

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-22-30
COMPANY’S APPLICATION FOR)
AUTHORITY TO ESTABLISH) NOTICE OF APPLICATION
COMPENSATION FOR THE MANDATORY)
INTERRUPTION REQUIREMENT OF) NOTICE OF INTERVENTION
SCHEDULE 20 – SPECULATIVE HIGH-) DEADLINE
DENSITY LOAD)
ORDER NO. 35666

On December 28, 2022, Idaho Power Company (“Company”) applied to the Commission for an order: (1) establishing a compensation rate for service interruptions under Schedule 20 or, in the alternative, (2) deferring implementation of a compensation structure for service interruptions under Schedule 20. Application at 1-2. The Company requested that the Application be processed under Modified Procedure.

With this Order, we issue a Notice of Application and a Notice of Intervention Deadline.

BACKGROUND

On November 4, 2021, the Company applied to the Commission for authority to establish a new electric service schedule (Schedule 20) to serve speculative high-density load customers—specifically, large-scale cryptocurrency mining operators.¹ Schedule 20 incorporated the features of the Company’s existing Schedule 9 (Large General Service) and Schedule 19 (Large Power Service) rate design but made three modifications: (1) implementation of mandatory, uncompensated fully interruptible service during the summer peak season for up to 225 hours a year; (2) a reallocation of the portion of cost-of-service derived summer generation capacity costs currently collected in an on-peak demand charge; and (3) energy priced at marginal cost.²

The Commission initially approved the implementation of Schedule 20, as filed. Order No. 35428 at 7. GeoBitmine LLC filed a Petition for Reconsideration of Order No. 35428. In its final order on reconsideration, the Commission affirmed all three provisions of Schedule 20, with one exception. Order No. 35550 at 16. Specifically, the Commission found that the record was

¹ *In the Matter of Idaho Power Company’s Application for Authority to Establish New Schedule To Serve Speculative High-Density Load Customers*, Case No. IPC-E-21-37, Application at 1-2 (Nov. 4, 2021).

² *Id.* at 14.

“insufficient to support the uncompensated mandatory interruptability requirement.” *Id.* at 22. Although the Commission believed that mandatory interruptible service during the summer peaks season under Schedule 20 was reasonable, the Commission did not believe the record supported implementation of an “uncompensated mandatory interruptible service provision.” *Id.* (emphasis in the original). Accordingly, the Commission directed the Company “to apply to the Commission for a determination of a fair, just, and reasonable amount of compensation, if any, for interruptability under Schedule 20” by December 31, 2022. *Id.* at 23.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company explains that its Schedule 20 includes a requirement for mandatory, uncompensated interruption at the Company’s discretion annually between the hours of 1:00 p.m. to 11:00 p.m., Monday through Friday, excluding Holidays, from June 15 through September 15, with a maximum of 10 hours per interruption event and not to exceed 225 hours a year. Application at 4.

YOU ARE HEREBY NOTIFIED that the Company’s Application seeks a Commission order prior to the start of the June 15 – September 15 interruption period: (1) establishing a compensation rate “of \$0.0734 per kilowatt (“kW”) per hour of interruption for Large General Service Rates,” under Schedule 20, “and \$0.0835 per kW per hour of interruption for Large Power Service Rates” under Schedule 20 “or, alternatively, (2) defer[ring] implementation of any compensation structure for the mandatory interruption requirement of Schedule 20 until evaluation of cost assignment responsibility for Schedule 20 is completed at a general rate case.” Application at 1-2.

YOU ARE FURTHER NOTIFIED that the Company states that its “primary recommendation” proposes compensating, under Schedule 20, Large General Service customers at a rate of \$0.0734 per kW per hour of mandatory interruption and Large Power Service customers at a rate of \$0.0835 per kW per hour of mandatory interruption. *Id.* at 5, 9-10. These rates, the Company explains, “were derived by dividing the annual peak load functionalized per kW cost by the total potential hours of interruption”—for Large General Service customers (\$16.51 divided by 225 hours) and for Large Power Service customers (\$18.79 divided by 225 hours). *Id.* at 9-10.

YOU ARE FURTHER NOTIFIED that the Company's alternative recommendation proposes forgoing compensation to Schedule 20 customers until there is an evaluation of cost assignment responsibility at a general rate case.

YOU ARE FURTHER NOTIFIED that the Company explains that there are currently no customers taking service under Schedule 20. However, the Company notes that potential customers under Schedule 20 likely operate with high load factors, often greater than 90%, which results in a "higher coincidence" to the Company's system peak. These characteristics—energy use and coincidence to system peak—the Company claims, distinguish Schedule 20 customers from Schedule 9 and 19 customers. The Company explains that energy use and coincidence to system peak are two factors largely comprising class cost assignment. The Company expresses concern that, until it has Schedule 20 customers from which it can collect data and is able to evaluate cost assignment responsibility at a general rate case, there is a potential that customers would over-compensate Schedule 20 customers for mandatory interruption.

YOU ARE FURTHER NOTIFIED that the Application, and attached workpapers and Schedule 20 are available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's homepage at www.puc.idaho.gov. Click on the "ELECTRIC" icon, select "Open Cases," and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter to obtain parties' rights of participation must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days after the date of service of this Order.** Persons desiring to present their views without parties' rights of participation are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, Commission Staff will informally confer with the parties to discuss a schedule to process this case and other issues as may be raised by the parties.

YOU ARE FURTHER NOTIFIED that the following people have been designated as the Company's representatives in this matter:

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ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter must file a Petition to Intervene no later than 21 days from the service date of this Order. Once the deadline has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for processing this case.

IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 18th day of January 2023.



ERIC ANDERSON, PRESIDENT

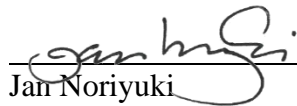


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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