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September 21, 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 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

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Dear Ms. Noriyuki:

Attached for electronic filing is Idaho Power Company's Initial Comments in the above-referenced matter.

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

Very truly yours,

Megon Joicocchea Allen

Megan Goicoechea Allen

MGA:sg Attachment LISA D. NORDSTROM (ISB No. 5733) MEGAN GOICOECHEA ALLEN (ISB No. 7623) Idaho Power Company 1221 West Idaho Street (83702) P.O. Box 70 Boise, Idaho 83707 Telephone: (208) 388-5825 Facsimile: (208) 388-6936 Inordstrom@idahopower.com mgoicoecheaallen@idahopower.com

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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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

IDAHO POWER COMPANY'S INITIAL COMMENTS

COMES NOW, Idaho Power Company ("Idaho Power" or "Company"), and pursuant to the Notice of Schedule, Notice of Workshops, and Notice of Comment Deadlines issued by the Idaho Public Utilities Commission ("Commission") in Order No. 35512, respectfully submits its initial comments in the above-referenced case as follows.

I. BACKGROUND

Pursuant to the Commission's directive in Order No. 35284,¹ the Company filed its Application in this matter on June 30, 2022 ("Application"), requesting that the Commission complete the study review phase of the multi-phase collaborative process being undertaken by the Commission, interested parties, the public, and the Company to study the costs, benefits, and compensation of net excess energy associated with on-site customer generation. In conjunction with its Application, Idaho Power submitted the Value of Distributed Energy Resources ("VODER") study along with accompanying appendices, representing the comprehensive study of the costs and benefits of on-site customer generation ("Study") performed by the Company for the study review and implementation phases.

With its filing, the Company requested that the Commission initiate the study review and implementation phase by (1) establishing a formal process and timeline for Commission Staff ("Staff"), intervenors, and the public to review and comment on the Study; (2) issuing an order acknowledging that the Study satisfies the Commission directives outlined in Order Nos. 34046, 34509, and 35284² and directing modifications to the Company's on-site generation service offerings to be implemented.

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 (Dec. 30, 2021).

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 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).

The following persons timely intervened in the case pursuant to the Amended Notice of Parties filed on August 22, 2022: the Company, Staff, Clean Energy Opportunities for Idaho ("CEO"), IdaHydro, Idaho Irrigation Pumpers Association, Inc. ("IIPA"), Idaho Conservation League ("ICL"), Industrial Customers of Idaho Power ("ICIP"), City of Boise, Richard E Kluckhohn, pro se, and Wesley A. Kluckhohn, pro se ("Kluckhohn"), Micron Technology, Inc. ("Micron"), Idaho Solar Owners Network ("ISON"), and ABC Power Company, LLC ("ABC Power") (collectively the "Parties"). The Commission also issued a Notice of Schedule, Notice of Workshops, and Notice of Comment Deadlines on August 22, 2022, which scheduled several public workshops and set deadlines for written comments.³ While the Company's initial filing requested the Commission both (1) acknowledge the Study, and (2) order modifications to the on-site customer generation service offering,⁴ the Commission adopted Staff's recommended procedural schedule, which initially focuses only on the study review phase. The Company believes the procedural schedule adopted by the Commission is preferred as it will allow adequate time for the Commission to consider all comments on the Study before it establishes a process and schedule for considering implementation recommendations on the Study.5

Pursuant to the scheduling order, the Company held a public workshop on the Study on August 31, 2022. Subsequently, Staff held public workshops on September 6 and September 7. After that, and at the request of CEO, the Parties met for a technical

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³ Order No. 35512.

⁴ Application at 2.

⁵ Staff Decision Memorandum at 2 (August 16, 2022).

workshop on September 12, 2022, to discuss the project eligibility cap. The scope of the technical workshop was limited to the interconnection requirements associated with systems larger than 100 kW and did not address the policy considerations associated with modifying the cap, which will be more appropriately considered in developing recommendations for implementation.

Idaho Power seeks to continue the collaborative approach in the review of the Study and values the participation of Parties and the public in this docket. The Company appreciates the opportunity to offer these initial comments on the Study now that the public vetting process (study review phase) has begun. As set forth below, the Company received valuable input during the workshops held to date, and it looks forward to receiving additional feedback during the written comment phase. Public and Parties' comments will continue to guide the Company as it seeks to clarify and refine aspects of the Study to ensure a solid foundation before proceeding with recommendations for implementation.

II. STUDY REVIEW & REVISED VODER STUDY

With the Study filed on June 30, 2022, the Company endeavored to provide a comprehensive study that encompassed the components of the Commission-approved Study Framework⁶ and provide a reasonable basis for a complete public review process. The Company believes it is important to clarify that the intent of the filed Study, perhaps most notably, the Export Credit Rate section, was to provide illustrative, or indicative, pricing based on various *potential methods* for evaluation during the present study review phase. Contrary to what has been implied by some in the course of the Study review

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⁶ Case No. IPC-E-21-21, Order No. 35284 at 25.

phase, the Company did not propose that any specific method be implemented at this time. As noted in its Application: "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."⁷ Ultimately, the Company believes a Commission-approved or acknowledged Study could be leveraged for implementation recommendations from the Company, Staff, Parties, and the public, to provide a comprehensive and transparent process for potential modifications to the on-site customer generation service offering and compensation structure. The data utilized in the Study was representative of the Study timeframe and intended to present a relative order of magnitude and allow for a comparison of methods to support the public record in this docket. To ensure its continued utility and congruity, the precise values used in the Study are subject to change upon Commission approval of any changes to the on-site customer generation service offering.

As of the date of these initial comments, the Company has reviewed the numerous public comments submitted to the Commission and the feedback and questions received during public workshops hosted by the Company and Staff, as well as discovery submitted by the parties to the case. While the Company drafted the Study with the best information available at the time it was filed, the review process undergone to date has highlighted some areas of the Study where the Company could provide additional clarity and analysis. To ensure stakeholder and public input has been appropriately incorporated

⁷ Application at 9. See also *id.* at 14 ("The Company has not yet developed a recommendation for potential modifications to its on-site generation offerings for the Commission's consideration. . .").

into the Study, the Company intends to file a revised Study with its final comments on October 26, 2022, incorporating feedback received throughout the review process to refine and clarify salient issues. The revised Study will not include any substantive modifications but will aim to clarify and refine the information based on the guidance received throughout the review process to provide a solid foundation on which the Parties can make recommendations for potential modifications to its on-site customer generation offerings for the Commission's consideration. The Company believes this approach will supplement the robust record from the study review process and offer the Commission a complete work product that could be acknowledged to inform recommendations for implementation and ultimately Commission approval for modifications to the customer-generator service offering.

III. CONCLUSION

In initiating this docket, Idaho Power noted that it intended to be guided and informed by the feedback and input received in this case, which has already proven to be a practical and effective approach in helping to identify areas of the Study that could benefit from refinement. The Company anticipates it will continue to receive valuable insight moving forward that may identify other areas to hone and that can be incorporated into the revised Study to be filed by the Company with its final comments on October 26, 2022. The revised Study will not include any substantive modifications but will aim to clarify and refine the information based on the guidance received throughout the review process to provide a solid foundation on which the Parties can make recommendations for potential modifications to its on-site customer generation offerings for the Commission's consideration. The Company appreciates the opportunity to participate in

this collaborative process and looks forward to continuing to work with Staff, the Parties, and the public in the spirit of transparency, collaboration, and fairness.

DATED at Boise, Idaho, this 21 day of September 2022.

Megon Goicoechea Allen

MEGAN GOICOECHEA ALLEN Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 21st day of September 2022, I served a true and correct copy of Idaho Power Company's Initial Comments upon the following named parties by the method indicated below and addressed to the following:

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