

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-22-24
COMPANY’S APPLICATION FOR A)	
MODIFICATION TO ADD AN AUTOMATIC)	ORDER NO. 35677
DISPATCH OPTION TO THE COMPANY’S)	
COMMERCIAL & INDUSTRIAL DEMAND)	
RESPONSE PROGRAM, SCHEDULE 82)	
)	

On September 15, 2022, Idaho Power Company (“Company” or “Idaho Power”) filed an Application with the Idaho Public Utilities Commission (“Commission”) requesting authority to modify Schedule 82, Flex Peak Program, of Idaho Power’s I.P.U.C No. 29 Tariff No. 101 (“Schedule 82”). The Flex Peak Program (“Program”) is the Company’s Commercial & Industrial Demand Response (“DR”) program used to reduce summer electricity demand during times of high-risk system need. The Company proposed to add a voluntary Automatic Dispatch Option Program like that of the A/C Cool Credit and Irrigation Peak Rewards programs.

The Company sought to implement the Automatic Dispatch Option for the 2023 DR season that begins on June 15, 2023, and stated that a Commission order received by February 15, 2023, along with a tariff effective coincident with a Commission order, would best position the Company to accomplish this.

Currently, customers participating in the Program manually reduce load when the Company calls DR events. The Company represented that customers nominate on a weekly basis the load they would reduce if an event was called, and the customer’s performance based on achieving their nominated load reduction is factored into incentive payments.

The Company’s proposed voluntary Automatic Dispatch Option for the Program involves installing a device on-site either directly on the participating customer’s equipment, connected to a customer’s energy management or building management system, or both. The Company stated that when a DR load control event is called, the Company would continue to notify customers via telephone, text, or email approximately four (4) hours before an event and would then send a signal to the device(s) located at the customer’s premises at the start of the event to trigger load reduction protocols.

The Company asserted that because that method was already utilized in Idaho Power's other two DR programs, the Company already had experience and familiarity with the technology, the process, and the execution of an automatic option.

The Company stated that the purpose of adding the Automatic Dispatch Option was to increase Program capacity through increased participation and/or retention as short-term capacity deficits were identified starting in 2023 in the Company's most recently filed Integrated Resource Plan. The Company also represented that its proposal did not impact the availability of the "Manual Dispatch Option," and current and potential customers would still be able to participate in the Program manually, if preferred.

COMMISSION STAFF COMMENTS

Staff reviewed the Company's Application and recommended the Commission grant the Company authorization to implement the voluntary Automatic Dispatch Option for the Program. Staff's conclusion was based on: (1) the Company's experience in automated dispatch options in other DR programs; (2) the lack of potential controversy; and (3) the cost effectiveness of the Program. However, Staff was concerned with the Company's unilateral discretion to deny participation in the Program, and how the Company would handle potential failures of its Load Control Devices ("LCD").

Staff reviewed the Company's estimated costs for providing the Automatic Dispatch Option and believed that the Program should remain cost-effective. The Company used the \$51.42 per kilowatt-year cost-effectiveness threshold identified in its recent DR modification case, Case No. IPC-E-21-32. The Company estimated participation would increase by 10 to 20 participants with incremental costs ranging between \$1,160 to \$1,500 for each participant. Applying those changes to the existing program, the Company predicted a cost-effectiveness margin of \$189,000.

Staff concurred with the proposed Tariff language as filed; however, Staff was concerned with the Company's unlimited discretion to accept or deny participants and that the Tariff did not provide constraints for denying a customer's participation. Staff recommended the Company document any instances when it denied a customer's participation in the Program and the reasons for the denial.

Staff agreed with granting the Company authority to waive the non-compliance penalty if the LCD failed to communicate during an event. However, Staff was concerned that the failures might not be resolved in a timely manner if adverse consequences were dismissible. To ensure the

ongoing effectiveness of the Program, Staff recommended that the Company investigate when failures occurred and that the Company document such failures, the nature of the problem(s), and the efforts to remedy the problem.

COMPANY COMMENTS

The Company agreed with Staff's recommendations and appreciated the opportunity to alleviate Staff's concerns. The Company reaffirmed that even though the Tariff language provided Company discretion to deny participation in the Program, that discretion would continue to be used in the best interest of all customers so that reliable load reduction during DR events was achieved. The Company represented that application denials were a rare occurrence for any of its DR programs.

As for Program application documentation, the Company represented that it had an existing applicant documentation process in place for all three of its DR programs that noted whether an applicant was accepted or denied. The Company stated that it would ensure the same documentation practices were implemented for the Automatic Dispatch Option.

Finally, the Company represented that it already had LCD documentation and remediation practices in place for its automated residential and irrigation DR programs and that it was committed to implementing those practices for the Commercial & Industrial ("C&I") Automatic Dispatch Option as well.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Company's Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Id.*

Having reviewed the Application, the record, and all submitted materials, the Commission finds it fair, just, and reasonable to approve the addition of the Automatic Dispatch Option to the Company's Flex Peak Program, and to approve the associated modifications to Schedule 82. The Company is encouraged to ensure that the applications, performance, and maintenance of its DR programs are thoroughly documented in accordance with its own policies and procedures, and in consideration of the concerns expressed by Staff in its comments.

ORDER


IT IS HEREBY ORDERED the Company’s Application requesting authority to modify Schedule 82, Flex Peak Program, of Idaho Power’s I.P.U.C No. 29 Tariff No. 101 is approved as filed.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* §§ 61-626 and 62-619.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3rd day of February 2023.



ERIC ANDERSON, PRESIDENT

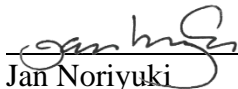


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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