

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-24-37
COMPANY’S APPLICATION FOR)	
MODIFICATIONS TO THE COMPANY’S)	
IRRIGATION DEMAND RESPONSE)	ORDER NO. 36449
PROGRAM, SCHEDULE 23 AND)	
COMMERCIAL & INDUSTRIAL DEMAND)	
RESPONSE PROGRAM, SCHEDULE 82)	
)	

On September 30, 2024, Idaho Power Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an order granting revision to its Schedule 23, Irrigation Peak Rewards Program (“Schedule 23” or “Peak Rewards”) and its Schedule 82, Flex Peak Program (“Schedule 82” or “Flex Peak”) (“Application”). Due to the Company’s desire to implement these proposed changes before the Demand Response season begins on June 15, 2025, the Company asked for the Commission order to be issued by January 31, 2025. The Company requested that this case be processed via Modified Procedure.

On October 28, 2024, the Commission issued a Notice of Application and established a deadline for interested persons to intervene. Order No. 36370. No one intervened.

On December 3, 2024, the Commission issued a Notice of Modified Procedure establishing deadlines for public and Company reply comments. Order No. 36409. Staff filed the only comments to which the Company did not respond.

We now issue this Order approving the Company’s Application as filed.

BACKGROUND

In 2009, the Company instituted Schedule 82, under which eligible commercial and industrial customers that can offer load reduction of at least 20 kilowatts can either manually or, via Load Control Devices (“LCDs”), automatically reduce their nominated load when the Company calls Load Control Events. Schedule 82 participants then receive an incentive payment based upon their performance in delivering their nominated load reduction during Load Control Events. According to the Company, the purpose of this program is to address large system capacity deficits of short duration.

Schedule 23 was approved by the Commission in 2024. Schedule 23 allows the Company to turn off specific irrigation pipes for customers receiving service under Schedule 24 (Agricultural Irrigation Service) in exchange for financial incentives.

THE APPLICATION

The Company stated that the proposed changes to Schedules 23 and 82 are meant to increase transparency and participant satisfaction. The Company included proposed versions of these Schedules as Attachments 1 and 2 to its Application.

The Company proposed changing the variable payment so that it begins on the fourth event rather than the fifth event. Because there are required to be a minimum of three events per season, the Company stated that beginning the variable payments after the three minimum events would provide greater clarity to customers.

The Company proposed an Early Interruption option to Schedule 23 (“Early Interruption”). Early Interruption would allow customers who wanted to participate, but also desire a cut-off time of 9:00 p.m., to participate at a reduced rate. (The Extended Interruption option in Schedule 23 can last until 11:00 p.m.) The Company stated that the increased flexibility provided by offering Early Interruption would allow for fuller participation.

The Company proposed adding clarifying language to Group C (manual dispatch) of Schedule 23. This would allow participants who rely on manual dispatch to have up to two hours to turn off other locations that cannot be turned off simultaneously. The Company also proposed adding clarifying language to its emergency dispatch section of its Uniform Irrigation Peak Rewards Service Application/Agreement.

The Company proposed adding an incentive to Schedule 82 for participants who chose to use LCDs. This reimbursement would be the lesser of \$1,500 or the cost of installation. The Company stated that more customers using LCDs would increase the reliability of the program.

The Company proposed changing the adjusted baseline cap to 110% “of the highest hour usage in the prior 10 days” and explained the benefits and rationale of this approach. Application at 9.

The Company proposed adding provisions to allow for “Day-of” Adjustment (“DOA”) modifications where a participant fully or partially shuts down the facility during a DOA hour. The Company stated that it also wanted to add flexibility to the participant nomination process by allowing it to be based on more current information. The Company stated that this would be done by Flex Peak program participants to “nominate how many [kilowatt-hours] they can reduce their load by” with compensation being based upon their ability to fulfill their nomination. *Id.* at 11.

This new process would allow nominations to go into effect the next day, whereas the current system doesn't allow nominations to go into effect until the next week or longer.

The Company stated that the proposed changes are minor and that most modifications would not change the costs of the Peak Rewards or Flex Peak programs. The Company affirmed that both programs would remain cost-effective. The Company also stated that it had coordinated with the relevant stakeholders regarding the proposed changes.

STAFF COMMENTS

Staff reviewed the Company's Application, proposed tariffs, and discovery responses and recommended the Commission approve the Application and proposed tariffs as filed. Staff noted that four of the seven modifications were merely updates to language in the tariff. Three of the modifications directly impact the cost-effectiveness of the affected programs.

Staff supported the Company modifying the Peak Rewards program by adding an Early Interruption option. Staff noted this would bring an anticipated 20 megawatts ("MW") of additional capacity to an earlier, less valuable period. While the Company anticipated the program would remain cost effective with this additional offering, Staff believed the reduced incentive was appropriate to help retain its cost-effectiveness. Staff expressed concern that this proposal would shift capacity reductions away from when the capacity savings are needed the most. Staff noted that recently the Company had been authorized to expand the dispatch hours for its Peak Rewards program to later in the day to increase system reliability, which caused a corresponding drop of 40 MW of capacity due to customers who were unwilling to reduce their loads later in the day. Staff expressed concern that the more convenient option might shift participation—and corresponding capacity reductions—to less valuable hours earlier in the day. Staff recommended the Company monitor participation in all Peak Rewards offerings and stated that it would review available metrics with the Company's Demand Side Management ("DSM") filing.

Staff noted that the Company's proposal to allow Flex Peak participants DOA modifications would enhance the accuracy of nominations but may lead to increased variability in the Flex Peak program's capacity reductions. Staff indicated it would review the Flex Peak program metrics with the Company's annual reports.

COMMISSION DISCUSSION AND FINDINGS

The Company is an electric utility subject to the Commission's regulation under the Public Utilities Law. *Idaho Code* §§ 61-119 and 61-129. The Company's rates, charges, classifications,

and contracts for electric service in the State of Idaho are subject to the Commission's jurisdiction. The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, -502, and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503.

Having reviewed the record in this case, we find the Company's proposed modifications to Schedules 23 and 82 are fair, reasonable, and in the public interest. Likewise, we approve the Company's Application and corresponding tariff updates as filed. As we have consistently supported our regulated utilities pursuit of cost-effective DSM, we believe the proposal before us furthers the Company's pursuit of such. We direct the Company to monitor the impacts the changes approved in this Order have on its DSM programs and seek to modify or eliminate them if needed.

Regarding the Company's proposed modifications to Schedule 23 to create an Early Interruption option, we agree that this may encourage more participation and lead to more capacity savings than if only the Extended Interruption option is available. We note Staff's concern that this option may cannibalize some of the capacity savings from the Extended Interruption option and result in less capacity savings at more valuable hours. Accordingly, we direct the Company to monitor participation throughout its Peak Rewards offerings and provide relevant information and metrics from its monitoring efforts in its annual DSM filing.

ORDER

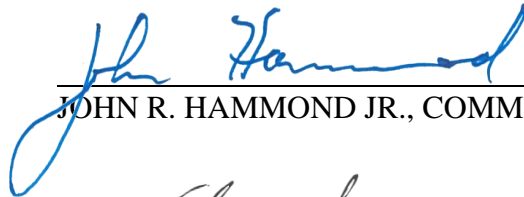
IT IS HEREBY ORDERED that the Company's Application and proposed tariffs are approved, as filed. The Company is directed to track and report the participation in each Peak Rewards interruption option.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

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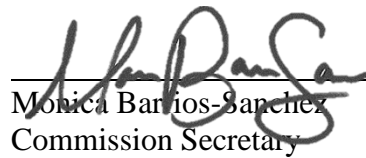
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th day of January 2025.


ERIC ANDERSON, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


EDWARD LODGE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

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