PUBLIC WORKSHOP

APPLICATION FOR AUTHORITY TO IMPLEMENT CHANGES TO THE COMPENSATION STRUCTURE APPLICABLE TO CUSTOMER ON-SITE GENERATION UNDER SCHEDULES 6, 8, AND 84 AND TO ESTABLISH AN EXPORT CREDIT RATE

Case No. IPC-E-23-14

“ECR Filing”

IDAHO PUBLIC UTILITIES COMMISSION

September 6th, 2023, 6:00 PM (MDT)
September 7th, 2023, 12:00 PM (MDT)
Workshop Participation

• **Online:**
  • To open chat in WebEx, please select the icon.
  • Type questions and comments in the chat box;
    • Please use the “Everyone” option when using chat to ensure your message will be seen.
  • To speak, click on the hand icon in the lower section of your WebEx screen. I will send you an invitation to unmute your audio line.

• **On The Phone:**
  • *3 is the command to raise and lower your hand;
    I will send you an invite to un-mute your line. Please press *6 to un-mute your line on your end.

This PowerPoint is available on the commission’s homepage at puc.idaho.gov.
Introductions

Jason Talford  Technical Analyst
Matt Suess  Engineer
Jolene Bossard  Utilities Compliance Investigator
Purpose of Public Workshop

- Informational session to
  - Overview the IPUC and its role.
  - Describe the related case history.
  - Describe the case process.
  - Present Idaho Power Company’s application.
  - Explain how to submit written comments.
  - Provide an opportunity to ask questions on the application.

This Public Workshop is not part of the official case record.
What is the Idaho Public Utilities Commission?


- The Commission regulates Idaho’s investor-owned utilities, ensuring adequate service and reasonable rates.

- The Commission is made up of three commissioners appointed by the Governor and confirmed by the Senate. The Commissioners make the decisions in each case.

- Commission Staff ("Staff") is made up of Auditors, Consumer Compliance Investigators, Engineers, Technical Analysts, and Admin.

- Staff is conducting this workshop. Staff is one of the Parties in the case and providing comments to the Commissioners.
Progression of the Case

Application

• State law requires that the Commission consider all evidence that is on the record, which includes the Idaho Power Company’s supporting documentation, Comments from Staff & Parties, and customers’ written comments and oral testimony at public customer hearings.

Staff’s Role

• Staff reviews and analyzes the Company’s filing and proposals

• Staff provides recommendations to the Commission based on its analysis.

Final Order

• The Commission will review all evidence and have authority to issue a final order.*

*All Commission decisions must withstand Idaho Supreme Court Appeals from either utility or customer groups
Case History
Case No. IPC-E-17-13

- Established Schedule 6: Residential Service On-Site Generation and Schedule 8: Small General Service On-Site Generation
- **Commission Order No. 34046**
  - IT IS FURTHER ORDERED that Idaho Power shall 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.
Case No. IPC-E-18-15

- Proposed settlement changes to net metering rejected by the Commission.
- Established Grandfathering for legacy systems.

**Commission Order No. 34509,**

- “IT IS FURTHER ORDERED that the Company shall submit a comprehensive study of the costs and benefits of net metering to the Commission before any further proposals to change the Company's net-metering program. This study shall incorporate public feedback and concerns in the design and review of the study, including public workshops and public comments on the record.”
Case No. IPC-E-21-21

- “This study shall incorporate public feedback and concerns in the design and review of the study, including public workshops and public comments on the record.”

- **Commission Order No. 35284:**
  - IT IS HEREBY ORDERED that the Application is approved as provided above.
  - “IT IS FURTHER ORDERED that Idaho Power complete the study design for its Comprehensive study on the costs and benefits of on-site generation based on the Commission’s Study Framework findings and conclusions as more specifically defined and explained herein.”
Commission Order No. 35631:

- “IT IS HEREBY ORDERED that the Company’s October VODER Study is acknowledged. “
- “IT IS FURTHER ORDERED that the Company shall file a new case requesting to implement changes to the structure and design of its NEM program”

The Study is available for public review.

- Value of Distributed Energy Resources (“VODER”)
- www.puc.idaho.gov (Case Number: IPC-E-22-22)
## IPC-E-23-14 Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Case Filed</td>
<td>05/01/2023</td>
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<tr>
<td><strong>Public Workshop</strong></td>
<td>09/06/2023 6:00 PM</td>
</tr>
<tr>
<td><strong>Public Workshop</strong></td>
<td>09/07/2023 12:00 PM</td>
</tr>
<tr>
<td><strong>Written Public Comments</strong></td>
<td>Open until 10/12/2023</td>
</tr>
<tr>
<td>Public Customer Hearing</td>
<td>TBD</td>
</tr>
<tr>
<td>Staff/intervenor Comments</td>
<td>10/12/2023</td>
</tr>
<tr>
<td>All Party Reply Comments</td>
<td>11/02/2023</td>
</tr>
<tr>
<td>Company Final Reply</td>
<td>11/16/2023</td>
</tr>
<tr>
<td>Close of Case</td>
<td>Final Order</td>
</tr>
<tr>
<td>Proposed Effective Date</td>
<td>Proposed Jan 1st, 2024</td>
</tr>
</tbody>
</table>
Application
Application
Filed May 1st, 2023

The Company’s Requests:
1. Change from “Net Metering” to “Net Billing” for non-legacy systems and use a real-time measurement interval.
2. Pay non-legacy customer-generators for energy exports using an Export Credit Rate (“ECR”).
3. Standardize the method for annually updating the ECR.
4. Modify the Project Eligibility Cap.
5. Other implementation considerations.

Requesting an effective date of January 1, 2024.
The Company’s Reasons for Filing This

- A long history of related cases....
- It was directed to file a proposal by the Commission (Order 35631)
- The existing system overvalues exports, which results in cost-shifting between participants and non-participants.
- To reasonably balance the interests of participants and non-participants.
- On-site generation customers need more clarity about the future rate structure.
- Need to modernize an outdated service offering.
Terms & Definitions

- **Customer-generators**: Customers who have a generation system (typically solar) capable of exporting energy to the grid.

- **kWh**: kilowatt-hour – A standard unit of energy. One kilowatt of power for one hour.

- **Export Credit Rate ("ECR")**: A monetary value for exported energy. Usually cents per kWh.

- **Net Energy Metering ("NEM")**: The Company’s current kWh-to-kWh program. Usually shortened to “Net Metering.”

- **Net Billing**: The Company’s proposed program that includes a monetary payment for any exported energy.

- **Legacy / Grandfathered Systems**: Systems that are eligible to remain in the Net Metering program by meeting criteria in Order 34509 and Order 34854.

- **VODER**: The Company’s *Value Of Distributed Energy Resources* Study.
Proposal 1: Measurement Interval

Understanding the Effect of “Netting”

Current “Net Energy Metering” method = Monthly Netting
Company’s Proposed Method: “Real-Time” Net Billing

From this...

Imports = 0
Exports = -205

To this...

Imports = 200
Exports = -405
Understanding the ECR

ECR = \text{Avoided Energy Costs} + \text{Avoided Capacity Costs}

- Avoided Energy Costs includes: Avoided Energy, Line Losses, Integration Costs
- Avoided Capacity Costs includes: Avoided Generation Capacity, Avoided T&D Capacity, Line Losses

Note: Under current environmental and/or legislative requirements, customer-exports do not provide environmental benefits or avoid costs that are quantifiable, measurable, or affect rates – as explained in the Application. See Ellsworth Direct at 24-25.
**Avoided Energy Costs**

\[
\text{Avoided Energy Costs} = \frac{\text{Exported kWh in chosen time period}}{\text{Weighted average of the most recent year’s ELAP* prices in the time period}} \times \text{Line Loss Adjustment} - \text{Integration Cost}
\]

- **Energy Cost**
  - Weighted average of the most recent year’s ELAP* prices in the time period
  - Exported kWh in chosen time period

- **Line Loss Adjustment**
  - 2023 Study/Analysis performed internally

- **Integration Cost**
  - 2020 Study/Analysis performed externally

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*ELAP = Energy Imbalance Market Load Aggregation Point*
Proposal 2: Export Credit Rate

Avoided **Capacity** Costs

\[
\text{Avoided Capacity Costs} = \left( \frac{\text{Contribution to system capacity} \times \text{Nameplate Capacity} \times \text{3-year rolling average}}{\text{Cost of surrogate generator}} \right) \times \frac{\text{Exported kWh during chosen time period}}{\text{Exported kWh during On-Peak hours}} \times \text{Line Loss Adjustment} + \text{Avoided T&D Capacity Cost}
\]

*ELCC = Effective Load Carrying Capability*
Proposal 2: Export Credit Rate

The Company’s Proposed *On-Peak* hours*

3pm to 11pm

June 15 through September 15

Monday through Saturday

Excludes Sundays & Holidays

*Currently identified as the hours of the Company’s greatest system need for energy and capacity. *Ellsworth at 9.*
Proposal 2: Export Credit Rate

The Company’s Proposed ECR

<table>
<thead>
<tr>
<th>Component</th>
<th>On-Peak</th>
<th>Off-Peak</th>
<th>Annual*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>8.59¢</td>
<td>4.91¢</td>
<td>5.16¢</td>
</tr>
<tr>
<td>Including integration and losses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Capacity</td>
<td>11.59¢</td>
<td>0.00¢</td>
<td>0.79¢</td>
</tr>
<tr>
<td>Transmission &amp; Distribution Capacity</td>
<td>0.25¢</td>
<td>0.00¢</td>
<td>0.02¢</td>
</tr>
<tr>
<td>Total</td>
<td>20.42¢</td>
<td>4.91¢</td>
<td>5.96¢</td>
</tr>
</tbody>
</table>

Current “import” rate ~ 11.2¢

(For residential customers, first 800 kWh, with FCA and PCA)
## Proposal 3: Updating the ECR

**The Company’s Proposed ECR Update Schedule**

<table>
<thead>
<tr>
<th>Input</th>
<th>ECR Component</th>
<th>Type of Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real-Time Exports 12 months ending Dec 31</td>
<td>Avoided Energy; Avoided Generation Capacity</td>
<td>Annual</td>
</tr>
<tr>
<td>ELAP Hourly Market Prices 12 months ending Dec 31</td>
<td>Avoided Energy</td>
<td>Annual</td>
</tr>
<tr>
<td>Contribution Capacity - ELCC 3-year rolling average</td>
<td>Avoided Generation Capacity</td>
<td>Annual</td>
</tr>
<tr>
<td>Peak Annual Exports Total MW</td>
<td>Avoided Generation Capacity</td>
<td>Annual</td>
</tr>
<tr>
<td>Levelized Cost of Avoided Resource Cost per kW-year</td>
<td>Avoided Generation Capacity</td>
<td>Routine - Most recently filed IRP</td>
</tr>
<tr>
<td>Hours of Capacity Need On-Peak Hours</td>
<td>Avoided Energy; Avoided Generation Capacity</td>
<td>Routine - Most recently filed IRP</td>
</tr>
<tr>
<td>Transmission &amp; Distribution Deferral Annual Deferral Value</td>
<td>Avoided Transmission &amp; Distribution Capacity</td>
<td>Routine - Most recently filed IRP</td>
</tr>
<tr>
<td>Line Loss Study Loss Coefficients</td>
<td>Avoided Line Losses</td>
<td>Routine - Updated with periodic line loss study</td>
</tr>
<tr>
<td>Variable Energy Resource Integration Study</td>
<td>Integration Costs</td>
<td>Routine - Updated with periodic VER Study</td>
</tr>
</tbody>
</table>
Proposal 4: Modify the PEC

Project Eligibility Cap

**Schedules 6 & 8:**
Continue the existing 25kW cap.

**Schedule 84:**
Greater of...

a) 100kW, or b) 100% of demand at the service point.

Also, if >100kW, then additional criteria:

<table>
<thead>
<tr>
<th>Total Nameplate Capacity</th>
<th>Inverter Settings Documentation</th>
<th>Install Plant Controller</th>
<th>Interconnection Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>100kW - 500 kW</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>500kW - 3 MW</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>3 MW+</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Recovery of Export Credit Expenditures
“The Company proposes to treat ECR expenditures as a net power supply expense (“NPSE”) subject to 100% recovery.”
The recovery of NPSE will be from all customers.

Billing & Transfer Criteria for ECR Financial Credits
“The Company proposes that financial credits offset all billing components of the bill – not just the energy-related portion of a customer bill.”
“...the Company proposes that a customer could transfer financial credits to another account held in their name for their own usage.”
Conversion of kWh Credits to Financial Credits

During the first year, surplus kWh credits would be used to offset consumption.

“The Company proposes that accumulated kWh credits held at service points with non-legacy systems be converted to financial credits one year after the effective date of a Commission-authorized change in compensation structure.”

Transition Period

“The Company carefully considered whether a transition period was warranted, ..., the Company does not believe it is prudent to continue to overcompensate customers for their exported energy.”
Billing Impact
# Average Monthly Bill Impact

<table>
<thead>
<tr>
<th>Rate Schedule</th>
<th>Current NEM</th>
<th>Proposed Net Billing</th>
<th>Combined Impact of ECR &amp; GRC Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule 6 – Residential</td>
<td>$39.63</td>
<td>$51.75</td>
<td>$78.53</td>
</tr>
<tr>
<td>Schedule 8 - Small General Service</td>
<td>$25.99</td>
<td>$40.67</td>
<td>$43.92</td>
</tr>
<tr>
<td>Schedule 84 - Large Commercial, Industrial, and Irrigation</td>
<td>$61.64</td>
<td>$73.94</td>
<td>$124.10</td>
</tr>
</tbody>
</table>

Individual bill total charge driven by actual consumption and exports

Does not include PCA, FCA, rider surcharge/credit as these change year to year
ECR and GRC Filing Proposals

Export Credit Rate Filing

1. Implement to real-time “Net Billing”
2. Establish an export credit rate (“ECR”)
3. Set method for updating the ECR
4. Modify the Project Eligibility Cap
5. Other considerations related to implementing an ECR

• Exports

General Rate Case Filing

• Case No. IPC-E-23-11
1. Consumption rate increase
2. Rate modernization plan
   • Service charge and energy rates
3. PCA, FCA, Rider adjustments
4. Other secondary requests

• Consumption
General Rate Case

Case No. IPC-E-23-11

• Company has requested a change in rates
• IPUC Virtual Workshops were previously held on 8/14/23 and 8/15/23
• Customer hearings are TBD
• Go to PUC web page for more information
Consumer Assistance

Jolene Bossard
Utilities Compliance Investigator
Consumer Assistance

• Utility Compliance Investigators assist customers to resolve issues and/or disputes with the Company.

• Investigators monitor compliance with laws, commission rules, and the Company’s tariff.

• Investigators review issues from previous cases, review previous complaints, review submitted comments from customers, and investigate consumer issues raised in the case.
Consumer Issues

As of this week, the PUC has received 209 Customer Comments

• No changes or keep Net Metering;
• Grandfather all existing systems;
• Customer incentives and;
• Environmental impact.
CUSTOMER COMMENTS

Customer written comments are due October 12, 2023.  
(Reference Case Number **IPC-E-23-14**)

- Internet Website Address – puc.idaho.gov
- Select - Case Comment Form (once comments are submitted, they become part of public record)
- Email – Address: secretary@puc.idaho.gov
- Mail – IPUC, PO Box 83720, Boise, ID  83720-0074
  - Blank Customer Comments sheets are available here tonight to be mailed in or left with Staff.
- Public Customer Hearing – TBD

**COMMENTS ONLY**  
(QUESTIONS WILL NOT BE ADDRESSED)
Idaho Public Utilities Homepage

News Updates
- IPUC 2022 Annual Report
- In Re COVID-19 Response - Order No. 35375
- Current Openings - Careers
- IPUC Rules of Procedure Track Changes Draft Case No. RUL-U-21-01
- Negotiated Rulemaking Summary Case No. RUL-U-21-01
Comments Form Page

Use this form to file a comment or ask a question about a utility case pending before the Commission. If you know the case number, please include it.

Submit electronically below or send in to:
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0724
FAX: (208) 334-1762

Use the Consumer Complaint / Inquiry Form if you need help resolving a problem with a utility or have a question about your bill, disconnection of service, service reliability and outages, cost of a line extension, customer service, or other issues that are not related to a utility case.
# Electric Page

## Electric

### Cases
- Open Cases
- Closed Cases

### Resources
- Northwest Power Generation
- Annual Average Rates for All States
- Annual Average Rate by Customer Class
- National Action Plan for Energy Efficiency
- NARUC Committee on Electricity
- Office of Energy Resources
- Western Interstate Energy Board (WIEB)

### Orders & Notices
- Commission Order No. 35621 - Interest Rate on Consumer Deposits
- Commission Order No. 35743 - Utility Regulatory Fees

### Rules
- IPUC Rules
- Safety and Accident Reporting Rules

### Avoided Cost Rates
- Avista Avoided Cost Rates For New Contracts
## IPUC Open Electric Cases

### Search:
- **Case No:**
- **For:** IPC-E-23-14

### Table:
<table>
<thead>
<tr>
<th>CaseNo</th>
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<th>Description</th>
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<tbody>
<tr>
<td>IPC-E-23-10</td>
<td>IDAHO POWER COMPANY</td>
<td>IDAHO POWER COMPANY -- APPLICATION FOR A DETERMINATION OF 2022 INCURRED.</td>
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<tr>
<td>IPC-E-23-11</td>
<td>IDAHO POWER COMPANY</td>
<td>IDAHO POWER COMPANY -- GENERAL RATE CASE</td>
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<tr>
<td>IPC-E-23-14</td>
<td>IDAHO POWER COMPANY</td>
<td>IDAHO POWER COMPANY -- APPLICATION FOR AUTHORITY TO IMPLEMENT APPLICABLE TO CUSTOMER ON-SITE GENERATION UNDER SCHEDULES 6</td>
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<td>IPC-E-23-15</td>
<td>IDAHO POWER COMPANY</td>
<td>IDAHO POWER COMPANY -- APPLICATION FOR APPROVAL OF FIRST AMEND.</td>
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<td>IDAHO POWER COMPANY -- APPLICATION FOR APPROVAL OF SPECIAL COLD ELECTRIC SERVICE TO LAMB WESTON, INC.</td>
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Case Summary Page

Case Summary

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<tr>
<th>Last Updated</th>
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<th>Case Type</th>
<th>Status</th>
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<td>05/02/2023</td>
<td>IPC-E-23-14</td>
<td>05/01/2023</td>
<td>Application</td>
<td>Notice Received</td>
<td>IDAHO POWER COMPANY -- APPLICATION FOR AUTHORITY TO IMPLEMENT CHANGE: STRUCTURE APPLICABLE TO CUSTOMER ON SITE GENERATION UNDER SCHEDULE: ESTABLISH AN EXPORT CREDIT RATE</td>
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Case Files

05/01/2023 APPLICATION.PDF

Public Comments

04/17/2023 COMMENT_1.PDF
05/02/2023 COMMENTS (1)_1.PDF
05/10/2023 COMMENTS (2)_2.PDF
05/11/2023 COMMENTS (13)_13.PDF
05/15/2023 COMMENTS_31.PDF
05/16/2023 COMMENTS_4.PDF
05/17/2023 COMMENTS_4.PDF
05/18/2023 COMMENTS_7.PDF
05/19/2023 COMMENTS_7.PDF
05/22/2023 COMMENTS_14.PDF
Where do we go from here?

- Customers can subscribe to the Commission’s RSS feed to receive updates about all cases via email.
- Continue submitting your comments.
- Public Customer Hearing, date is TBD.
- The Commission will issue a final order which will close the case.
You can find case information and file comments on the PUC website:

**puc.idaho.gov**

Case Number IPC-E-23-14

Direct: (208) 334-0300
Toll-Free: (800) 432-0369
Fax: (208) 334-3762
Questions?
Workshop Participation

- **Online:**
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