kW cap that forces installations “scattered willy-nilly across the landscape”³ rather than right-sized and cost effective. The VODER study validates the 100kW cap is inequitable. Without the actions requested in the petition, the regulatory process will continue to unnecessarily delay fair access to a technology which businesses say is essential to manage their costs and remain competitive in their respective markets.

CEO believes no customers should be denied the right to produce some or all of their power requirements and that the 100kW cap harms irrigators’ ability to exercise that right.

A new challenge: Deficiencies in the VODER evaluation. CEO acknowledges the massive effort reflected in the VODER analysis of compensation matters. But with respect to its review of the 100kW cap, the VODER study was deficient. For example:

- The Evaluation of Existing Cap was deficient in reflecting harm to customers of the 100kW cap.
- The Company proposed in IPC-E-21-21 to evaluate setting the cap according to a customer’s demand, then in the study it raises issues and delays further evaluation.
- The study presents no lessons from model procedures⁴, other states, or Rocky Mountain Power (which has been studying the same cap for two years, Order 34753, Attachment A, p2).
- The study was ordered to evaluate safety, service quality, and grid reliability, yet in IPC-E-22-12 comments Staff calls for more “Time needed to evaluate how the eligibility cap can be increased without unnecessary risk to system safety and reliability.”⁵

The time has come for facilitated discussion. Deficiencies in the VODER study prevent the study review phase from serving its purpose of enabling customers to provide “their opinions on what the study shows”⁶. The record of customer concerns with the 100kW cap is substantial yet under-utilized. Staff raises the need to further address highly technical issues,⁷ which could be better resolved with interactive dialogue than one-way communications.

Other than the cap, all other matters in the study relate to rates or compensation policies. No one is arguing that the 100kW cap is more important than compensation policies; in fact, supportive commenters note that customers should have opportunity to focus on those highly impactful compensation policies. The Company’s choice to exclude the systems size cap from its VODER

³ “The only thing negative about the sites is the fact that Idaho Power’s rules, blessed by the PUC, illogically limit the size of the sites to 100 KW, thus requiring the sites to be scattered willy-nilly across the landscape wherever one can make the sizing and combination rules work. We would have much preferred to construct 3 logical, efficient 1,000 KW central sites on a main feeder as opposed to the 26 scattered sites we currently have.” Duane Grant, Grant 4-D Farms, public comment, IPC-E-22-12.

⁴ For example, Model Interconnection Procedures, IREC, 2019, p11 offers a tiered approach which vary according to the voltage of the line at the proposed Point of Interconnection.
Staff Comments, IPC-E-22-12, July 19, 2022, p3.

⁶ Order 34509 at 10; The Commission established the study review phase in IPC-E-18-15 so “the public will be able to comment on whether the study sufficiently addressed their concerns, and their opinions on what the study shows.”

⁷ Staff Comments, IPC-E-22-12, July 19, 2022, p3. Examples of risk areas Staff notes include: distribution voltage and line equipment impacts, voltage flicker from generation output variability, deadline reclosing, ground fault current contribution limits, and distribution system operations in low load conditions.



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study workshop supports the logic that a meaningful discussion of a technical system design matter is difficult to add onto deliberations of compensation policies.

Technical workshops need to proceed prior to the establishment of a revision to the 100kw cap.

Staff also recognizes that there exist dependencies between the actions needed to implement the changes to eligibility caps which affect the sequence in which the actions are performed. Staff notes the role of “technical workshops to discuss proposed interconnection requirements prior to submitting Schedule 68 tariff changes for Commission approval.”⁸ Resolving what levels of self-generation can be safely interconnected and operated, and the appropriate policies for each level, should clearly be reviewed and are advantageous to review sooner rather than later.

The Company proposes that in 2023 it would “likely endeavor to hold technical workshops with Commission Staff, installers, and other interested stakeholders to discuss proposed interconnection requirements”.⁹ Multiple IPC-E-22-12 commenters¹⁰ suggest holding technical workshops in 2022 via IPC-E-22-12 in order to resolve technical matters related to the 100kW cap. Commenters noted that if the CEO petition were not limited to the cap alternative ordered in IPC-E-21-21, that an absolute level of 2000kW or a table of eligibility levels with protocols for each level should be considered.

The urgency of revising a harmful and inequitable 100kW cap is clear, the need to further review technical matters and alternatives beyond the evaluation in the VODER study is evident. Both interests are served by proceeding with technical workshops in 2022.

Use the IPC-E-22-12 docket for facilitated discussion of technical matters. After reviewing both the comments submitted in this docket and the VODER study submitted under IPC-E-22-22, CEO respectfully requests the following:

1) Order Commission Staff to facilitate technical workshops within IPC-E-22-12 open to interested parties in order to (a) interactively discuss issues and options for modifying the Schedule 84 system size cap, and (b) draft associated revisions to Schedules 84 and 68. The workshops should specifically consider, but not be limited to:

- a system size cap set according to a customer’s demand, as was ordered to be evaluated in the VODER study and was proposed in the filing of this petition
- a tiered approach of absolute levels, with rules specific to each level, starting at 0 to 1000kW and comparable to Model Interconnection Procedures

Regarding schedule constraints, the Company proposes an October 12th deadline in IPC-E-22-22 for stakeholders to propose implementation recommendations. CEO requests that the technical workshops ordered in IPC-E-22-12 should complete in time to inform parties submitting recommendations in IPC-E-22-22 (October 12, 2022 or as set in IPC-E-22-22).

⁸ Staff Comments, IPC-E-22-12, July 19, 2022, p6.
VODER Study, page 112.

¹⁰ Five public comments in IPC-E-22-12: Vote Solar, Idaho Conservation League, R. Schiermeier, K. King, and M. Dunay.



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2) CEO further asks that the revisions to Schedules 84 and 68 resulting from these technical workshops either be:

- a. Implemented via a Commission order issuing under IPC-E-22-12 or
- b. Implemented via an order in IPC-E-22-22, for which the Company proposes a December 30, 2022 Target Date for an IPUC Order

Regardless of whether the Commission grants either of the alternatives in proposal #2 above, CEO requests that #1 can be granted independently and is necessary to effectively reconcile concerns raised by customers, Staff, and the Company. The VODER study and process proposed in IPC-E-22-22 are insufficient. Customers have conveyed concerns with the 100kW cap for twenty years and the agribusiness community has made a strong appeal for urgency in this docket; the time has come for facilitated discussion.

The Transition Guideline. The call for predictability of the range of potential future export rates was requested by agribusinesses in 2020 and again in this docket. The Company has proposed in IPC-E-22-22 the opportunity to establish a reasonable transition period over “a given number of years” or to “cap the average customer impact”¹¹. This does not provide relief in 2022 to improve the predictability of future ECR rates yet offers some assurance that the Company recognizes a need for rate stability. In the spirit of compromise, CEO withdraws its request for a Transition Guideline and supports establishing a reasonable transition policy via IPC-E-22-22.

To the customers whose interests we have attempted to serve, who have sought to build the Commission’s understanding of the urgent need for fair access to technologies necessary for managing costs in the face of rising electricity costs: We hope that your voices have been heard and that your interests will be fairly and adequately addressed.

A narrowed request

CEO requests that the Commission dismiss in part and grant in part our previously submitted Petition. Specifically, CEO requests that the Commission grant the request for technical workshops to be performed as expeditiously as possible as described above (1), grant the request for implementation of a modified Schedule 84 cap as described above (2), and thirdly to dismiss the previous request for a Transition Guideline.

Additional information related to CEO’s replies to comments is provided below.

¹¹ VODER study, IPC-E-22-22, p111.



REPLY TO COMMENTS – ADDITIONAL INFORMATION

In order to respond to matters raised in comments, CEO's additional reply comments are organized around questions which may be on the minds of the Commission:

1. Is this petition a nuisance and a distraction, or is it of substantial public interest?
2. How does Idaho policy inform this petition?
3. Would granting this petition open the door to additional proposals to implement other items within the VODER study outside of IPC-E-22-22?
4. What about the 25kW cap, how is it affected by the CEO request?
5. Is it inequitable to grant the petition, or inequitable to dismiss?
6. Do supply chain issues, or the Company's ability to add capacity faster than the 100kW cap be revised, present reasons to dismiss or to grant the petition?
7. Do PURPA or Non-export options offer "viable alternatives" to the 100kW cap?
8. Is the petition in conflict with prior orders? Does a prior order require the system size cap to be part of the study review phase?
9. What is the harm of delay?
10. Other than the harm of delay, why is the revised request in IPC-E-22-12 necessary when IPC-E-22-22 proposes a process for modifying the system size cap?

1. Is this petition a nuisance and a distraction, or is it of substantial public interest?

After hearing public response to the first comprehensive review (IPC-E-18-15), the Commission instructs (Order No. 34046 at 25):

The Company, Commission Staff, and all other stakeholders to the case would do well to listen to and understand the public sentiment regarding the importance of distributed on-site generation to Idaho Power's customers. In Order No. 34046 we said, "The Company must continue to listen to and understand, and address its customers' concerns in these cases."

CEO has listened to public sentiment. The supportive comments filed in IPC-E-22-12 demonstrate strong public interest, including:

- Idaho Farm Bureau Federation
- Idaho Grain Producers Association (IGPA)
- Grant 4-D Farms, headquartered in Rupert, ID, Duane Grant
- Magic Irrigators, Inc. Armand M. Eckert, Buhl, ID
- Maurice H. Eckert & Son's, Inc., Granville Eckert, Buhl, ID
- M & R Farms, Inc. Mike B. Eckert, Buhl, ID
- Magic Water Company, Inc. Ron P. Elkin, Buhl, ID
- BCF Farms, Inc. Brent Funk, Hansen, ID



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- Standlee Premium Western Forage, Dusty Standlee, Eden, ID
- Hooley Farms, Dale & Diana Hooley, Hammett, ID
- Young Family Farms, Adam Young, Blackfoot, ID
- North Cinder Cone Butte Farm LLC., David L. Palfreyman,
- Pickett Ranch, David Pickett, Oakley, ID
- R M Robertson Farms, Ryan Robertson, Paul, ID
- Chris Unruh, Inc., Grandview, ID
- Darrell Funk Farms, Double Eagle Dairy & Eagle View Dairy; Jordan Funk, Murtaugh, ID
- Pioneer Road Farm, Mark Clark, Ontario, Oregon
- Schiermeier Farms, Russell Schiermeier, Bruneau, ID
- Hidden Valley Organic, Perry Van Tassell, Paul, ID
- Kevin King, expert witness in past dockets for ICEA, Meridian, ID
- Idaho Conservation League, Emma Sperry
- Matthew Dunay, CTO Tiger Solar, Garden City, ID
- Climate Action Coalition of the Wood River Valley
- Vote Solar
- Conservation Voters for Idaho
- Idaho Organization of Resource Councils
- Portneuf Resource Council
- Snake River Alliance
- Idaho Chapter Sierra Club
- Idaho Sustainability and Energy Coalition

In addition, the Idaho Irrigation Pumpers Association (IIPA) filed comments July 19 asking to consolidate CEO's Petition and IPC-E-22-22. Two days later, a farmer filed comments to urge the PUC to recognize that IIPA comments represented the opinions of individuals and not a consensus among farmers. The commenter was previously an IIPA member but "opted to not renew our membership in 2021 due to the fact that the leadership of the organization would not justify or even engage with me in response to their opposition to solar power."¹²

In sum: Public comments validate that timely access to the technologies necessary for controlling electricity costs is of substantial importance to businesses impacted by this petition, and customers familiar with the 100kW cap convey the unnecessary costs it imposes.

2. How does Idaho policy inform this petition?

As noted in the petition, the most recent Idaho Energy Plan states "It is Idaho policy to encourage investment in customer-owned generation."¹³ The Idaho Energy Plan further states (p10):

¹² "Idaho Irrigation Pumpers Association does not represent me, and has made no effort to build informed consensus regarding solar amongst the irrigating community. I urge the PUC to recognize the opinions of the Idaho Irrigation Pumpers Association for what they are, the isolated and biased opinions of individuals who have co-opted the name and brand of a formerly viable association." (IPC-E-22-12 public comment, 7/21/2022).

¹³ Idaho Energy Plan, 2012, at 10



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In accordance with federal law, the Idaho PUC should continue to administer its responsibilities under the Public Utility Regulatory Policy Act in a way that encourages the cost-effective development of customer-owned renewable generation and combined heat and power facilities.

In its Motion to Dismiss at paragraph 36, “Idaho Power admits only that the most recent Idaho Energy Plan was developed in 2012 and speaks for itself”. Commenters have validated that the 100kW is not cost-effective. As such, Idaho state policy supports proceeding expeditiously to modify the 100kW cap.

3. Would granting this petition open the door to proposals to implement other items within the VODER study outside of IPC-E-22-22?

The subject matter within the VODER study falls into three buckets:

1) **Rate Matters:** cost of service, rate design, and transitional rates. The Commission instructs these to be implemented via a general case.¹⁴

2) **Compensation Matters:** netting period, export credit rate, frequency of updates, recovery of export credit expenditures, and a transition period to a modified export credit rate. The Company proposes to deliberate these in IPC-E-22-22 and implement no earlier than June 2023.¹⁵

3) **The system size cap**, which is the singular design parameter in the study and is not a compensation matter, as noted by commenters:

- City of Boise: “Additionally, as with smart inverters, the 100kW cap on CI&I on-site generation is independent from the compensation structure for the resource, so the City believes it would be consistent with prior practice for the Commission to consider modifications to the CI&I project eligibility cap outside of IPC-E-22-22.” (IPC-E-22-12 comments, July 13, 2022)
- Idaho Conservation League: “The system size cap for Schedule 84 customers is a design issue, not a cost or compensation issue.” (ICL comments, IPC-E-22-12, July 11, 2022, p6)
- Kevin King: “The cap is the only matter in the study that is unrelated to rates / compensation. It is a design parameter that the Commission added to the study after it came up in deliberations on Idaho Power's applications to change other Schedule 84 configuration specifications.”¹⁶

¹⁴ Order 35284, at 24. “The Commission also finds it fair and reasonable for updates to current cost of service, new rate designs, and transitional rates to be implemented in a general rate case.”

¹⁵ IPC-E-22-22 Application at 15.

¹⁶ Kevin King, public comments, IPC-E-22-12, 6/30/2022. “After the study had been re-ordered (2019) and before Idaho Power launched the second study (2021), [Idaho Power] filed 20-26 as well as 20-30 to propose other net metering configuration changes; a boatload of commenters asked to also address the 100kW cap. The Commission acknowledged customer concerns with the 100kW cap but said the matter had not been noticed. When I read the CEO petition, it sounds like an effort to do what the rate payers have expressed concerns over and exactly what the



The Company has historically treated the system size cap and other interconnection matters as separate from Compensation matters. Idaho Power excluded the system size cap from its first applications to study the cost and benefits of net excess generation (IPC-E-18-15 or IPC-E-19-15), and excluded the cap from its workshop during the study design phase of IPC-E-21-21. CEO respects the Company's choice to use the limited time in that workshop to focus on compensation matters; those compensation matters are of high interest to a broad audience. CEO supports that the public should be able to adequately focus on important compensation matters during IPC-E-22-22.

In sum: Rate matters will be implemented via a rate case, compensation matters will be the focus of IPC-E-22-22, and the system size cap is the only technical design parameter. CEO cannot envision a motive, practical benefit, or feasibility for another petition to address any other matter outside of IPC-E-22-22.

4. What about the 25kW cap? How is it impacted by this Petition?

The issues and interests associated with project caps for R&SGS, Clean Energy Your Way, and CI&I customers are different and each have previously been addressed in different dockets. The 25kW and 100kW caps were established in different dockets. For participants in Clean Energy Your Way, the Company proposed a cap of 110% of annual consumption for its construction option in IPC-E-21-40.¹⁷ If there is a goal for fairness and consistency (values raised by Staff comments in IPC-E-22-12) the 100kW cap is more closely related to the cap in IPC-E-21-40 (Clean Energy Your Way) than to the R&SGS 25kW cap.

The VODER study demonstrates that the 100kW cap is very limiting to CI&I customers, while "It does not appear that the 25-kW cap limits these customer Segments."¹⁸ The study suggests "retaining the 25-kW cap for residential and small general customers could be reasonable."¹⁹ The study raises issues with larger systems, particularly for systems over 2000kW.

It is fair and reasonable to allow parties harmed by the 100kW cap to discuss technical issues associated with larger system sizes and solutions for modifying the Schedule 84 cap in technical workshops. Such workshops would be open to all interested parties.

5. Is it inequitable to grant the petition, or inequitable to dismiss?

Commission ordered - to revise the cap after the Company has thoroughly studied it and to meet the regulatory requirement of giving adequate notice."

¹⁷ "Customer(s) pursuing the Construction option cannot request to size the REF greater than 110 percent of the participating service point(s) annual energy amounts." IPC-E-21-40, Attachment 1, Schedule 62

¹⁸ VODER Study, IPC-E-22-22, p101

¹⁹ Id.



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In May 2022, Idaho Power alleged in its Motion to Dismiss that allowing CI&I customers to avail themselves of an expedited process to implement a modified system size cap would be inequitable.²⁰ Since then:

- The VODER study has concluded that the 100kW cap is inequitable in that it appears to harm Schedule 84 customers in a way that the 25kW cap does not for Residential and Small General Service (R&SGS) customers.²¹
- Commenters validate that the system size cap is inequitable in that it imposes upon them constraints which do not burden competitors served by other utilities. For example, as one farmer describes:

I am hoping to install solar to offset the electricity we need for irrigation. I am surprised to see that the system cap for net metering seems to be 100kW for Idaho Power customers like me when it is 2000kW for non-residential Pacific Power Schedule 135 customers in Oregon.²²

- Thirdly, the process has been shaped in an inequitable manner. Residential and Small General Service (R&SGS) customers “had their day in court,” while “CI&I customers have not been afforded the same opportunity”.²³ As described by commenters, the need for a study review phase was established after hearing extensive testimony and over 1000 comments in a R&SGS docket. CI&I customers have not had a similar opportunity.

In sum: Fairness supports a call for prompt action to revise an inequitable 100kW cap for customers impacted by a process which they did not have equal opportunity to influence.

6. Do supply chain issues, or the Company’s ability to expedite its capacity additions, present reasons to dismiss or to grant the petition?

The Company and Staff argue that the petition should be dismissed because, due to supply chain issues, it is unlikely to result in incremental capacity in time to meet the 2023 summer capacity deficiency. In response –

²⁰ Answer and Motion to Dismiss at 5.

²¹ 98% of R&SGS installations are below 80% of their 25kW cap. The overwhelming majority (>85%) of Irrigation customers have been constrained by the 100kW cap. VODER study, p97 and 98.

²² IPC-E-22-12 Public Comment, July 18, 2022, Mark Clark, Pioneer Road Farm.

²³ Kevin King, public comments, IPC-E-22-12, 6/30/2022: “One could say, residential and small commercial rate payers ‘had their day in court’. I appreciated that the Commission stuck around until 2:15am in 2019 to hear public reaction to the 18-15 cost/benefit study. In response to that testimony and the 1000 public comments in that residential/small commercial docket, the Commission ordered a new process. However, CI&I customers have not been afforded the same opportunity. As a participant in both 18-15 and 19-15, I believe the Commission would have heard different testimony if agribusinesses had been given a similar opportunity to react to the terms agreed to but not filed in 19-15.”



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Fairness. The petition does not rely on solving the Company's capacity deficiency, the petition is about the fair and equitable access to technology, opportunity to manage one's electricity costs, and opportunity to mitigate cost additions by the utility.

The customer lens vs. Company lens. If one thinks from a customer perspective, longer lead times for solar equipment is an argument for enabling customers to have relief from the 100kW cap sooner rather than later. In addition to supply chain challenges, Staff comments (7/19/2022, p5) point out other delays as an argument for dismissing the petition, that "solar projects can often experience delays with inspections, permitting and the interconnection process before a system can be operational." If viewed from a customer perspective, the existence of delays does not warrant additional delay.

Something's not working. Staff and the Company suggest that, while more time is needed to evaluate the cap (which farmers began raising issues with 20 years ago), the Company has sufficient time to add substantial capacity and the associated costs to meet the summer 2023 deficiency. Who will ultimately pay for those costs? From a farmer perspective,

"It seems unfair that the utility can keep making cost additions and earning a return on those additions by collecting revenue from us customers, while irrigators do not have the same opportunity to invest in solar in 2022."²⁴

The opportunity to mitigate future costs should not be dismissed. Per Staff -

Staff notes that secondary level irrigation customers account for approximately 23% of summer peak demand, so any reduction in Irrigator's demand could help defer the need for future generation and transmission plant.²⁵

A "fair shot" is merited to mitigate impacts of future capacity deficiencies. As Idaho Farm Bureau Federation describes, "We ask the Commission to ensure that farmers and ranchers receive a fair shot to help solve the power needs and generation shortfalls by considering IPCE-22-12."²⁶ While Staff questions whether self-generating irrigation customers can add solar in time to address the Company's projected 2023 capacity shortfalls, the Company projects even larger capacity shortfalls in 2024 and 2025. The sooner unnecessary impediments like the 100kW cap are removed, the sooner such customers can provide some relief from those capacity constraints even if, as Staff contends, those benefits arrive later than the summer of 2023.

It would be unfair to dismiss an opportunity to mitigate cost additions by the utility and then later treat those costs as "fixed" and allocate such costs to customers choosing to self-generate.

7. What is the harm of delaying the revision of the Schedule 84 cap?

²⁴ Russell Schiermeier, July 19, 2022 Public Comment, IPC-E-22-12.

²⁵ PUC Staff, IPC-E-18-16 comments 1/21/2020 at 19.

²⁶ Idaho Farm Bureau Federation, IPC-E-22-12 public comments, 5/13/2022.



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Electricity costs keep rising, the Company keeps adding fixed costs, and the revision of the 100kW cap keeps getting delayed. Delaying the time when agribusinesses can install solar based on their needs rather than an arbitrary 100kW cap reduces the opportunity for the public to benefit from:

- **Mitigation of future cost additions** by the utility, as described above.
- **Federal funds.** Agribusinesses and Idaho benefit by enabling Idaho CI&I customers to capture time-sensitive 2022 federal tax and incentive program funds.
- **Improved Reliability.** Distributed generation, especially when paired with energy storage, creates a reliable energy source that is less vulnerable to natural disasters and grid failures.
- **Gas price exposure.** Irrigator load reduction reduces overall system demand and thereby limits exposure to higher gas prices for all customers.
- **Reduced imposition of inequitable and unnecessary costs.** The “ill-advised and punitive cap” serves “to embed inefficiency and high relative cost into construction of systems”²⁷
- **Fair opportunity** for Idaho agribusinesses to control costs and remain competitive.

6. Does PURPA or Non-export options offer “viable alternatives” to the 100kW cap?

The Company suggests that customers wishing to install greater than 100kW can apply through PURPA or install non-export options, and Staff reiterates those arguments in comments. In sum, these do not provide adequate relief to the 100kW cap, and the suggestion presents evidence of the need to consider and understand customer perspectives. In response –

Non-export options do not provide relief from the 100kW cap for all customers. For irrigators, electricity loads are during the growing season. Irrigator-owned generation provides some reduction in the amount of power purchased from the utility and inherently results in exports outside the growing season.

PURPA does not provide relief to the 100kW cap. Exports are a seasonal by-product, not a design goal. PURPA projects are designed to sell power and capacity to a utility. Self-generation is designed to reduce customer exposure to future price increases in the power purchased from a utility. PURPA is in no way a substitute for self-generation.

Consider the farmer who points out the unnecessary expense of installing two 100kW sites rather than one 200kW site²⁸; the suggestion that a cost-prohibitive PURPA application would have been

²⁷ Duane Grant, President Grant 4-D Farms, LLC, Public Comment May 5, 2022, IPC-E-22-12.

²⁸ Adam Young, Public Comment May 12, 2022, IPC-E-22-12. “Our farm has constructed two 100kW sites. One of the sites is located on land which would have been ideal to house a much larger project, had we not been arbitrarily constrained by the 100kW limit. Ironically, our second site (which was constructed on adjacent land less than a mile away and on the same feeder line) required additional infrastructure on Idaho Power’s part. This additional expense and hassle was entirely unnecessary; were it not for the 100kW limit, we could have constructed a single, more efficient site in one location.”



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a viable alternative to that farmer is evidence that the customer perspective is not getting heard or understood. As explained by the Idaho Grain Producers Association (IPC-E-22-12 comments):

“The current 100kW cap on irrigator projects imposes unnecessary costs on farmers who want to invest in solar. Rather than being able to design, build, and connect a single site to match their consumption, farmers are instead required to build multiple, smaller sites in multiple locations – which is more expensive and less efficient for all parties involved.”

9. Is the petition in conflict with prior orders? Does a prior order require the system size cap to be part of the study review phase?

The orders in IPC-E-18-15, IPC-E-20-26, and IPC-E-21-21 do not require that the system size cap be part of the study review phase. This Petition has no impact on the Study Framework or study design phase, which are now complete. The Petition impacts the study review phase.

IPC-E-18-15: The Commission established the study review phase in Order No. 34046 at 25. As commenters to this petition note, 1) the system size cap was not addressed in IPC-E-18-15, and 2) IPC-E-18-15 was an R&SGS docket. As one farmer asks -

Why is there an assumption that a Study Review phase ordered in a residential docket applies to the CI&I cap, particularly when that docket did not address the residential system size cap? **My understanding of the regulatory process is that customers are supposed to be able to weigh in on the matters that impact them.**²⁹

IPC-E-20-26: In response to a substantial number of requests in 2020 for the 100kW cap to be modified, Order 34854 acknowledged the concerns and stated it would be addressed “during or after the forthcoming comprehensive study”,³⁰ which the Company completed June 30, 2022. From a farmer perspective:

As many farmers testified to the PUC in 2020, we are harmed by the delay in addressing the 100kW cap and a lack of predictability or stability of the future export credit rate. I had thought that the record built in that docket would be referenced in the VODER study of the cap, but the study of the pros and cons of the cap did not reference that input from farmers.³¹

IPC-E-21-21: The Company excluded the system size cap from requiring acknowledgement of the study in the process it proposed in IPC-E-21-21: “Unless the Commission establishes a different process, the Company anticipates requesting to implement any potential changes to the net

²⁹ Russell Schiermeier, IPC-E-22-12 Public Comment, July 19, 2022. (Emphasis added).

³⁰ Order 34854, page 12: “Finally, we acknowledge the comments submitted regarding the 100kW cap and meter aggregation rules but decline to address them in this docket. There will be opportunities to address these issues during or after the forthcoming comprehensive study. We thank the parties and public commenters for their participation in this docket and for helping to build a substantial record on the issues before us.”

³¹ Russell Schiermeier, IPC-E-22-12 Public Comment, July 19, 2022.



metering rate design, compensation structure, or ECR after the Commission acknowledges a study.”³²

By its comments in IPC-E-21-21, the Commission was clear that a separate study was not necessary **to study** the cap, that it should be included in the Study Framework. Again, that study has been “completed”³³ and filed June 30, 2022. As described by Idaho Conservation League (ICL),

Contrary to Idaho Power's implication in its Motion to Dismiss, the CEO petition does not request a separate study. As such, a new docket that creates an opportunity to address the implementation of a Schedule 84 system cap based on the VODER study findings is well within the "plain reading" of Orders 35284 and 34854 and is not a "collateral attack" on Commission orders. (ICL Public Comment, IPC-E-22-12, p2)

10. Other than the harm of delay, why is the revised request in IPC-E-22-12 necessary when IPC-E-22-22 proposes a process for modifying the system size cap?

The Commission established the study review phase in IPC-E-18-15 so “the public will be able to comment on whether the study sufficiently addressed their concerns, and their opinions on what the study shows.”³⁴ With regard to the 100kW cap, the VODER study does not reflect customer concerns, and “what the study shows” is insufficient for the public to make informed comments and recommendations. Deficiencies in the VODER study prevent the Study Review phase from serving its purpose with regard to the 100kW cap:

- The Company has been repeatedly instructed to listen to and understand customer concerns regarding net metering. The VODER study was deficient in reflecting the harm to customers of the 100kW cap.
- The Company was ordered to study the alternatives of setting the cap at 100% or 125% of demand; the study presents no comparison.
- The study was ordered to evaluate “safety, service quality, and grid reliability.”³⁵ Staff suggests in IPC-E-22-12 comments that more time is needed to do so.³⁶
- The Company proposed in IPC-E-21-21 to evaluate setting the cap according to a customer’s demand, then in the study the Company raises issues and delays further evaluation.
- The study reflects no lessons from states which offer much higher caps, model interconnection procedures which offer solutions to the issues raised, or from Rocky Mountain Power (which has been studying the same cap for two years, Order 34753, Attachment A, p2).

³² IPC-E-21-21 Application at page 8.

³³ IPC-E-22-22 Application, Attachment 2 - Customer Notice, “The completed study”.

³⁴ Order 34509 at p10.

³⁵ The analysis of the project eligibility cap should also include an evaluation of concerns previously echoed in Order No. 28951 and Order No. 29094, such as safety, service quality, and grid reliability.

³⁶ After reviewing the VODER study, staff comments in IPC-E-22-12 “Time needed to evaluate how the eligibility cap can be increased without unnecessary risk to system safety and reliability.”



Clean Energy Opportunities for Idaho

The Evaluation of Modified Cap in the VODER study consists of 5 pages covering three matters: interconnection requirements, distribution system operations, and implementation & operational considerations. CEO received inquiries from people asking for help finding the evaluation of the cap within the VODER study because they assumed there had to be more to it.

Customers have made clear their concern for urgency in addressing the 100kW cap. The public record is already substantial yet under-utilized. The need for technical workshops is evident.

Both interests are served by proceeding with technical workshops in 2022. The narrowed requests in CEO's reply comments call for technical workshops and offer the Commission the option that implementation be ordered via either IPC-E-22-12 or IPC-E-22-22. In the event the Commission does not wish to order implementation of a modified cap outside of IPC-E-22-22, granting IPC-E-22-12 in part for the purpose of technical workshops enables parties in IPC-E-22-22 to make better recommendations informed by the interests and issues of stakeholders.

The process presented in IPC-E-22-22 delays the time for needed technical workshops into some undefined future. IPC-E-22-12 has provided public notice of matters related to modifying the Schedule 84 cap. It is the appropriate vehicle for promptly providing the needed discussion of the technical matters related to any modification of the Schedule 84 cap. The time has come for facilitated discussion to interactively resolve a matter Idaho is far behind in addressing.

Respectfully submitted,

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Clean Energy Opportunities for Idaho



Clean Energy Opportunities for Idaho

CERTIFICATE OF SERVICE

I hereby certify that on this 26th day of July, 2022. I delivered true and correct copies of the foregoing REPLY COMMENTS to the following persons via the method of service noted:

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