

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-23-14
COMPANY’S APPLICATION FOR)
AUTHORITY TO IMPLEMENT CHANGES) NOTICE OF APPLICATION
TO THE COMPENSATION STRUCTURE)
APPLICABLE TO CUSTOMER ON-SITE) NOTICE OF
GENERATION UNDER SCHEDULES 6, 8,) INTERVENTION DEADLINE
AND 84 AND TO ESTABLISH AN EXPORT)
CREDIT RATE) ORDER NO. 35790
)

On May 1, 2023, Idaho Power Company (“Company”), filed an application (“Application”) with the Idaho Public Utilities Commission (“Commission”) proposing changes to the Company’s on-site and self-generation tariffs.

The Company requests that the Commission authorize: (1) real-time net billing with an avoided cost-based financial credit rate for exported energy; (2) a methodology for determining annual updates to the Export Credit Rate (“ECR”); (3) a modified project eligibility cap for commercial, industrial, and irrigation (“CI&I”) customers; (4) related changes to the accounting for and transferability of excess net energy financial credits, and (5) updated tariff schedules necessary to administer the modified on-site generation offering. The Company requests an effective date of January 1, 2024.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company represents that its recommendations are guided by the following objectives: (1) recommend a compensation structure that will accurately measure a customer-generator’s use of the system – both in recording exported energy and usage; (2) apply methods that will result in a fair and accurate valuation of customers’ exported energy; (3) implement a repeatable method for updating the Export Credit Rate that will ensure timely recognition of changing conditions on Idaho Power’s system and the broader power markets which may warrant changes to the ECR; (4) balance accuracy with customer understandability. Application at 15-16.

YOU ARE FURTHER NOTIFIED that the Company represents that the proposed changes to the on-site generation service offerings would only apply to non-legacy¹ customers taking service under Schedules 6, 8, and 84. Customers with legacy systems will continue to take service under the rules of monthly net energy metering (“NEM”) until legacy status terminates. *Id.* at 16.

YOU ARE FURTHER NOTIFIED that the Company is proposing a real-time net billing with an avoided cost-based financial credit rate for exported energy. The Company states that the customer-generator will first consume any of their generation on-site, and any generation they are not consuming will be metered and exported to the grid at a defined ECR. The Company represents that customers will generate financial credit, based on the product of measured exported energy and the ECR, that can be monetized to offset current or future charges associated with utility-provided service. *Id.* at 17-18.

YOU ARE FURTHER NOTIFIED that the Company is proposing a seasonal and time variant ECR to compensate for energy and other elements associated with avoided capacity, line losses, and integration costs.

Figure 1
Proposed Export Credit Rate

	Season	ECR
Export Profile		
Volume (kWh per kW)	Annual	1,465
Capacity Contribution (%)	Annual	8.76%
Export Credit Rate by Component (cents/kWh)		
Energy <i>Including integration and losses</i>	On-Peak	8.59 ¢
	Off-Peak	4.91 ¢
	<i>Annual*</i>	<i>5.16 ¢</i>
Generation Capacity	On-Peak	11.59 ¢
	Off-Peak	0.00 ¢
	<i>Annual*</i>	<i>0.79 ¢</i>
Transmission & Distribution Capacity	On-Peak	0.25 ¢
	Off-Peak	0.00 ¢
	<i>Annual*</i>	<i>0.02 ¢</i>
Total	On-Peak	20.42 ¢
	Off-Peak	4.91 ¢
	<i>Annual*</i>	<i>5.96 ¢</i>
<i>*Annual values provided for informational purposes only and reflect seasonal weighting for 12 months ending December 2022.</i>		
<i>Note: On-Peak defined as June 15 - September 15, Monday - Saturday (excluding holidays), 3pm - 11pm. All other hours defined as Off-Peak.</i>		

Id. at 19-20.

¹ “Legacy” systems for Schedules 6 and 8 are systems that were installed or purchased by December 20, 2019, and that meet other eligibility requirements. Order Nos. 34509 and 34546. “Legacy” systems for Schedule 84 are systems that were installed or purchased by December 1, 2020, and that meet other eligibility requirements. Order No. 34854.

YOU ARE FURTHER NOTIFIED that the Company is also seeking a change in how the project eligibility cap is defined for Schedule 84 customers. The Company is proposing that the Schedule 84 project eligibility cap be set at the greater of 100 kW or 100 percent of demand at the service point for commercial, industrial, and irrigation customers. *Id.* at 20-21.

YOU ARE FURTHER NOTIFIED that the Company represents that for purposes of administering the cap, the Company proposes using the maximum billing demand from the last 12 months, measured when the customer generation application is submitted. *Id.* at 22. The Company states that for irrigation customers without a full in-season billing history, a conversion factor related to the horsepower of the customers' pump(s) at the service point would determine the maximum demand. *Id.*

YOU ARE FURTHER NOTIFIED that the Company represents that for customers with non-legacy systems, the Company will treat ECR expenditures as a net power supply expense ("NPSE") subject to 100 percent recovery through the Company's Power Cost Adjustment ("PCA"). *Id.* at 23-24.

YOU ARE FURTHER NOTIFIED that the Company proposes that financial credits may offset all billing components of the bill, not just the energy-related portion of a customer bill. *Id.* at 24.

YOU ARE FURTHER NOTIFIED that the Company represents that customers with non-legacy systems will be able to transfer financial credits to another account held in their name for their own usage, which will be administered similar to the Company's current NEM service offering for customers transferring kilowatt hour ("kWh") credits; however, the Company is not proposing to change the transferability of kWh credits for legacy customers. *Id.*

YOU ARE FURTHER NOTIFIED that the Company proposes that accumulated kWh credits held at service points with non-legacy systems will be converted to financial credits one year after the effective date of a Commission-authorized change in compensation structure. *Id.* at 25.

YOU ARE FURTHER NOTIFIED that the Company represents it will issue a news release and will directly notify its customers of the Application with a bill insert included with their next billing cycle. *Id.* at 26-27. The Company will also send direct-mail letters to all existing and pending on-site generation customers and will have information regarding its proposals on its website. *Id.* at 27.

YOU ARE FURTHER NOTIFIED that the Application and supporting documentation have been filed with the Commission and are available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's website 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 the Commission has jurisdiction over the Company, its filing, and the issues pertaining to this case pursuant to 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 71-73, IDAPA 31.01.01.072-073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days after the service date of this Order.** Persons desiring to present their views without parties' rights of participation do not have 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 ("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 persons are designated as the Company's representatives in this matter:

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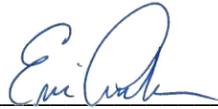
ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this case for the purpose of obtaining parties' rights of participation must file a Petition to Intervene with the Commission, under Rules 71-73, IDAPA 31.01.01.071-073, no later than 21 days after the service date of this Order.

IT IS FURTHER ORDERED that, after the Secretary issues a Notice of Parties, Staff will informally confer with the parties to discuss the appropriate scheduling of 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 23rd day of May 2023.



ERIC ANDERSON, PRESIDENT

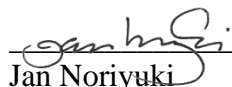


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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