

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER	)	CASE NO. IPC-E-25-15
COMPANY'S APPLICATION FOR ITS	)	
FIRST ANNUAL UPDATE TO THE EXPORT	)	ORDER NO. 36848
CREDIT RATE FOR NON-LEGACY ON-	)	
SITE GENERATION CUSTOMERS FROM	)	
JUNE 1, 2025 THROUGH MAY 31, 2026, IN	)	
COMPLIANCE WITH ORDER NO. 36048	)	

On April 1, 2025, Idaho Power Company ("Company") applied to the Idaho Public Utilities Commission ("Commission") to update the Export Credit Rate ("ECR") for non-legacy on-site generation customers from June 1, 2025 through May 31, 2026, and to approve the Company's corresponding proposed changes to Schedule 6, Residential Service On-Site Generation ("Schedule 6"), Schedule 8, Small General Service On-Site Generation ("Schedule 8"), and Schedule 84, Large General, Large Power, and Irrigation On-Site Generation Service ("Schedule 84").

On September 30, 2025, the Commission issued a Final Order, implementing the ECR with modifications as set forth by the Final Order and suspending the annual update to the ECR until April 1, 2028. Order No. 36785.

On October 21, 2025, the city of Boise City ("Boise City") and Sierra Club and Vote Solar ("SC/VS") filed Petitions for Reconsideration. On October 27, 2025, Clean Energy Opportunities for Idaho ("CEO") filed Comments Re: Petitions for Reconsideration. On October 28, 2025, SC/VS filed an additional Cross Petition for Reconsideration. On October 28, 2025, the Company filed an Answer to Boise City and SC/VS's Petitions for Reconsideration.

With this Order, we deny these Petitions for the reasons described below.

ORDER NO. 36785

In Order No. 36785, the Commission approved the Company's Application to update the ECR for non-legacy on-site generation customers, subject to mitigation and modifications, effective October 1, 2025. The Commission found it reasonable to limit the change in the avoided energy value to a 40% decrease from the current ECR's avoided energy value, applied to both the summer and non-summer months. *Id.* at 24. The Commission also suspended the annual update

requirement of Order No. 36048 until April 1, 2028, and ordered the Company to maintain the ECR rates until the 2028 update. *Id.* at 25.

BOISE CITY’S PETITION FOR RECONSIDERATION

Boise City requested the Commission grant reconsideration by written briefs and comments. Boise City Petition at 1. Boise City believed that Order No. 36785 did not address the underlying issues that caused the need for the Commission to mitigate the ECR and that there were still questions of law and policy that should be heard on reconsideration. *Id.* at 1-2.

Boise City believed that even though the Commission found the ECR methodology to be reasonable when it was constructed, the Commission could reevaluate the methodology if it produced unfair results. *Id.* at 2. Boise City requested the Commission: 1) deny the ECR update; 2) direct the Company to update the basis of the avoided energy value component of the ECR; 3) cap future decreases of the ECR to 20%; and 4) establish an ECR update cycle of 3 or 4 years. *Id.* Boise City believed these requests would better fulfill the Commission’s intent than the mitigation ordered in Order No. 36785. *Id.*

Boise City requested that the Commission deny the ECR update. *Id.* Boise City believed the focus should not have been on avoiding subsidizing customer-generators, but instead, about providing fair compensation to customer-generators. *Id.* Boise City believed that the Company had economic incentives to reduce the value of exports from customer-generators and that it was, and continues to be, the responsibility of the Company and Commission to achieve a fair compensation structure. *Id.* at 3. Boise City argued that even though ratepayers could see an increase to their monthly bill through the Power Cost Adjustment (“PCA”), it was not enough to justify paying customer-generators an unfair price for the power they produce. *Id.* Boise City also argued that if the Company continued to underpay customer-generators and discourage home generation, ratepayers could see an increase to their base rate because the Company would need to invest in more generation infrastructure to keep up with demand. *Id.* at 4.

Boise City requested the Commission direct the Company to update the basis of the avoided energy value component of the ECR. *Id.* at 5. Boise City believed that the Commission should implement policy tools to reduce future price swings, including directing the Company to provide additional options for determining the avoided energy value. *Id.* Boise City argued that using regional wholesale market prices as a proxy for avoided energy costs undervalued the benefits provided by customer-generators, created fluctuations in the ECR, and did not accurately

reflect the reality of how the energy produced by customer-generators was consumed on the Company's system. *Id.*

Finally, Boise City requested the Commission cap future decreases of the ECR to 20% and establish an ECR update cycle of 3 or 4 years. *Id.* at 2 and 6. Boise City interpreted the Commission's intent in Order No. 36785 to include a policy of gradualism in adjusting the ECR and believed that a 20% cap would achieve that goal. *Id.* Boise City believed that the 40% cap on the avoided energy value and suspension until April 2028 complicated the matters at issue and delayed the clarification needed to provide an ongoing framework to ensure fair compensation. *Id.*

SIERRA CLUB AND VOTE SOLAR'S PETITION FOR RECONSIDERATION

SC/VS requested the Commission grant reconsideration by written briefs and comments. SC/VS Petition at 2. SC/VS requested the Commission grant reconsideration and modify the ECR methodology through a collaborative stakeholder process prior to the Company's ECR update in 2028. *Id.*

SC/VS believed that by providing mitigation to the ECR, the Commission recognized that the Company's proposed ECR rate was unjust and unreasonable. *Id.* at 3. SC/VS further believed that while the mitigation efforts put into place by the Commission would assist generation customers, Order No. 36785 failed to explain how the Commission came to adopt the mitigation measures, nor dealt with the underlying deficiencies in the ECR methodology. *Id.* SC/VS argued that while it did not oppose the mitigation measures adopted, the measures were ordered *ad hoc*. *Id.* at 4.

SC/VS stated that it identified several shortcomings with the ECR methodology that had been expressed in Case No. IPC-E-23-14 and the current proceeding. *Id.* at 4-5. SC/VS believed that the lack of stakeholder review was a cause for concern, as demonstrated by a calculation error in the Effective Load Carrying Capacity ("ELCC") used to calculate the avoided generation capacity cost in the 2024 ECR. *Id.* at 5. SC/VS argued that due to the "filed rate" doctrine, the Commission would be unable to address the underpayment to customers and would continue to be unsure if future calculations were correct in the future without the stakeholder review. *Id.* at 5-6. In addition to the calculation error in the ELCC, SC/VS believed that the zero-value assigned to the avoided transmission costs was also indicative of calculation error that should be reviewed. *Id.* at 6.

SC/VS noted the volatility in the avoided energy component of the ECR and believed that volatility led to Commission Staff's ("Staff") recommendation to implement mitigation. *Id.* SC/VS stated that it had previously recommended using a longer rolling average for the avoided energy value to reduce volatility and believed that doing so would provide a longer-term improvement to the ECR calculation instead of a "short-term *ad hoc* fix." *Id.* at 6-7.

SC/VS recommended the Commission direct Staff to convene a stakeholder working group to assess modifying the ECR methodology and submit its findings to the Commission for review. *Id.* at 7. SC/VS believed a stakeholder working group would provide a low-cost means to resolve technical issues with the ECR methodology prior to the Company's next filing. *Id.* SC/VS provided a proposed timeline for the recommended working group to review the ECR methodology and submit its findings to the Commission for review prior to the Company's 2028 ECR filing. *Id.* at 8.

CLEAN ENERGY OPPORTUNITIES FOR IDAHO'S COMMENTS RE: PETITIONS FOR RECONSIDERATION

CEO submitted Comments in response to Boise City and SC/VS's Petitions for Reconsideration. CEO Comments at 1. CEO stated that it supported the Commission's decision to suspend the ECR update until 2028. *Id.* at 2. CEO supported SC/VS's proposal to use the time prior to the 2028 ECR update to consider outstanding issues with regard to the ECR methodology. *Id.* CEO stated it also supported Boise City's recommendation to limit future ECR decreases to 20% and limit the update to the ECR to every 3-4 years. *Id.* CEO believed that the Commission should consider the balance of fairness and set a higher ECR. *Id.*

SIERRA CLUB AND VOTE SOLAR'S CROSS PETITION FOR RECONSIDERATION

SC/VS filed its Cross-Petition for Reconsideration in response to Boise City's Petition for Reconsideration. SC/VS Cross-Petition at 1. SC/VS agreed with Boise City that the ECR needed to fairly compensate customer-generators and that the current ECR risked higher long-term costs to ratepayers through increased rate-based investment by undervaluing distributed generation. *Id.* at 3. SC/VS believed that because both SC/VS and Boise City viewed the mitigation measures in Order No. 36785 as an acknowledgement that the calculated ECR was unjust and unreasonable, there was confirmation that the current methodology could not be relied upon to produce reasonable results. *Id.*

SC/VS believed that the evidence in the record supported Boise City's requests to: 1) deny the ECR update; 2) direct the Company to update the basis of the avoided energy value component of the ECR; 3) cap future decreases of the ECR to 20%; and 4) establish an ECR update cycle of 3 or 4 years. *Id.* SC/VS agreed that implementing a 20% cap and updating the ECR cycle to 3-4 years would improve rate stability. *Id.* at 4.

SC/VS argued that if the Commission chose to deny Boise City's Petition for Reconsideration, it should, at a minimum, grant SC/VS Petition for Reconsideration and direct Staff to convene a working group. *Id.*

IDAHO POWER'S ANSWER TO BOISE CITY AND SC/VS'S PETITIONS FOR RECONSIDERATION

The Company filed an Answer to the Petitions for Reconsideration filed by Boise City and SC/VS ("Petitioners"), requesting the Commission dismiss both Petitions because the Company believed they failed to comply with Commission procedural rules and improperly sought to reopen a different/previous docket. Company Answer at 1-2.

The Company stated that the current case was its first annual filing to implement the ECR methodology approved by Order No. 36048 in Case No. IPC-E-23-14. *Id.* at 2. The Company noted that Petitioners did not petition for reconsideration in the methodology case. *Id.* The Company believed that the scope of the current case was limited to whether the Company had properly applied the Commission-approved formula and stated that in Order No. 36785 the Commission acknowledged the Company's filing complied with the Commission-approved ECR methodology. *Id.* at 3. The Company believed that the arguments presented in the Petitions raised issues that have already been addressed by the Commission and were outside the scope of this docket. *Id.* at 4.

The Company argued that both Petitioners presented requests for the Commission to reconsider the ECR methodology approved in Order No. 36740 through a veiled request to reconsider Order No. 36785 in the current ECR update case. *Id.* at 10. The Company believed that Order No. 36048 is final and that it would be an impermissible collateral attack to grant reconsideration in this case for the methodology previously ordered in IPC-E-23-14. *Id.* at 10-11.

The Company stated that many of the issues raised by the Petitioners were considered and addressed by the Commission in IPC-E-23-14 and that neither party petitioned for reconsideration at that time. *Id.* at 12. The Company argued that reconsideration would not be an appropriate forum

for parties to reargue previously rejected arguments, and that the Petitioners' requests should be denied. *Id.*

The Company believed Boise City's Petition failed to establish that Order No. 36785 was unreasonable, unlawful, erroneous, or not in conformity with the law, as required by the Commission's Rules of Procedure. *Id.* at 13. The Company also argued that Boise City's Petition did not dispute that the Company's 2025 ECR update filing complied with the Commission-approved ECR methodology, but instead, raised arguments already considered by the Commission in the ECR methodology case. *Id.*

The Company believed that Boise City incorrectly inferred "unfairness" in the methodology based on the Commission's implemented mitigation. *Id.* at 14. The Company stated that mitigation was not due to a deficiency in the methodology, but an effort to offset increased bills for customers impacted by the update to the ECR. *Id.* The Company also disagreed with Boise City's assessment that the public comments in the current case demonstrate that the ECR methodology is inequitable. *Id.* at 15. The Company stated that it is accountable to more customers than just those impacted by the ECR and legally obligated to develop mechanisms and proposals that result in fair, just, and reasonable rates for customers, including not creating cost shifting between generators and non-generators. *Id.*

In response to SC/VS's Petition, the Company disputed that Order No. 36785 should be reconsidered due to the mitigation measures being adopted on an *ad hoc* basis. *Id.* at 16. The Company believed that the mitigation measures adopted by the Commission were a hybrid approach of various mitigation proposals, including Staff's proposal to limit the ECR decrease by 20, 30, or 40%. *Id.* at 17. The Company believed that Order No. 36785 provided ample explanations, justifications, and findings of fact for the mitigation measures to be implemented by the Commission. *Id.* at 18. The Company also provided numerous examples of prior orders where the Commission found mitigation to be reasonable to limit the impact of rate changes on customer bills. *Id.* at 18-20.

In response to the proposed working group, the Company argued that a similar process had already been conducted, reviewed, and approved by the Commission in Case Nos. IPC-E-21-21 and IPC-E-22-22. *Id.* at 24. The Company believed that the Petitioners' request should be denied because the recommendations in the ECR methodology case relied on years of stakeholder engagement and technical analysis. *Id.* at 25.

COMMISSION FINDINGS AND DECISION

Reconsideration provides an opportunity for a party to bring to the Commission's attention any question previously determined and thereby affords the Commission an opportunity to rectify any mistake or omission it may have made. *Washington Water Power Co. v. Kootenai Environmental Alliance*, 99 Idaho 875, 879, 591 P.2d 122, 126 (1979). Under *Idaho Code* § 61-626(1), a petition for reconsideration must be filed within 21 days of the order being issued. Once a petition for reconsideration is filed, there is a seven-day period for persons to file a cross-petition addressing the issues raised in the original petition.

The Commission now considers Boise City's and SC/VS's Petitions for Reconsideration requesting the Commission reexamine the ECR methodology used to update the ECR for non-legacy on-site generation customers.

As explained in Order No. 36785, the Commission decided not to consider proposals and concerns regarding the ECR methodology in IPC-E-25-15 as they fell outside the scope of the current case and had already been previously litigated. Order No. 36785 at 23. The Commission further explained that "comprehensive review of each component of the ECR calculation" had been provided in Order No. 36048. *Id.* The focus of the current case was not to further address the ECR methodology, but rather to implement it as directed in Order No. 36048. The Commission reviewed the Company's Application to update the ECR in accordance with the directives of Order No. 36048 and found the Company's filing to be in conformance with the Commission-approved ECR methodology. *Id.* at 24. The Commission's reasoning for not addressing the ECR methodology in the current case still holds true. The development of the methodology was the result of numerous cases with extensive records and the involvement and input of multiple parties, including the Petitioners. The Petitioners' concerns regarding the methodology stem from arguments made and decided on in Order No. 36048. As the implementation of the ECR methodology was at issue in this case, not the methodology itself, we do not find the Petitioners' arguments persuasive and deny the Petitioners' requests for reconsideration.

While the Company's filing was found to comply with Order No. 36048, the Commission decided mitigation was reasonable in the updated ECR. *Id.* Contrary to the reasoning provided by the Petitioners, the Commission explained that the mitigation was implemented to "reduce the impact of recent rate changes." The Commission did not find fault with the ECR methodology, but instead, acknowledged "that all customers—including non-legacy on-site generation customers—

have faced increases to their average monthly bills over the past 18 months.” *Id.* The Commission further recognized “that the updates to the ECR proposed in the Company’s Application would further affect customers in Schedule 6, 8, and 84.” *Id.* These mitigation measures were not implemented due to any unfair results from the ECR methodology, but rather, as a way to lessen the impact of bill increases on customers that had already seen increases as a result of unrelated rate cases.

Ultimately, the Commission found it reasonable to limit the change in the avoided energy value to a 40% decrease from the current ECR’s avoided energy value, applied to both summer and non-summer months. *Id.* The Commission’s decision was formulated based on the recommendations of the parties presented in the record, which suggested mitigation measures ranging from 20-50%. Specifically, Staff provided the following table explaining the impact mitigation measures would have on the ECR if implemented:

Export Credit Rate by Component (cents/kWh)	Max Change	current	proposed	20%	30%	40%
Energy	Summer	5.6533 ¢	1.7682 ¢	4.5226 ¢	3.9573 ¢	3.3920 ¢
<i>Including integration and losses</i>	Non-Summer	4.8365 ¢	0.9540 ¢	3.8692 ¢	3.3856 ¢	2.9019 ¢
	<i>Annual*</i>	<i>5.1566 ¢</i>	<i>1.2852 ¢</i>	<i>4.1350 ¢</i>	<i>3.6181 ¢</i>	<i>3.1013 ¢</i>
Generation Capacity	On-Peak	11.5862 ¢	11.9017 ¢	11.9017 ¢	11.9017 ¢	11.9017 ¢
	Off-Peak	0.0000 ¢	0.0000 ¢	0.0000 ¢	0.0000 ¢	0.0000 ¢
	<i>Annual*</i>	<i>0.7871 ¢</i>	<i>1.1360 ¢</i>	<i>1.1360 ¢</i>	<i>1.1360 ¢</i>	<i>1.1360 ¢</i>
Transmission & Distribution Capacity	On-Peak	0.2456 ¢	0.3899 ¢	0.3899 ¢	0.3899 ¢	0.3899 ¢
	Off-Peak	0.0000 ¢	0.0000 ¢	0.0000 ¢	0.0000 ¢	0.0000 ¢
	<i>Annual*</i>	<i>0.0167 ¢</i>	<i>0.0372 ¢</i>	<i>0.0372 ¢</i>	<i>0.0372 ¢</i>	<i>0.0372 ¢</i>
Total	Summer On-Peak	17.4850 ¢	14.0598 ¢	16.8142 ¢	16.2489 ¢	15.6836 ¢
	Summer Off-Peak	5.6533 ¢	1.7682 ¢	4.5226 ¢	3.9573 ¢	3.3920 ¢
	Non-Summer	4.8365 ¢	0.9540 ¢	3.8692 ¢	3.3856 ¢	2.9019 ¢
	<i>Annual*</i>	<i>5.9603 ¢</i>	<i>2.4585 ¢</i>	<i>5.3083 ¢</i>	<i>4.7914 ¢</i>	<i>4.2745 ¢</i>

Staff Comments at 10.

While SC/VS is correct in their assessment that the Commission did not apply the 40% cap symmetrically, their understanding of the Commission’s reasoning is flawed. Staff’s recommendation to place a symmetrical cap (either upward or downward) was given under the assumption that the ECR would continue to be updated annually. Instead, the Commission found it reasonable to suspend the annual update requirement of Order No. 36048 until April 1, 2028, with the understanding (based on public comments in the record) that non-legacy on-site generation customers needed time to adjust to the annual update portion of the ECR and to provide potential on-site generation customers time to review their investment decisions. Order No. 36785 at 24. With the Company maintaining the ECR at the mitigated rates set by Order No. 36785 until April 1, 2028, there was no reason to apply the mitigation symmetrically. Further, the Commission

ordered the Company's next filing to be in compliance with Order No. 36048, therefore lifting the mitigation measures and making symmetrical mitigation unnecessary.

For these reasons, the Petitions for reconsideration are denied.

ORDER

IT IS HEREBY ORDERED that the Petitions for Reconsideration are denied.

THIS IS A FINAL ORDER. Any party aggrieved by this Order or other final or interlocutory Orders previously issued in this case may appeal to the Supreme Court of Idaho under the Public Utilities Law and the Idaho Appellate Rules.

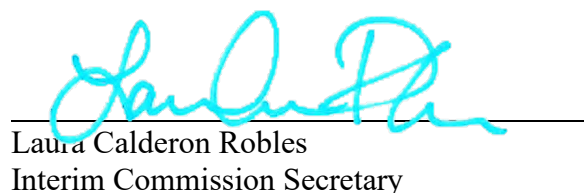
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17th day of November 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Laura Calderon Robles
Interim Commission Secretary

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