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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 SCHEDULE 84 100KW CAP & TO ESTABLISH A TRANSITION GUIDELINE FOR CHANGES TO SCHEDULE 84 EXPORT CREDIT COMPENSATION VALUES	)	**CASE NO. IPC-E-22-12** **IDAHO CONSERVATION LEAGUE** **COMMENT**

The Idaho Conservation League (ICL) submits the following comment in support of Clean Energy Opportunities for Idaho's (CEO's) petition to separate the issue of implementing a new system size cap for Schedule 84 self-generating customers from the proceedings to study and adjust the export credit rate for all self-generating customers (hereafter known as the "ECR proceedings"). ICL also supports CEO's request to adjust the Schedule 84 system size cap to 100% of a customer's capacity needs and implement the transition guidelines for the export credit value received by new Schedule 84 customers that CEO outlined in its petition.[1]

A. There is nothing in previous Commission orders that would prohibit the opening of a new docket to implement an adjusted Schedule 84 system size cap.

1. In Order 34854, the Commission stated that "there will be opportunities to address [the system size cap] during or after the forthcoming comprehensive

[1] *See* Clean Energy Opportunities for Idaho Petition, Case No. IPC-E-22-22, 16 (Apr. 27, 2022).

study."[2] In Order 35284, the Commission stated that a "separate docket is not necessary to study [the system size cap]."[3]

2. Consistent with both orders, CEO's petition requests that the Commission open a new docket to *implement* one of the two potential Schedule 84 system size caps that were already studied in Idaho Power's recently released Value of Distributed Energy Resources (VODER) study. Contrary to Idaho Power's implication in its Motion to Dismiss, the CEO petition does not request a separate study.[4] 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.[5]

B. The Commission has previously opened separate dockets to address system design criteria during the pendency of the ECR proceedings.

3. In IPC-E-20-26, Idaho Power asked to change the system design criteria to allow Schedule 84 customers to use a single meter to measure net energy consumption as well as access the legacy net metering program.[6] In IPC-E-20-30, Idaho Power requested to change the system interconnection criteria and create a non-export option for self-generators.[7] In both dockets, Idaho Power did not assert that Commission orders prohibited any program changes until the completion of the ECR proceedings. Rather, the Company explained that its requested change

[2] Order 34854, IPC-E-20-26, 12 (Dec. 1, 2020).
[3] Order 35284, IPC-E-21-21, 25 (Dec. 30, 2021).
[4] Idaho Power Company Answer and Motion to Dismiss, IPC-E-22-12, 15 (para. 44) (May 18, 2022).
[5] IPC Motion to Dismiss at 11 (para. 22); 14 (para. 43).
[6] Idaho Power Company Application, IPC-E-20-26, 5 (June 19, 2019).
[7] Idaho Power Company Application, IPC-E-20-30, 2 (July 20, 2020).

would reduce complexities and costs for potential self-generators and increase customer options while giving the utility an opportunity to further study the results of the system changes. Similarly, CEO's requested change in this case will reduce costs and complexities for potential self-generators.

C. Idaho Power's recently released Value of Distributed Energy Resources (VODER) study provides the necessary background information for the Commission to implement an adjusted Schedule 84 system size cap within the IPC-E-22-12 docket.

4. The utility released its VODER study on June 30, 2022. This study discusses issues related to the Schedule 84 system size cap including interconnection requirements, the potential for Idaho Power to have the ability to remotely control large Schedule 84 customer systems for the purposes of managing the distribution system, and other implementation and operational considerations.[8]

5. The release of this study has met the "condition precedent to any consideration of programmatic changes," and the Commission, the utility, intervenors, and the public now have the necessary information to engage in a proceeding to implement changes to the Schedule 84 system size cap.[9]

D. There is a demonstrated need to accelerate the decision regarding the Schedule 84 system size cap.

6. As described in CEO's petition, Idaho Power has capacity shortfalls that could be alleviated by increased customer self-generation.[10] In its motion to dismiss, the utility argues that it "conducted an extensive investigation to identify the least-

[8] Idaho Power Company, *2022 Value of Distributed Energy Resources (VODER) Study*, 97-102 (June, 2022).
[9] IPC Motion to Dismiss at 16 (para. 46).
[10] CEO Petition at 5 (para. 10). The utility has recently sought permission in two separate dockets to quickly add resources to address needed capacity via demand response (IPC-E-21-32) and storage (IPC-E-22-13).

cost, least-risk method of meeting the capacity deficit" and found that storage, not self-generation, was its best option. It is unclear, however, if the utility even considered, let alone thoroughly evaluated, Schedule 84 customer self-generation as an option to address capacity shortfalls.[11] As described in the VODER study, customer self-generation provides capacity value to the utility.[12] This evidence of capacity shortfalls, which was not available when the Commission issued Order 35284, supports opening a docket that can quickly implement an adjusted Schedule 84 system size cap which will increase Schedule 84 customers' ability to produce more solar capacity.

7. Second, a fundamental premise of the Petition is fairness which includes "allow[ing] CI&I customers timely opportunity to invest in technologies such as solar to manage their own electricity costs and remain competitive in their respective markets."[13] Schedule 84 customers have expressed their interest in and need for additional solar capacity but are unable to procure it due to longstanding discrepancies in the way these customers are treated.[14] Under the current system, which caps residential solar at 25 kW, residential customers have the ability to procure 100% of their power from solar. Schedule 84 customers, however, do not have this same access and must endure additional costs in installing multiple meters in order to get more power from solar. Further, Idaho Power's conjecture that Schedule 84 customers cannot currently procure solar arrays due to supply

[11] *See* Ellsworth Direct Testimony, IPC-E-22-13 (Apr. 29, 2022).
[12] *See* IPC, *VODER Study* at 69. The utility estimates the on-peak value of self-generation exports to be between 16.9 cents and 19.5 cents per kWh, more than 150% the retail price of electricity.
[13] CEO petition at 6 (para. 12).
[14] CEO petition at 28.

chain issues is not a relevant inquiry.[15] All utility customers should have equal right and option to procure their energy from alternate sources which enable them to manage their electricity bills and guard against the utility's current push to add infrastructure costs. A docket that implements a new system cap for Schedule 84 customers can correct this longstanding problem.

8. Finally, if the decision regarding the Schedule 84 system size cap remains a part of the ECR proceeding, it will not be addressed for a significant period of time, leaving Schedule 84 customers without recourse to expand their solar procurement. As Idaho Power correctly points out, the ECR proceedings are "importan[t] and complex[]" and thus necessitate additional time for intervenor and public engagement.[16] These proceedings will likely continue well into 2023, meaning that Schedule 84 customers, most of whom rely on additional energy in the summer, and, as the Company noted, could face supply chain delays, will go another full year or longer without the ability to procure additional solar capacity.[17] Instead of waiting for the resolution of the ECR proceedings, the narrow issue of the Schedule 84 system size cap can be addressed more quickly in a separate docket.

9. The above factors, including new evidence about utility capacity shortfalls, historic discrepancies in the way Schedule 84 customers are able to procure their energy needs from solar compared to residential customers, and the prolonged

[15] IPC Motion to Dismiss at 17 (para. 50).
[16] *Id.* at 6 (para. 47).
[17] *See* CEO petition at 4 (para. 7).

timeline of the ECR proceedings support the opening of the IPC-E-22-12 docket which can quickly and effectively provide a resolution to these issues.

E. Separating the technical issue of Schedule 84 system size cap from the financial proceeding to evaluate and determine the export credit rate (ECR) for all solar generating customers will streamline the ECR proceeding and improve the accessibility of the ECR proceeding for intervenors and the general public.

10. The system size cap for Schedule 84 customers is a design issue, not a cost or compensation issue. Despite claiming that the cap issue is integrally related to determining the value of the ECR,[18] Idaho Power's evaluation of the cap in the VODER study presents no analysis of any relationship between the system cap and the overall value of the ECR.[19] Other than considerations for implementation, the only issues with a modified cap that Idaho Power discusses in any detail are interconnection requirements and distribution system operations, indicating that the utility's main concerns with regard to the system cap are technical matters unrelated to the value of the export credit. The program design issues related to system caps are better addressed in a separate docket that is not also evaluating the complex cost and compensation issues of the ECR.

11. The issues raised in the ECR proceeding related to compensation rate and the mechanisms for administering the compensation rate are already sufficiently complex for the public to understand. Including an additional technical design question will serve to further complicate the ECR proceedings and reduce the ability of intervenors and the public to engage fully on any one issue. Idaho

[18] IPC Motion to Dismiss at 16 (para. 47).
[19] IPC, *VODER Study* at 101.

Power recognizes the challenges associated with combining multiple issues into one proceeding. For example, Order No. 34509 instructed the Company to "host public workshops to share information and perspectives on net-metering program design with the public and to listen to customer concerns and input."[20] The Company excluded the system size cap from its public workshop which focused on the export credit rate.[21] Separating the issues into two dockets - one related to cost/compensation and one related to Schedule 84 system size cap - will facilitate a process that is more understandable by the general public.

12. Finally, in its VODER study, Idaho Power states that further evaluation of interconnection issues is needed in order to revise the Schedule 84 cap, and it suggests doing this evaluation via technical workshops. The IPC-E-22-12 Schedule 84 system cap docket would serve as a better venue for these workshops and would better separate Schedule 84 system cap workshops from any ECR workshops.

F. CEO's proposed changes to the Schedule 84 system size cap as well as its proposed transition guidelines for the credits offered to Schedule 84 customers are reasonable in light of Idaho Power's capacity needs and the demonstrated needs and interest of Schedule 84 customers, as described above.

[20] Order No. 34509, IPC-E-18-15, 9 (Dec. 20, 2019).

[21] *See* Idaho Power Company Application, IPC-E-22-22, 12 (June 30, 2022) ("The workshop focused on the export credit rate components because the majority of public comments and parties' interest throughout Case No. IPC-E-21-21 centered on the compensation for excess net energy. As a result, the Company felt it was essential to provide an overview at a public workshop and seek to solicit feedback from the public and parties related to how the Company was addressing that specific part of the Study.")

Respectfully submitted this 11th day of July, 2022.

/s/ *Emma E. Sperry*

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