IDAHO POWER.
An IDACORP Company

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June 30, 2022

VIA ELECTRONIC FILING

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg 8,
Suite 201-A (83714)
PO Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-22-22
Application to Complete the Study Review Phase of the Comprehensive Study of Costs and Benefits of On-Site Customer Generation & for Authority to Implement Changes to Schedules 6, 8, and 84

Dear Ms. Noriyuki:

Attached for electronic filing is Idaho Power Company's ("Company") Application in the above-referenced matter. In addition, please find attached the Direct Testimony of Grant T. Anderson filed in support of the Application. A Word version of the testimony will also be sent in a separate email for the convenience of the Reporter.

Due to the voluminous nature of the Study and its 31 appendices, the Company is transmitting these files to the Commission via a secure FTP site.

Accompanying this filing is the Company's Press Release and Customer Notice.

Additionally, four (4) bound and three (3) unbound copies of the Study will be hand delivered to the Commission today.

If you have any questions about the documents referenced above, please do not hesitate to contact me.

Very truly yours,

Lisa D. Nordstrom

Lisa D. Nordstrom

LDN:sg
Attachments

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Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION TO COMPLETE THE STUDY REVIEW PHASE OF THE COMPREHENSIVE STUDY OF COSTS AND BENEFITS OF ON-SITE CUSTOMER GENERATION & FOR AUTHORITY TO IMPLEMENT CHANGES TO SCHEDULES 6, 8, AND 84 FOR NON-LEGACY SYSTEMS	)	CASE NO. IPC-E-22-22 APPLICATION

Idaho Power Company ("Idaho Power" or "Company"), pursuant to Idaho Public Utilities Commission's ("Commission") Rule of Procedure 52 and in accordance with the directive in Order No. 35284[1], respectfully requests that the Commission complete the study review phase of the multi-phase collaborative process being undertaken by the Company to study the costs, benefits, and compensation of net excess energy associated

[1] *In the Matter of Idaho Power Company's Application to Initiate a Multi-Phase Collaborative Process for the Study of Costs, Benefits, and Compensation of Net Excess Energy Associated with Customer On-Site Generation,* Case No. IPC-E-21-21, Order No. 35284 at 32-33 (Dec. 30, 2021).

with customer on-site generation. In support of this request, Idaho Power hereby submits the Value of Distributed Energy Resources ("VODER") study as Attachment 1, which, along with accompanying appendices, represents the comprehensive study of the costs and benefits of on-site generation ("Study") performed by the Company at the direction of the Commission[2] for the study review and implementation phases.

Idaho Power further requests the Commission: (1) establish a formal process and timeline for Commission Staff ("Staff"), intervenors, and the public to review and comment on the Study; and (2) issue an order acknowledging that the Study satisfies the Commission directives outlined in Order Nos. 34046, 34509, and 35284[3] and directing modifications to the Company's on-site generation service offerings be implemented, with an ultimate goal of establishing more sustainable offerings by implementing a more equitable pricing and compensation structure.

In support of this Application, Idaho Power asserts as follows:

I. CUSTOMER ON-SITE GENERATION – CURRENT STATUS AND STRUCTURAL CONSIDERATIONS

1. Idaho Power has a long history of supporting customer choice and has offered a net metering option for its customers since 1983, when Idaho Power had a single customer with on-site generation who wished to interconnect to the Company's system. Any excess energy that customers generated was sent back to Idaho Power's

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[2] *In the Matter of Idaho Power Company's Application for Authority to Establish New Schedules for Residential and Small General Service Customers with On-Site Generation,* Case No. IPC-E-17-13, Order No. 34046 at 31 (May 9, 2018); *In the Matter of the Application of Idaho Power Company to Study the Costs, Benefits, and Compensation of Net Excess Energy Supplied by Customer On-Site Generation,* Case No. IPC-E-18-15, Order No. 34509 at 17 (Dec. 20, 2019); and Case No. IPC-E-21-21, Order No. 35284 at 32-33.

[3] *Id.*

grid, and those customers earned an energy credit that offset their monthly energy consumption under a billing structure known as "net energy metering" or "net metering".

2. What has become apparent in the intervening decades, as more and more customers have availed themselves of on-site generation and bi-directional service from Idaho Power, is that the existing retail rate net metering compensation structure oversimplifies the arrangement, treating the exchange as one-for-one when the reality of the transaction for on-site generation customers is not so straightforward.

3. The existing billing structure (i.e., rate design) applied to the Company's retail customers was designed to account for costs associated with one-way use of the grid. This structure does not, therefore, accurately reflect the costs to serve customers that meet some of their own energy needs with on-site, customer-owned systems but still require services from Idaho Power including bi-directional use of the grid as well as energy any time they aren't producing their own power or need more than they can produce.

4. The result of this misalignment is that net metering customers are being charged rates that do not appropriately reflect the benefits and costs of interconnecting customer-owned on-site generation to Idaho Power's system and this, in turn, has resulted in a situation susceptible to inequitable cost shifts between customers who choose to install on-site generation and those who do not.

5. Idaho Power's attempts to address this misalignment by modernizing its on-site generation compensation structure to reflect the value of bi-directional energy flow

has resulted in a long series of customer-self generation dockets[4] from which the instant Application stems. While the regulatory history related to on-site generation is set forth more fully in Section 2.2. of the Study, a brief overview of the cases from which this Application derives is included in Section II, below.

6. Currently, customers who install on-site generation can interconnect an exporting system under the terms of Schedule 6, Residential Service On-Site Generation ("Schedule 6"), Schedule 8, Small General Service On-Site Generation ("Schedule 8"), and Schedule 84. Schedule 84 is the tariff schedule for the Company's commercial, industrial, and irrigation ("CI&I") customers to take net metering service.

7. As the record demonstrates, Idaho Power continues to support customer choice and interest in renewable energy and has devoted significant time and resources to ensure that customers with on-site generation will ultimately have a service offering available to them that is scalable, sustainable into the future, and fair to all customers. This effort has been years in the making, and Idaho Power is pleased to have reached a significant milestone in the process with this filing and associated submission of the comprehensive Study it conducted, at the Commission's behest, of the costs and benefits of on-site generation to help inform future changes to the on-site generation service offerings.

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[4] *See, e.g.,* Case No. IPC-E-17-13; Case No. IPC-E-18-15; *In the Matter of Idaho Power Company's Application for Authority to Study the Measurement Interval, Compensation Structure, and Value of Net Excess Energy for On-Site Generation Under Schedule 84 and to Temporarily Suspend Schedule 84 Net Metering Service to New Idaho Applicants,* Case No. IPC-E-19-15; *In the Matter of Idaho Power Company's Application for Authority to Modify Schedule 84's Metering Requirement and to Grandfather Existing Customers with Two Meters,* Case No. IPC-E-20-26; and Case No. IPC-E-21-21.

II. RELEVANT REGULATORY HISTORY

Case No. IPC-E-17-13

8. In Case No. IPC-E-17-13, the Company launched its effort to have the Commission review and modify the outdated net metering offerings to better align with the actual circumstances. As a first step in this process, the Commission removed residential and small general service ("R&SGS") customers with exporting systems from Schedule 84 and created two new tariff schedules: Schedule 6 and Schedule 8.[5] Schedule 84 continued to define the terms for CI&I customers with exporting systems.[6]

9. In order to more accurately assign the appropriate share of fixed costs and unquantified benefits of on-site customer generation, the Commission also directed the Company to "initiate a docket to comprehensively study the costs and benefits of on-site generation on Idaho Power's system, as well as proper rates and rate design, transitional rates, and related issues of compensation for net excess energy provided as a resource to the Company."[7]

Case No. IPC-E-18-15

10. Case No. IPC-E-18-15 was initiated by Idaho Power to study the costs, benefits, and compensation of net excess energy supplied by customer on-site generation.[8] Subsequently, the Company, Staff, and various stakeholders undertook a thorough, data-driven evaluation of the Company's on-site generation offering and

[5] Case No. IPC-E-17-13, Order No. 34046 at 30-31 (May 9, 2018).

[6] *Id.* at 31.

[7] *Id.*

[8] Case No. IPC-E-18-15, Petition to Initiate Docket (Oct. 19, 2018).

through this collaborative process the parties were able to reach a compromise on a significant number of critical elements to the Company's on-site generation offering ("Settlement Agreement").

11. However, the Commission ultimately rejected the proposed Settlement Agreement because the process did not satisfy the requirements that it had established in Case No. IPC-E-17-13.[9] As a result, the Commission reiterated that no changes to the Company's net-metering program would be considered until Idaho Power has prepared and filed a "credible and fair study" of the costs and benefits of distributed on-site generation.

12. In its Order, the Commission outlined a "study design" phase and a "study review" phase. During the "study design" phase, Staff and the Company will both "host public workshops to share information and perspectives on net-metering program design with the public and to listen to customer concerns and input."[10] In the "study review" phase, the public will have the opportunity to comment on whether the study sufficiently addressed their concerns and their opinions on what the study shows.[11]

13. While the Commission did not change the Company's net-metering service offering at that time, it did establish criteria to define legacy treatment for existing systems under Schedule 6 and Schedule 8.[12]

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[9] Case No. IPC-E-18-15, Order No. 34509 at 6 (Dec. 20, 2019).

[10] *Id.* at 9-10.

[11] *Id.*

[12] *See* Case No. IPC-E-18-15, Order No. 34509 at 14-15 and Order No. 34546 at 8-11 (Feb. 5, 2020).

Case No. IPC-E-19-15

14. The Company initiated Case No. IPC-E-19-15 while the issues in Case No. IPC-E-18-15 were still under Commission review. In the application, Idaho Power highlighted concerns that Schedule 84 customers were continuing to rely on the expectation of the ongoing application of the net monthly billing and compensation structure and asked the Commission to initiate the new docket to consider similar issues as to what was under review in Case No. IPC-E-18-15, but for CI&I customers taking service under Schedule 84. Subsequent to the Commission rejecting the Settlement Agreement in Case No. IPC-E-18-15, Idaho Power withdrew its application in Case No. IPC-E-19-15, indicating the matters related to compensation structure and export credit rate for Schedule 84 would be appropriately considered in the new future comprehensive study docket as prescribed in Case Nos. IPC-E-17-13 and IPC-E-18-15.

Case No. IPC-E-20-26

15. The Company initiated Case No. IPC-E-20-26 for authorization to change Schedule 84's two-meter requirement to a single-meter requirement for new customer-generators and to establish legacy treatment for existing customer-generators under the current rules as of December 1, 2020. The Commission ultimately established criteria similar to Case No. IPC-E-18-15, defining legacy treatment for existing Schedule 84 systems.[13]

Case No. IPC-E-21-21

16. On June 28, 2021, Idaho Power filed Case No. IPC-E-21-21 requesting that the Commission initiate the multi-phase process for a comprehensive study of the costs

[13] Case No. IPC-E-20-26, Order No. 34854 at 11 (Dec. 1, 2020).

and benefits of on-site generation as directed in Order No. 34046.[14] After considering more than 250 written public comments, oral testimony at a public hearing, and written comments filed by eleven parties to the proceeding, the Commission issued Final Order No. 35284 approving a Study Framework detailed therein.

17. The Commission found that the Study Framework "meets our directive for a credible and fair study" and reminded Idaho Power to "use the most current data possible" that is readily available to the public and submitted to the Commission's decision-making record.[15] The Commission ordered that the Company "complete the study in 2022 as soon as feasible" and indicated that "persons and parties will have another opportunity to participate during the study review phase."[16]

Case No. IPC-E-22-12

18. Recently, another on-site generation related docket was initiated, which seeks relief as to matters within the scope of the Study. On April 27, 2022, Clean Energy Opportunities for Idaho ("CEO") submitted a Petition asking that the Commission open a separate docket, specific to CI&I customers, for the purposes of modifying the on-site generation project eligibility cap for Schedule 84 customers and establishing transition guidelines regulating "the pace at which the compensation for excess energy may change for Schedule 84 customers if and when an Export Credit Rate is implemented."[17]

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[14] Case No. IPC-E-21-21, Application (Jun. 25, 2021).

[15] Case No. IPC-E-21-21, Order No. 35284 at 9. *See also* Case No. IPC-E-18-15, Order No. 34509 at 9-10.

[16] Case No. IPC-E-21-21, Order No. 35284 at 32 and 10.

[17] *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, CEO Petition at 1 (Apr. 27, 2022).

19. Idaho Power filed an Answer and Motion to Dismiss CEO's Petition on May 18, 2022, asserting, *inter alia*, that the Petition improperly seeks to allow a single customer class to bypass the process that the Commission has repeatedly determined is necessary, constitutes an impermissible collateral attack on Order No. 35284, and is redundant insofar as it raises issues within the scope of this Study.

20. On June 28, 2022, the Commission issued Order No. 35453 seeking written comments on whether the case should proceed or be dismissed.

III. THE COMPREHENSIVE STUDY

21. Following the Commission's Order in Case No. IPC-E-21-21, the Company pursued the Study in accordance with the foundational principles outlined by the Commission: The Study must (1) "use the most current data possible, and the data must be readily available to the public, and in the Commission's decision-making record"; (2) be designed "in coordination with the parties and the public, and the final scope of the study will be determined by the Commission"; and (3) "be written so it is understandable to an average customer, but its analysis must be able to withstand expert scrutiny."[18]

22. Pursuant to this guidance, the Company largely utilized data from 2021 and has included all underlying data and supporting documentation relied upon in development of the Study as appendices thereto. In addition, party and public comments received throughout Case No. IPC-E-21-21 were critical in shaping the Study Framework ultimately approved by the Commission. As described more fully in Section IV, below, the Company also solicited feedback from parties and the public while the Study was under development through a public workshop. The Company also used this opportunity to seek

[18] Case No. IPC-E-18-15, Order No. 34509 at 9.

public comment on the understandability of the concepts being described. The Company included a glossary in the Study that describes key terms and acronyms and, where appropriate, utilized figures and images to further enhance understandability of technical concepts. While customer understandability was a high priority in the written Study, the underlying analysis relies on a robust technical assessment of the costs and benefits of customer generation on Idaho Power's system.

23. Driven by the Commission-approved Study Framework, the ultimate objectives of the Study were to evaluate the costs and benefits of on-site generation on Idaho Power's system fairly, objectively, and holistically. The Study and its appendices represent the culmination of Idaho Power's efforts, documenting the analysis of the benefits and costs of on-site customer generation within Idaho Power's service area.

24. As elucidated by the Commission, a full cost-of-service evaluation, in-depth study of rate design options, and implementation of transitional rates are outside the scope of this proceeding.[19] As a result, billing structure is not at issue in this case. Rather this proceeding is concerned with identifying potential modifications to the compensation structure for customer-generators that could occur in advance of a general rate case.

25. Pursuant to the Commission-approved Study Framework,[20] the Study addresses the following topics: (1) measurement interval; (2) export credit rate; (3) frequency of export credit rate updates; (4) compensation structure; (5) class cost-of-service; (6) recovering export credit rate expenditures; (7) project eligibility cap; (8) other

[19] Case No. IPC-E-21-21, Order No. 35284 at 24-25.

[20] An overview of the Study Framework as authorized by the Commission vis-a-vis the Study is provided on pages 27 through 30 of the testimony of Company witness Grant T. Anderson.

areas of study; (9) implementation considerations including transitional rates and administrative and communication materials.[21] The Study includes 31 appendices which contain the underlying data and supporting documentation for the information contained within the Study. The comprehensive Study incorporates data for residential, small general, commercial, industrial, and irrigation customers with exporting systems installed and active for all 12 months of 2021.

26. Importantly, the Study itself does not advocate for a single position regarding potential modifications to the current net metering service, but rather examines several methods of valuing customer-owned generation energy exports and explores other important considerations.

IV. THE COLLABORATIVE PROCESS

27. Utilizing a collaborative approach, the Company sought input from the public and stakeholders in pursuing the Study. On April 19, 2022, the Company issued a press release notifying the public of a public workshop to be held on May 2, 2022. The press release informed the public that "the workshop will focus on the export credit rate – the amount customers with on-site generation systems, such as rooftop solar panels, are credited for the excess energy they send back to Idaho Power's grid." Additionally, the press release notified the public that during the workshop, Idaho Power would "share information on the possible methods for evaluating the export credit rate" and the workshop would be an opportunity for "customers and interested stakeholders to provide

[21] Notably, the two matters that CEO is pursuing through a separate docket, Case No. IPC-E-22-12, fall squarely within the Study Framework and are addressed in Sections 9 and 11 of the Study.

feedback to the Company."[22] The Company also sent notice to all parties in Case No. IPC-E-21-21 informing them of the workshop and how to participate.

28. In addition to several parties that had participated in previous cases, more than 40 members of the public attended the workshop, and a recording and copy of the presentation materials were made publicly available on Idaho Power's website following the workshop. At the workshop, the Company presented an overview of the methodologies identified within the Study Framework and asked for public feedback regarding the methods under study for determining the value of excess net energy.[23]

29. 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.

30. Following the workshop, the Company received five comments from the public and one comment from CEO.

31. Generally, the public comments discussed the need for affordability and accessibility of solar generation and highlighted that environmental and societal benefits should drive Idaho Power to incentivize and promote customer generation. Two comments mentioned a perceived unfairness with "changing rates" for non-legacy

[22] A copy of the press release for the workshop is attached as Exhibit 1 to the Direct Testimony of Grant Anderson.

[23] A copy of the presentation is attached as Exhibit 2 to the Direct Testimony of Grant Anderson.

customers. Comments also expressed a desire for a fair study and an understandable report.[24]

32. CEO provided comments on four topics that they suggest for consideration: (1) CEO suggests that Idaho Power consider the potential for customer-generator exports to allow Idaho Power to avoid costs associated with purchasing additional renewable energy credits ("REC"); (2) CEO proposed Idaho Power consider whether it could provide incentives to reduce the cost for customers to install on-site generation to avoid distribution system upgrades; (3) CEO suggested that time-of-use ("TOU") rates would be better focused on incenting changes in consumption patterns than the export credit rate; and (4) CEO believes the study should address the value of exports from customers with on-site generation in reducing fuel price risk.

33. As more fully set forth in pages 34 through 36 of the testimony of Company witness Grant T. Anderson, the Study addresses CEO's recommendations (1), (2), and (4) as follows: Section 4.5.2 of the Study, Crediting Customers for Value of Renewable Energy Credits, addresses CEO's comment regarding the potential for customer exports to avoid costs associated with purchasing additional RECs; Section 4.3.1 of the Study, Transmission and Distribution Capacity Cost: Method and Assumptions, discusses this proposal to offer incentives for on-site generation systems interconnected in locations that avoid distribution system upgrades; and Section 4.1 of the Study, Avoided Energy Costs, evaluates the value from customer-generator exports related to fuel price risks.

34. With respect to CEO's third recommendation, the Company is not opposed to evaluating TOU rates for consumption pursuant to CEO's suggestion that TOU rates

[24]A copy of public comments is included as Exhibit 3 to Direct Testimony of Grant Anderson.

would be better focused on incenting changes in consumption patterns than the export credit rate. That, however, is a question of rate design, which is outside the scope of this Study.[25]

V. STUDY REVIEW AND RECOMMENDATIONS

35. The final stages of the multi-phase study process should continue in the spirit of transparency, collaboration, and fairness. The Study explores several methods of valuing customer-owned generation energy exports and explores other important considerations, and Idaho Power looks forward to receiving input on the Study from the Commission Staff, intervenors, and members of the public as part of the study review process.

36. There are several key findings supported by the Study. First, it is clear from the Study that the Company has the technical capability to reduce the measurement interval for on-site generation exports and that such a modification would improve the accuracy of cost assignment and compensation for on-site generation customers. Second, the Study presents multiple valid methods of valuing excess energy from on-site generators, each of which differ materially from current retail energy rates, suggesting consideration of modifications is warranted. Lastly, the Study presents several implementation considerations that can adequately inform the appropriate timing of transitioning to a successor service offering.

37. The Company has not yet developed a recommendation for potential modifications to its on-site generation offerings for the Commission's consideration, though as outlined by the proposed schedule in Section VI below, it does propose to do so as part of the case. The Company believes its ultimate recommendation will be best

[25] Case No. IPC-E-21-21, Order No. 35284 at 24-25.

guided and informed by feedback and input received from parties to the case and members of the public.

38. The Company anticipates recommendations would address the following:

- Compensation Structure – Recommendations on (1) a proposed measurement interval; (2) export credit rate value and structure.
- Frequency of Updates – Recommendations on the appropriate frequency of export credit rate updates to balance customer stability and the need for regular updates to track avoided costs.
- Recovery of Export Credit Expenditures – Recommendations on the mechanism to recover export credit expenditures.
- Project Eligibility Cap – Recommendations related to the project eligibility cap for exporting systems.
- Transitional Rates – Recommendations on the need for a transitional period to a modified export credit rate, including the appropriate timing to transition.

39. If the Commission ultimately authorizes a successor service offering for non-legacy on-site customer-generators, the Study contemplates the following considerations be evaluated: (1) transitional rates, and (2) administrative updates and communication materials.

40. As further discussed in Section 11.1 of the Study, Transitional Rates, the Study does not set forth a specific proposal for implementation but recognizes that the Commission, with input from parties, the public, and the Company, can assess if a transition period is fair, just, and reasonable for on-site customer-generators with non-legacy systems once changes to the compensation structure are known.

VI. PROPOSED STUDY REVIEW AND IMPLEMENTATION SCHEDULE

41. The Company envisions scheduled events would occur sequentially to first allow for public vetting of the Study before stakeholders, including the Company, take positions on recommended methods for implementing a successor service offering for non-legacy on-site customer-generator systems.

42. In anticipation of a scheduling conference with Staff and intervenors, the Company proposes a procedural schedule like the following that will allow participants to review and provide input on the Study and would facilitate the Company and other parties making recommendations to the Commission in the early fall of this year:

Approximate Date	Event
June 30, 2022	Idaho Power Files Study
August 22-25, 2022	Staff and Company host public workshop(s) on Study
September 5, 2022	Party initial comments on Study
September 26, 2022	All Party reply comments on Study
October 12, 2022	All Party comments proposing recommendations for implementation (accompanied by all supporting workpapers)
November 14, 2022	All Party final reply comments on implementation recommendations (accompanied by all supporting workpapers)
November 30, 2022	Company Final Response
December 5, 2022	IPUC public hearing(s)
December 30, 2022	Target date for IPUC order

43. This proposed procedural schedule would position the Commission to issue an order directing changes to the on-site customer generation service offering by December 30, 2022.

44. Following issuance of an order, the Company would request that the Commission allow for the implementation of potential changes over at least a 5-month period, meaning any Commission-approved changes to the on-site generation service offering would not occur before June 1, 2023. This time would allow for the evaluation of actions necessary before implementation, including required system changes, tariff updates, and customer and installer communication.

VII. STAKEHOLER & CUSTOMER NOTIFICATION

45. Idaho Power has issued a news release to notify the public of this Application.

46. In addition, Idaho Power will directly notify all existing customers, including residential and small general customers (those taking service under Schedules 1, 6, 7, and 8) and large general service, industrial, and irrigation customers (those taking service under Schedules 9, 19, 24, and 84) of the Application with a bill insert in their next billing cycle. The bill insert will notify all customers that Idaho Power has filed a comprehensive study analyzing the benefits and costs of on-site customer generation within Idaho Power's service area. The customer notice also explains that the study provides information that the Commission, Idaho Power, and other stakeholders will use to determine what changes to Idaho Power's existing customer generation offering should be implemented and the timing of that implementation. A copy of the press release and customer bill insert are included as Attachment 2 to the Application.

47. Idaho Power will also send direct mail letters to all existing and pending on-site generation customers notifying them of the case. Legacy customers will receive a

letter notifying them that the Company has filed the Study with the Commission, reminding them of legacy status and how to maintain legacy status, and will provide information on how they can participate in the proceeding. Non-legacy customers will receive a letter notifying them that Company has filed the Study with the Commission, informing them they may be impacted by the outcome of the case, and will provide information on how they can participate in the proceeding. A draft of the letters is included as Attachment 3 to the Application.

48. Idaho Power has also served a copy of this Application on the parties of record in Case No. IPC-E-21-21 that established the Study Framework.

VIII. MODIFIED PROCEDURE

49. Idaho Power believes that a hearing is not necessary to consider the issues presented herein, and respectfully requests that this Application be processed under Modified Procedure pursuant to Commission Rules of Procedure 201, *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to present the accompanying direct testimony of Grant T. Anderson in support of its Application.

IX. COMMUNICATIONS AND SERVICE OF PROCEEDINGS

50. Service of pleadings, exhibits, orders, and other documents relating to this proceeding should be served on the following:

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X. REQUEST TO INITIATE PROCEEDINGS TO COMPLETE STUDY REVIEW PHASE & EVALUATE IMPLEMENTATION OPTIONS

51. The Company requests that the Commission initiate the study review and implementation phases of the comprehensive study of costs and benefits of on-site customer generation as outlined by the Commission in Order No. 34509.[26] Specifically, the Company requests the Commission (1) establish a formal process for public review of, and comment on, the Study; (2) issue an order acknowledging that the Study satisfies the Commission directives outlined in Order Nos. 34046, 34509, and 35284, and directing modifications to the Company's on-site generation service offerings be implemented.

DATED at Boise, Idaho, this 30th day of June 2022.

Lisa D. Nordstrom

LISA D. NORDSTROM
Attorney for Idaho Power Company

[26] Case No. IPC-E-18-15, Order No. 34509 at 9-10.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 30th day of June 2022, I served a true and correct copy of IDAHO POWER COMPANY'S APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff Riley Newton Deputy Attorney General Idaho Public Utilities Commission 11331 W. Chinden Blvd., Bldg No. 8 Suite 201-A (83714) PO Box 83720 Boise, ID 83720-0074	____ Hand Delivered ____U.S. Mail ____Overnight Mail ____FAX ____FTP Site __X__Email Riley.Newton@puc.idaho.gov
IdaHydro C. Tom Arkoosh ARKOOSH LAW OFFICES 913 W. River Street, Suite 450 P.O. Box 2900 Boise, Idaho 83701	____Hand Delivered ____ U.S. Mail ____Overnight Mail ____FAX ____FTP Site __X__ Email tom.arkoosh@arkoosh.com erin.cecil@arkoosh.com
Idaho Conservation League Benjamin J. Otto Idaho Conservation League 710 North 6th Street Boise, Idaho 83702	____Hand Delivered ____ U.S. Mail ____Overnight Mail ____FAX ____FTP Site __X__ Email botto@idahoconservation.org
Idaho Irrigation Pumpers Association, Inc. Eric L. Olsen ECHO HAWK & OLSEN, PLLC 505 Pershing Avenue, Suite 100 P.O. Box 6119 Pocatello, Idaho 83205	____Hand Delivered ____ U.S. Mail ____Overnight Mail ____FAX ____FTP Site __X__ Email elo@echohawk.com
City of Boise Ed Jewell Deputy City Attorney Boise City Attorney's Office 150 North Capitol Boulevard P.O. Box 500 Boise, Idaho 83701-0500	____Hand Delivered ____ U.S. Mail ____Overnight Mail ____FAX ____FTP Site __X__ Email ejewell@cityofboise.org boisecityattorney@cityofboise.org

Idaho Clean Energy Association Kevin King Board President P.O. Box 2264 Boise, ID 83702	____Hand Delivered ____ U.S. Mail ____Overnight Mail ____FAX ____FTP Site __X__ Email staff@idahocleanenergy.org
Industrial Customers of Idaho Power Peter J. Richardson RICHARDSON ADAMS, PLLC 515 North 27th Street (83702) P.O. Box 7218 Boise, Idaho 83707	____Hand Delivered ____U.S. Mail ____Overnight Mail ____FAX ____FTP Site __X__ Email peter@richardsonadams.com
Dr. Don Reading 6070 Hill Road Boise, Idaho 83703	____Hand Delivered ____U.S. Mail ____Overnight Mail ____FAX ____FTP Site __X__ Email dreading@mindspring.com
Micron Technology, Inc. Austin Rueschhoff Thorvald A. Nelson Austin W. Jensen Holland & Hart, LLP 555 Seventeenth Street, Suite 3200 Denver, Colorado 80202	____ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX ____ FTP Site __X__ Email darueschhoff@hollandhart.com tnelson@hollandhart.com awjensen@hollandhart.com glgargano-amari@hollandhart.com
Jim Swier Micron Technology, Inc. 8000 South Federal Way Boise, Idaho 83707	____ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX ____ FTP Site __X__Email jswier@micron.com aclee@hollandhart.com
Clean Energy Opportunities for Idaho Kelsey Jae Law for Conscious Leadership 920 N. Clover Dr. Boise, Idaho 83703	____ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX ____ FTP Site __X__ Email kelsey@kelseyjae.com

Michael Heckler Courtney White Clean Energy Opportunities for Idaho 3778 Plantation River Dr., Suite 102 Boise, ID 83703	____Hand Delivered ____ U.S. Mail ____Overnight Mail ____FAX ____FTP Site __X__ Email courtney@cleanenergyopportunities.com mike@cleanenergyopportunities.com
Richard E. Kluckhohn Wesley A. Kluckhohn 2564 W. Parkstone Dr. Meridian, ID 83646	____ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX ____ FTP Site __X__ Email kluckhohn@gmail.com wkluckhohn@mac.com
Kiki Leslie A. Tidwell 704 N. River Street #1 Hailey, Idaho 83333	____ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX ____ FTP Site __X__ Email ktinsv@cox.net
ABC Power Co. LLC Ryan Bushland 184 W. Chrisfield Dr. Meridian, ID 83646	____ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX ____ FTP Site __X__ Email ryan.bushland@abcpower.co
Idahome Solar, LLC Tyler Grange 2484 N. Stokesberry Pl. #100 Meridian, ID 83646	____ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX ____ FTP Site __X__ Email tyler@idahomesolar.com

Comet Energy LLC George Stanton 13601 W. McMillan Rd. Ste 102 PMB 166 Boise, ID 83713	____ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX ____ FTP Site __X__ Email george.stanton@cometenergy.biz
Idaho Solar Owners Network Joshua Hill 1625 S. Latah P.O. Box 8224 Boise, ID 83707	____ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX ____ FTP Site __X__ Email joshuashill@gmail.com tottens@amsidaho.com

Stacy Gust

Stacy Gust, Regulatory Administrative Assistant

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-22-22

IDAHO POWER COMPANY

ATTACHMENT 1

VALUE OF ON-SITE DISTRIBUTED ENERGY RESOURCES (VODER) STUDY

SEE ATTACHED SEPARATE DOCUMENTS

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-22-22

IDAHO POWER COMPANY

ATTACHMENT 2

CUSTOMER NOTICE

IDAHO POWER.

NEWS RELEASE

Idaho Power Files Customer Generation Study

June 30, 2022

BOISE, Idaho — At the direction of the Idaho Public Utilities Commission (IPUC), Idaho Power has filed a study analyzing the benefits and costs of on-site customer generation within the company's service area. The study provides information that the IPUC, Idaho Power and other stakeholders will use to determine whether changes should be made to Idaho Power's existing customer generation offering for all customer classes (Schedule 6, Schedule 8 and Schedule 84).

The completed study, which opens case IPC-E-22-22, includes a review of methods to determine benefits and costs that come when excess energy is generated by on-site generation systems, such as solar and wind, that interconnect with the Idaho Power grid. The elements of the study, approved by the IPUC in case IPC-E-21-21 last year, include several components of on-site customer generation:

- The measurement interval of excess energy generated by customers (i.e., net hourly or real-time)
- The Export Credit Rate (ECR), which is how customers are compensated (in the form of a rate credit) for excess energy they send back to Idaho Power's grid
- An evaluation of the eligibility caps for on-site customer generation systems, which are currently set at 25 kilowatts (kW) for residential customers and 100 kW for commercial, industrial and irrigation customers
- Other factors — including the timing of potential updates to the ECR, an evaluation of expiring credits and billing structure considerations — with the goal of keeping the public well informed of any potential changes to customer generation

Next, the IPUC will set a schedule to process the case and interested stakeholders will have an opportunity to submit public comments on the study. Idaho Power has proposed a schedule that could allow for the IPUC to issue a determination as to the future structure of this service offering by the end of 2022, with implementation no earlier than June 1, 2023. To view the study and supporting data, visit idahopower.com/study. To provide feedback to the IPUC regarding the study, visit puc.idaho.gov and reference Case No. IPC-E-22-22.

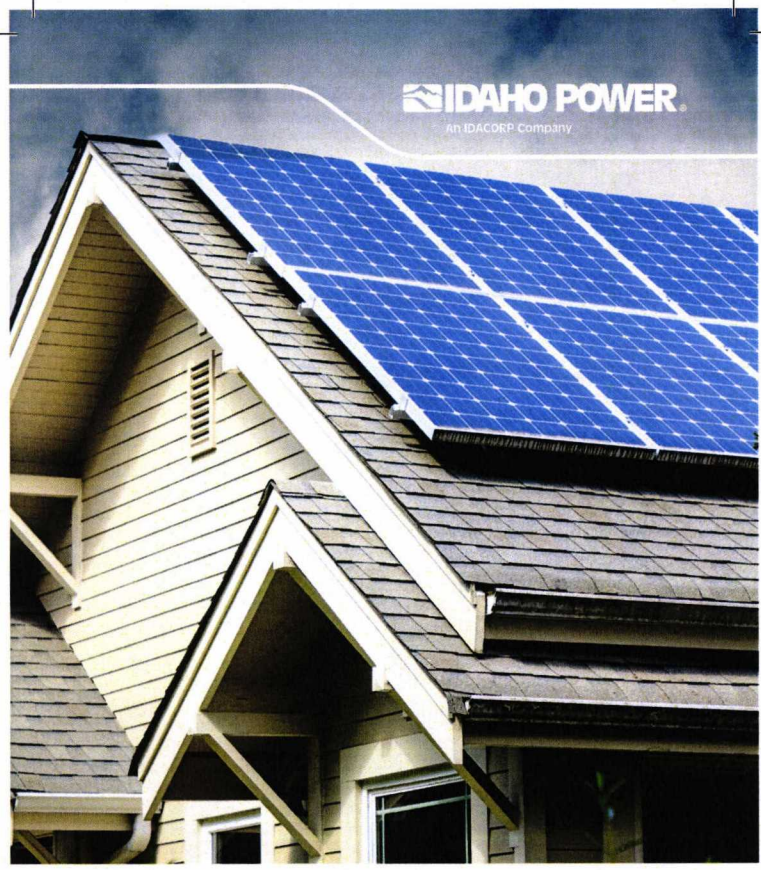
As part of previous rulings, the IPUC granted legacy (grandfathered) status to eligible Schedule 6 and 8 (residential and small general service) on-site generation systems as of December 20, 2019. Eligible Schedule 84 (commercial, industrial and irrigation) systems received legacy status as of December 1, 2020. Customers who do not have legacy systems are subject to changes to the on-site generation compensation structure, including the value of the ECR. Customers are notified when applying for interconnection that the value of excess energy is subject to change. While not at issue in this case, all on-site generation customers, regardless of legacy status, are subject to changes in rates (energy prices), billing components and billing structure.

About Idaho Power

Idaho Power, headquartered in vibrant and fast-growing Boise, Idaho, has been a locally operated energy company since 1916. Today, it serves a 24,000-square-mile area in Idaho and Oregon. The company's goal to provide 100% clean energy by 2045 builds on its long history as a clean-energy leader that provides reliable service at affordable prices. With 17 low-cost hydroelectric projects at the core of its diverse energy mix, Idaho Power's residential, business and agricultural customers pay among the nation's lowest prices for electricity. Its 2,000 employees proudly serve more than 600,000 customers with a culture of safety first, integrity always and respect for all.

IDACORP Inc. (NYSE: IDA), Idaho Power's independent publicly traded parent company, is also headquartered in Boise, Idaho. To learn more, visit idahopower.com or idacorpinc.com.

Jordan Rodriguez
Communications Specialist
jrodriguez@idahopower.com
208-388-2460



Idaho Power Files Customer Generation Study

At the direction of the Idaho Public Utilities Commission (IPUC), Idaho Power has filed a study analyzing the benefits and costs of on-site customer generation within the company's service area. The study provides information that the IPUC, Idaho Power and other stakeholders will use to determine whether changes should be made to Idaho Power's existing customer generation offering for all customer classes (Schedule 6, Schedule 8 and Schedule 84).

The completed study, which opens case IPC-E-22-22, includes a review of methods to determine benefits and costs that come when excess energy is generated by on-site generation systems, such as solar and wind, that interconnect with the Idaho Power grid.

How can customers participate?

Next, the IPUC will set a schedule to process the case and interested stakeholders will have an opportunity to submit public comments on the study. Idaho Power has proposed a schedule that could allow for the IPUC to issue a determination as to the future structure of this service offering by the end of 2022, with implementation no earlier than June 1, 2023. To view the study and supporting data visit **idahopower.com/study**. To provide feedback to the IPUC regarding the study, visit **puc.idaho.gov** and reference Case No. IPC-E-22-22.

What if my on-site generation system has legacy status?

As part of previous rulings, the IPUC granted legacy (grandfathered) status to eligible Schedule 6 and 8 (residential and small general service) on-site generation systems as of December 20, 2019. Eligible Schedule 84 (commercial, industrial and irrigation) systems received legacy status as of December 1, 2020.

Customers who do not have legacy systems are subject to changes to the on-site generation compensation structure, including the value of the Export Credit Rate (ECR). Customers are notified when applying for interconnection that the value of excess energy is subject to change. While not at issue in this case, all on-site generation customers, regardless of legacy status, are subject to changes in rates (energy prices), billing components and billing structure.

Thank you for reading this notice.
We value your business.

IDAHO POWER®
An IDACORP Company

31180-I-0193

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-22-22

IDAHO POWER COMPANY

ATTACHMENT 3

CUSTOMER LETTER

IDAHO POWER®

Re: Update on Value of Distributed Energy Resources (VODER) Study

Hello,

As a customer with on-site generation (e.g., rooftop solar), you are receiving this letter because we want to keep you informed about a new case that is being considered by the Idaho Public Utilities Commission (IPUC) where they are reviewing a study that was recently completed by Idaho Power. Below are details about the case – as well as information on how you can participate.

Please note – you have a legacy (i.e., grandfathered) system, which means your on-site generation compensation structure (1 to 1 kilowatt-hour usage offset) will not change until 2045. See the questions and answers below for more information on legacy status and how to ensure you retain your system's legacy status.

Why did Idaho Power conduct this study?

At the direction of the IPUC, Idaho Power prepared this study analyzing the benefits and costs of on-site customer generation within the company's service area. The study provides information that the IPUC, Idaho Power and other stakeholders will use to determine whether changes should be made to Idaho Power's existing customer generation offering for all customer classes (Schedule 6, Schedule 8, and Schedule 84).

The completed study, which opens case IPC-E-22-22, includes a review of methods to determine benefits and costs that come when excess energy is generated by on-site customer generation systems, such as solar and wind, and sent back to Idaho Power's grid.

What is included in the study?

The elements of the study, approved by the IPUC in case IPC-E-21-21 last year, include several components of on-site customer generation:

- The measurement interval of excess energy generated by customers (i.e., net hourly or real-time)
- The Export Credit Rate, which is how customers are compensated (in the form of a rate credit, currently a "kilowatt-hour" credit) for excess energy they send back to Idaho Power's grid
- An evaluation of the maximum system sizes allowed for on-site customer generation, which are currently set at 25 kilowatts (kW) for residential customers and 100 kW for commercial, industrial and irrigation customers
- Other factors, including the timing of potential updates to the Export Credit Rate, an evaluation of expiring credits, and billing structure considerations, and a plan to keep the public well informed of any potential changes to customer generation

What if my on-site generation system has legacy status?

As part of previous rulings in 2019 and 2020, the IPUC granted legacy status to eligible on-site customer generation systems. Legacy systems will continue to receive the "1 to 1 kilowatt-hour" compensation for excess energy until the end of the legacy period, or until they forfeit legacy status (see question on criteria for legacy systems below). The legacy period, unless otherwise forfeited, will end:

1221 W. Idaho St. (83702)
P.O. Box 70
Boise, ID 83707

- December 20, 2045 for residential and small general service customers (Schedule 6 and 8)
- December 1, 2045 for large general service, industrial and irrigation customers (Schedule 84L, 84I and 84A).

Customers who do not have legacy systems are subject to changes to the on-site generation compensation structure, including the value of the Export Credit Rate. When Idaho Power receives a customer's on-site generation application, the customer is notified that the value of excess energy is subject to change.

As a reminder, legacy status only applies to the compensation structure (e.g.; kWh credits for the excess energy your system sends to Idaho Power's grid, monthly measurement interval, credit transfers). Your credits will continue to offset the kilowatt-hours you use from Idaho Power as a "1 to 1" offset. All customers, including on-site generation customers regardless of legacy status, are subject to changes in rates (energy prices), billing components, and billing structure for the service and energy provided by Idaho Power.

Who received legacy status?

Residential and Small General Service (Schedules 6, and 8)

- Customers who interconnected their system by December 20, 2019, or
- Customers who submitted an on-site generation application on or before December 20, 2019, and provided evidence of a binding financial commitment for the on-site generation system by January 19, 2020, and who completed the interconnection process by December 20, 2020.

Large Commercial, Industrial and Irrigation (Schedules 84L, 84I, 84A)

- Customers who interconnected their system by December 1, 2020, or
- Customers who submitted an on-site generation application on or before December 1, 2020, and interconnected their system as a two-metered system by December 1, 2021.

What are the criteria for legacy systems (and reasons legacy status may be forfeited)?

It is the on-site generation system, not the customer, that receives legacy status at the meter site and at its originally installed nameplate capacity. The IPUC clarified the following criteria for legacy systems:

- A customer who moves into a property with a legacy net-metering system will "inherit" the legacy system.
- When a customer moves from a property with a legacy system, that customer does not get to take the legacy status of the system with them to their next property.
- If a system is offline for more than six months, or is moved to another site, the legacy status of the system is forfeited.
- If a customer expands their system, the expansion must be metered separately to retain the legacy status of the original system. If the expansion is not metered separately, the entire system will lose legacy status.

- To allow for the *replacement* of degraded or broken panels, the customer may increase the capacity of their legacy system by no more than 10% of the originally installed nameplate capacity or 1 kilowatt, whichever is greater.

How can I participate?

Next, the IPUC will set a schedule to process the case and interested stakeholders will have an opportunity to submit public comments on the study. Idaho Power has proposed a schedule that could allow for the IPUC to issue a determination as to the future structure of this service offering by the end of 2022, with implementation no earlier than June 1, 2023.

To view the study and supporting data, visit idahopower.com/study. To provide feedback to the IPUC regarding the study, visit puc.idaho.gov and reference Case No. IPC-E-22-22.

You can find more information about Customer Generation, including information about this case and FAQs, at www.idahopower.com/customergeneration. If you have additional questions, you can call our Customer Care team at 800-632-6605.

Sincerely,

Your Idaho Power Customer Generation Team

IDAHO POWER®

Re: Update on Value of Distributed Energy Resources (VODER) Study

Hello,

As a customer with on-site generation (e.g., rooftop solar), you are receiving this letter because you may be impacted by future changes to Idaho Power's service offering for on-site customer generation. Our goal is to keep you informed about a new case that is being considered by the Idaho Public Utilities Commission (IPUC) where they are reviewing a study that was recently completed by Idaho Power. Below are details about the case – as well as information on how you can participate.

Why did Idaho Power conduct this study?

At the direction of the IPUC, Idaho Power prepared a study analyzing the benefits and costs of on-site customer generation within the company's service area. The study provides information that the IPUC, Idaho Power and other stakeholders will use to determine whether changes should be made to Idaho Power's existing customer generation offering for all customer classes (Schedule 6, Schedule 8, and Schedule 84).

The completed study, which opens case IPC-E-22-22, includes a review of methods to determine benefits and costs that come when excess energy is generated by on-site customer generation systems, such as solar and wind, and sent back to Idaho Power's grid.

What is included in the study?

The elements of the study, approved by the IPUC in case IPC-E-21-21 last year, include several components of on-site customer generation:

- The measurement interval of excess energy generated by customers (i.e., net hourly or real-time)
- The Export Credit Rate, which is how customers are compensated (in the form of a rate credit, currently a "kilowatt-hour" credit) for excess energy they send back to Idaho Power's grid
- An evaluation of the maximum system sizes allowed for on-site customer generation, which are currently set at 25 kilowatts (kW) for residential customers and 100 kW for commercial, industrial and irrigation customers
- Other factors, including the timing of potential updates to the Export Credit Rate, an evaluation of expiring credits, and billing structure considerations, and a plan to keep the public well informed of any potential changes to customer generation

How does this affect me?

As a customer with an active or pending on-site generation system, you are subject to changes to the on-site generation compensation structure, as noted on the Customer Generation Application and in the email response from Idaho Power confirming your application was received. Currently, customers receive a kilowatt-hour (kWh) credit for any excess energy their systems send to the Idaho Power grid each month. This study explores the option of a monetary credit instead of a kWh credit, and a shorter credit measurement interval (e.g. hourly instead of monthly). This study review and implementation phase could lead to future changes in the on-site generation compensation structure, including the value of the Export Credit Rate.

1221 W. Idaho St. (83702)
P.O. Box 70
Boise, ID 83707

How can I participate?

Next, the IPUC will set a schedule to process the case and interested stakeholders will have an opportunity to submit public comments on the study. Idaho Power has proposed a schedule that could allow for the IPUC to issue a determination as to the future structure of this service offering by the end of 2022, with implementation no earlier than June 1, 2023.

To view the study and supporting data, visit idahopower.com/study. To provide feedback to the IPUC regarding the study, visit puc.idaho.gov and reference Case No. IPC-E-22-22.

You can find more information about Customer Generation, including information about this case and FAQs, at www.idahopower.com/customergeneration. If you have additional questions, you can call our Customer Care team at 800-632-6605.

Sincerely,

Your Idaho Power Customer Generation Team