

CHRIS BURDIN
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0314
IDAHO BAR NO. 9810

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Street Address for Express Mail:
11331 W CHINDEN BLVD, BLDG 8, SUITE 201-A
BOISE, ID 83714

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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

Staff of the Idaho Public Utilities Commission (“Staff”), by and through its Attorney of record, Chris Burdin, Deputy Attorney General, submits the following comments.

BACKGROUND

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 proposes to add a voluntary Automatic Dispatch Option Program like that of the A/C Cool Credit and Irrigation Peak Rewards programs.

The Company seeks 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 represents that customers nominate on a weekly basis the load they would reduce if an event was called, and their 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 states that when a DR load control event is called, the Company will continue to notify customers via telephone, text, or email about four (4) hours before an event and will 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 asserts that because this method is already utilized in Idaho Power's other two DR programs, the Company already has experience and familiarity with the technology, the process, and the execution of an automatic option.

The Company states that the purpose of adding this option is 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 represents that this proposal does not impact the availability of the "Manual Dispatch Option," and current and potential customers will still be able to participate in the Program manually, if preferred.

STAFF REVIEW

Staff reviewed the Company's Application and recommends the Commission grant the Company authorization to implement the voluntary dispatch option for the Flex Peak Program. Staff's conclusion is 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 is concerned with the Company's unilateral discretion to deny participation in the program and how the Company will handle potential failures of its Load Control Devices ("LCD").

Staff is confident in the Company's ability to institute an automatic dispatch option for their Flex Peak Program. Staff notes that the three DR programs (AC Cool Credit, Flex Peak Program, and Irrigation Peak Rewards Program) are well established and that the AC Cool Credit and Irrigation Peak Rewards Program have already instituted an automatic dispatch option. Application at 5. Also, Staff believes that customers are familiar with the idea of automatic dispatch, so the potential for controversy is small, and the voluntary nature of the program further reduces the potential for controversy.

Staff reviewed the Company's estimated costs for providing an automatic dispatch option and believes that the Flex Peak 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 estimates participation will increase by 10 to 20 participants with incremental costs ranging between \$1,160 to \$1,500 for each participant. Applying these changes to the existing program, the Company predicts a cost-effectiveness margin of \$189,000 and expects the program to remain cost-effective.

The Company did not consider the cost impact for recovery of its LCD if a participant drops out of the program. In its Response to Production Request No. 2, the Company explains that it intends to leave LCDs in place unless the customer requests its removal. This is the Company's practice for its Irrigation Peak Rewards Program because it avoids the cost of removal, and it mitigates future installation costs should the customer re-enroll later. The Company estimates removal costs between \$200 to \$400 per workorder for a total of \$2,000 per year, which is not expected to have a significant impact on the Program's cost-effectiveness. Given that the LCD costs between \$160 to \$500, Staff believes this approach is reasonable.

Staff concurs with the proposed Tariff language as filed; however, Staff is concerned with the Company's unlimited discretion to accept or deny participants and that the Tariff does not provide constraints for denying a customer's participation. The Company's justification for having unilateral discretion includes: the Company's ability to manage total Program capacity, inability of a customer to attain the 20-kilowatt minimum load reduction, inability to establish dispatch communications to the site, or inability to remotely configure the electrical system.

Response to Production Request No. 4. This Tariff language has been in place for all three DR programs implemented prior to this Application, and it has not caused any issues thus far. Given this reason, Staff concurs with the policy; however, Staff recommends the Company document any instances when it denies a customer's participation in the DR program and the reasons for the denial.

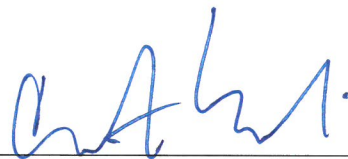
Staff concurs with granting the Company authority to waive the non-compliance penalty if the LCD fails to communicate during an event. However, Staff is concerned that the failures may not be resolved in a timely manner if adverse consequences are dismissible. To ensure the ongoing effectiveness of the Program, Staff recommends that the Company investigate when failures occur and that the Company document such failures, the nature of the problem(s), and the efforts to remedy the problem.

STAFF RECOMMENDATIONS

Staff recommends:

1. The Commission authorize the Company to modify Schedule 82, Flex Peak Program, of Idaho Power's I.P.U.C. No. 29 Tariff No.101, as filed; and
2. The Company document instances when a customer is denied participation in a DR program, and instances when LCDs fail to communicate during an event.

Respectfully submitted this 18th day of January 2023.



Chris Burdin
Deputy Attorney General

Technical Staff: Matt Suess
Jason Talford
Laura Conilogue


i: umisc/comments/ipce22.24cbmsjtjc comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 10th DAY OF JANUARY 2023, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-22-24, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

MEGAN GOICOECHEA ALLEN
LISA NORDSTROM
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
E-MAIL: mgoicoecheaallen@idahopower.com
lnordstrom@idahopower.com
dockets@idahopower.com

CONNIE ASCHENBRENNER
ZACK THOMPSON
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
E-MAIL: caschenbrenner@idahopower.com
zthompson@idahopower.com



SECRETARY