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IDAHO PUBLIC
UTILITIES COMMISSION

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February 15, 2024

Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Boulevard
Building 8, Suite 201-A
Boise, Idaho 83714

Re: Case No. IPC-E-23-24
Application for Modifications to the Company's Commercial & Industrial
Demand Response Program, Schedule 82

Dear Commission Secretary:

Attached for electronic filing is Idaho Power Company's Reply Comments in the above-entitled matter.

If you have any questions about the attached documents, please do not hesitate to contact me.

Sincerely,



Megan Goicoechea Allen

MGA:sg
Enclosures

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Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-23-24
MODIFICATIONS TO THE COMPANY'S)	
COMMERCIAL & INDUSTRIAL DEMAND)	IDAHO POWER COMPANY'S
RESPONSE PROGRAM, SCHEDULE 82.)	REPLY COMMENTS
_____)	

COMES NOW, Idaho Power Company (“Idaho Power” or “Company”), pursuant to Idaho Public Utilities Commission (“Commission”) Rule of Procedure 203 and the Notice of Modified Procedure, Order No. 36049, respectfully submits the following Reply Comments in response to Comments filed by the Commission Staff (“Staff”) on January 25, 2024.

I. REPLY COMMENTS

Idaho Power appreciates Staff’s thorough review and assessment of the Company’s proposed modifications to its Commercial & Industrial (“C&I”) Demand Response (“DR”) Program, Schedule 82 (“Schedule 82”, “Flex Peak Program”, or

“Program”). Staff’s Comments include six recommendations, which the Company will address in these Reply Comments in turn as follows.

1. “Staff recommends that the Commission approve the Company’s proposal to modify the incentive payment structure.”¹

The Company agrees with Staff and requests the Commission approve Idaho Power’s proposal to modify the incentive payment structure of the Flex Peak Program. Idaho Power appreciates Staff’s feedback, collaboration, and thorough review of the Company’s proposal.

2. “Staff recommends that the Commission approve the Company’s proposal to add a performance waiver for participants with the automatic dispatch option.”²

The Company agrees with Staff and requests the Commission approve Idaho Power’s proposal to add a performance waiver for the Flex Peak Program’s automatic dispatch option participants.

3. “Staff Supports the Company’s proposal to adjust the definition of the “day-of” load adjustment, however, Staff recommends that the Company include additional language in the tariff clarifying how the Company might modify the day-of adjustment in those situations.”³

The Company appreciates Staff’s support of the Company’s proposal to amend the definition of the “Day of” Load Adjustment in Schedule 82 to include considerations for planned or unplanned outages during a day when a Load Control Event is called, which is necessary to measure a participant’s actual performance during the event. After

¹ Staff Comments at 8.

² *Id.*

³ *Id.*

reviewing the Commission Staff's comments, the Company consulted with Staff and proposes the following language be incorporated into Schedule 82 (new language is underlined):

"Day of" Load Adjustment. The difference between the Original Baseline kW and the actual metered kW during the hour prior to the Participant receiving notification of an event. Scalar values will be calculated by dividing the Original Baseline kW for each Load Control Event hour by the Original Baseline kW of the hour preceding the event notification time. The scalars are multiplied by the actual event day kW for the hour preceding the event notification time to create the Adjusted Baseline kW from which load reduction is measured. The Adjusted Baseline kW for each hour cannot exceed the maximum kW amount for any hour from the Highest Energy Usage Days or the hours during the event day prior to event notification. The Company may adjust the Participant's "Day of" Load Adjustment only if a planned or unplanned outage occurs during the hour prior to the Participant receiving notification of a Load Control Event. If an outage extends to the hours of the Load Control Event, the Company may remove that event from the Participant's Average Season Performance Percentage.

The proposed language clarifies that the outage must occur during the hour prior to the participant receiving notification of a Load Control Event and clarifies that if an outage extends to the hours of the DR event, the Company may remove that event from the participant's Average Season Performance Percentage. This language is consistent with the intent of the Company's proposal such that the participant is neither penalized nor compensated for non-performance that was out of the participant's control due to an outage.

If the Commission ultimately adopts the Company's recommendation to allow for adjustments to the "Day of" Load Adjustment in the event of outages, it respectfully requests the Commission direct the Company to include the revised language with its compliance filing.

4. “Staff recommends that the Commission approve the Company’s proposal to implement an advance notification option for participants capable of large nominations as a pilot program [...].”⁴

The Company appreciates and agrees with Staff’s recommendation for approval of the advance notification option but does not believe it is necessary to implement it as a pilot program. Because the advance notification option proposal was designed, and is only intended, to have a small number of participants that qualify, Idaho Power believes that offering initially as a pilot program creates an unnecessary administrative step.

Notably, as this and other recent cases (e.g., IPC-E-21-32 and IPC-E-22-24) illustrate, the Company evaluates all Flex Peak Program parameters on an ongoing basis to ensure the Program is cost-effective and administratively efficient. Essentially, all elements of the Program are already frequently reviewed and adjusted as appropriate, such that it is not necessary to establish a pilot program to fulfill these objectives. Moreover, the Company is concerned that creating a pilot program for a specific Program parameter, while well intentioned, may suggest to customers that the other Program parameters are fixed and not likely to change. Currently, all Flex Peak Program participants receive an auto-enrollment packet before every DR season that contains their participating sites, nomination levels, and detailed information on applicable Program changes – that is, each season, a customer decides whether to participate in the upcoming season based on the parameters in place in advance of the upcoming season. The timing of the cases referenced by the Company have been such that Program parameters are set and established in advance of that recruitment window, so that the

⁴ Staff Comments at 8.

Company can educate customers and enable them to make informed decisions based on then existing circumstances.

Additionally, it is important to consider the limited scope of the advanced notification option. While the Company is aware that Staff issued discovery responses to this end, it believes some additional detail would provide useful context. More specifically, Staff asked, in its First Production Request to the Company, for a count of participants that can nominate 3 megawatts (“MW”) or more of load reduction, to which the Company responded that there were currently 24 participants in the Flex Peak Program with Basic Load Capacity (“BLC”) values of greater than 3 MW.⁵ The Company explained in its response, it calculates BLC as the average of the two highest monthly billing demands over the past 12 months, and based on that specification, 24 current participants have the “potential” to nominate more than 3 MW. However, only 1 current participant has “actually” nominated more than 3 MW to date. Considering these circumstances, the Company does not anticipate there will be many customers participating in this option.

Though the Company does not believe it is necessary to implement the advance notification option as a “pilot option” within the Program for the reasons explained above, it proposes, as an alternative, that it report the advance notification option participation and performance results, broken out as separate line items in its Demand-Side Management (“DSM”) Annual Report going forward. Idaho Power already includes event and season-level metrics for the Flex Peak Program in its DSM Annual Report and can reasonably add an additional breakout showing the advance notification option’s contributions to the overall Flex Peak Program. This additional breakout will ensure Staff

⁵ See Idaho Power’s Response to Staff’s Request for Production No. 5.

and the Commission are able to review the participation and performance levels of the advance notification option on an annual basis.

The Company requests the Commission approve the advance notification option, without pilot status, and issue an order requiring the Company to report the advance notification option's participation and performance metrics as separate line items in the DSM Annual Report filed with the Commission every March.

5. “Staff recommends that the Company continue to monitor the actual demand reduction of its Flex Peak program and work with Staff and stakeholders to evaluate the cost-effectiveness of its DR programs using actual participant performance rather than nameplate capacity.”⁶

The Company agrees with the underlying intent of this recommendation insofar as it reflects Staff's desire to ensure that the Company's DR programs are appropriately valued; although the Company believes there should be further discussion regarding the best method(s) for achieving this objective. To this end, Idaho Power is committed to continuing to work with Staff and stakeholders to evaluate the cost-effectiveness of its DR programs. Through the Company's ongoing evaluation conducted to date utilizing the cost-effectiveness methodology that was approved by the Commission in Order No. 35336 in Case No. IPC-E-21-32, Idaho Power has identified several different methods that could potentially be used to evaluate DR cost-effectiveness moving forward. Idaho Power welcomes future engagement with Staff and stakeholders on this topic through Energy Efficiency Advisory Group meetings and/or DR sub-committee meetings where

⁶ Staff Comments at 9.

all potential cost-effectiveness evaluation methodologies can be reviewed in a collaborative manner.

Considering the ever-evolving needs of the system, the Company anticipates changes to all three of its DR programs may be necessary ahead of the 2025 DR season. In the event the Company determines that changes to the DR programs are needed, having an avoided cost calculation recommendation that was collaboratively developed by parties would help to ensure a proposal that balances the costs and benefits of DR is brought before the Commission for its review.

6. “Staff recommends that the Company submit a compliance filing including language on Staff’s recommended pilot program, if accepted by the Commission, additional language on the “day-of” load adjustment, corrected language on participant nominations, and other changes as needed to reflect the contents of the Commission’s order.”⁷

The Company agrees with Staff, except as otherwise noted above, and will submit a compliance filing that includes all changes approved by the Commission in its final order.

II. CONCLUSION

Idaho Power values Staff’s thorough review and recommendations related to the Company’s proposed modifications to Schedule 82 and appreciates its support for the proposed modification to the Flex Peak Program’s incentive payment structure and the addition of a performance waiver under the automatic dispatch option, as noted in Staff’s recommendations 1 and 2. As set forth in its Application, the Company desires to

⁷ Staff Comments at 9.

implement updates to the Flex Peak Program for the 2024 demand response season, which begins on June 15, 2024, and believes a Commission order received by April 15, 2024, would best position the Company to implement and market the proposed changes and provide it with sufficient time to complete a successful rollout of the modified incentive payment structure and other changes in advance of the 2024 DR season.

Accordingly, Idaho Power requests that the Commission issue an Order by April 15, 2024, approving updates to the Flex Peak Program for the 2024 DR season as proposed by the Company subject to the adjustments to the “Day of” Load Adjustment definition based on Staff’s recommendation item 3, and directing the Company make a tariff compliance filing reflecting the associated modifications to Schedule 82 effective coincident with the Order. Additionally, in consideration of Staff’s recommendation items 4 and 5, the Company requests that the Commission direct the Company to report the advance notification option’s participation and performance metrics as separate line items in its DSM Annual Report, without pilot status, and affirm that the Company, Staff, and stakeholders should collaboratively consider other potential cost-effectiveness evaluation methodologies as part of the ongoing efforts to evaluate the cost-effectiveness of the Company’s DR programs.

DATED at Boise, Idaho, this 15th day of February 2024.



MEGAN GOICOECHEA ALLEN
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 15th day of February 2024, I served a true and correct Idaho Power Company's Reply Comments upon the following named parties by the method indicated below, and addressed to the following:

<p>Commission Staff Adam Triplett Deputy Attorney General Idaho Public Utilities Commission 11331 W. Chinden Blvd., Bldg No. 8 Suite 201-A (83714) PO Box 83720 Boise, ID 83720-0074</p>	<p><input type="checkbox"/> Hand Delivered <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> FAX <input type="checkbox"/> FTP Site <input checked="" type="checkbox"/> Email Adam.Triplett@puc.idaho.gov</p>
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Stacy Gust, Regulatory Administrative Assistant