RECEIVED
Tuesday, April 11, 2023 11:37:18 AM
IDAHO PUBLIC
UTILITIES COMMISSION

Kelsey Jae (ISB No. 7899) Law for Conscious Leadership 920 N. Clover Dr. Boise, ID 83703 Phone: (208) 391-2961

kelsey@kelseyjae.com

Attorney for the Clean Energy Opportunities of Idaho

# BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN	)	CASE NO. PAC-E-22-15
POWER'S APPLICATION FOR AUTHORITY	)	
TO IMPLEMENT THE RESIDENTIAL	)	<b>Comments of Clean Energy</b>
RATE MODERNIZATION PLAN	)	Opportunities for Idaho

Clean Energy Opportunities for Idaho (CEO) respectfully requests that the Commission deny Rocky Mountain Power's (RMP or the Company) proposed changes to fixed monthly fees and other Schedule 1 rate design features and deny the Company's request to increase fixed monthly fees for Schedule 36 customers.

CEO supports Time of Use (TOU) rates when designed to achieve goals in the public interest. In a future docket, CEO would support a thoughtful transition in which standard residential rates shift from the current inclining block rate design to a default, Opt-Out rate design which includes onpeak rates in summer.

CEO requests that the summer on-peak time window in Schedule 36 be narrowed to a period with a 3 or 4-hour duration.

CEO comments are organized as described on the following page.



#### **Outline of Contents**

## 1. RMP should not be allowed to use this procedure to raise residential monthly charges

- a. The linkage between rate design and a fair return was addressed in RMP's most recent General Rate Case (GRC) PAC-E-21-07.
  - Financial stability, tariff design, and risk of revenue fluctuations impact the required rate of return according to testimony in PAC-E-21-07.
  - The Commission found that "the rate design agreed to in the Settlement provides the Company a reasonable opportunity to earn a fair return" (Order 35277, p8)
- **b.** Revenue neutral is not the same as risk neutral. Reducing volumetric risk implies the need for a reduction in required rate of return.
- c. Customers who prioritize bill stability would be better served by an optional billing struture designed for that purpose.
- d. The premise of a GRC should not be changed AFTER it is evaluated & negotiated.
- e. If the GRC application had requested the rate design requested in this docket, different parties may have engaged, and a different GRC Settlement may have resulted.

# 2. The justification RMP has proposed for raising monthly residential fees is severely flawed

- a. A customer has no duty to be average. The modern approach is "Costs follow benefits".
- b. A subset of "Fixed" depreciation costs should not drive rate structure.
- c. Municipal and cooperative utilities are not comparable to IOU's in their ability to raise capital or having a required ROE, and are not comparable in their monthly service charges.
- 3. As long as rates afford an opportunity to recover revenue requirements, the goal of "Modernization" should not be to align prices with legacy methodologies for characterizing costs, but to design rates which can achieve other goals, such as:
  - **a.** To encourage more efficient and effective use of energy, as directed by the Idaho Energy Plan.
  - **b.** To allow customers greater, not less, ability to control their bills.
  - c. To incent customer behaviors that defer or avoid future plant investment.

## 4. CEO supports TOU rates but recommends narrowing the summer on-peak window

- a. Narrow the on-peak window from the proposed 8 hours to a 3 or 4-hour period
- b. CEO would support a thoughtful transition in which residential rates shift from the current inclining block rate design to a default, Opt-Out Time of Use rate design which includes on-peak rates in summer

### 5. Summary



# 1 RMP should not be allowed to use this procedure to raise Residential monthly charges

In RMP's recent General Rate Case (PAC-E-21-07) interrelated matters such as Cost of Service, rate of return, revenue requirements, and rate design were carefully considered. In PAC-E-22-15 RMP proposes to substantially change the manner in which it collects revenue from residential customers without allowing sufficient opportunity to review the interrelated matters such as Cost of Service Study design and rate of return. Absent a review of Cost of Service Study design and rate of return CEO believes a determination of whether the requested rate design changes are fair and reasonable cannot be made. CEO believes the Commission should conclude that the scope of review RMP proposed in this docket is inadequate and as a consequence should deny RMP's requested tariff changes.

# 1a. The linkage between rate design and a fair return was addressed in PAC-E-21-07.

The Commission found that the rate design agreed to in the PAC-E-21-07 Settlement reflected a reasonable opportunity to earn a fair return:

"We find the rate design agreed to in the Settlement provides the Company a reasonable opportunity to earn a fair return." (PAC-E-21-07, Order 35277 at 8)

PAC-E-22-15 does not afford the opportunity to determine whether a substantially different rate design warrants an opportunity to earn that same level of return.

According to the Company's expert witness in PAC-E-21-07, financial stability and tariff design impact the required rate of return. Direct testimony by Ann Bulkley identified tariff designs as a key factor in the determination of an appropriate ROE:<sup>1</sup>

S&P identifies four specific factors that it uses to assess the credit implications of the regulatory jurisdictions of investor-owned regulated utilities: (1) regulatory stability; (2) tariff-setting procedures and design; (3) financial stability; and (4) regulatory independence and insulation.

The degree to which rate design mitigates revenue fluctuations impacts the determination of a fair rate of return. In describing key variables impacting the determination of an appropriate ROE, the Company's expert witness identified:<sup>2</sup>

Volumetric Risk: RMP does not have protection against volumetric risk in Idaho. In contrast, 49.43 percent of the operating companies held by the proxy group have some form of protection against volumetric risk through either a partial or full revenue decoupling mechanism that mitigates the effect of fluctuations in volume on revenues.

<sup>&</sup>lt;sup>1</sup> Bulkley Direct, PAC-E-21-07 at 53, footnote reference to Standard & Poor's Global Ratings, Ratings Direct, U.S. and Canadian Regulatory Jurisdictions Support Utilities Credit Quality-But Some More So Than Others, June 25, 2018, at 1. <sup>2</sup> Bulkley Direct, PAC-E-21-07 at 55



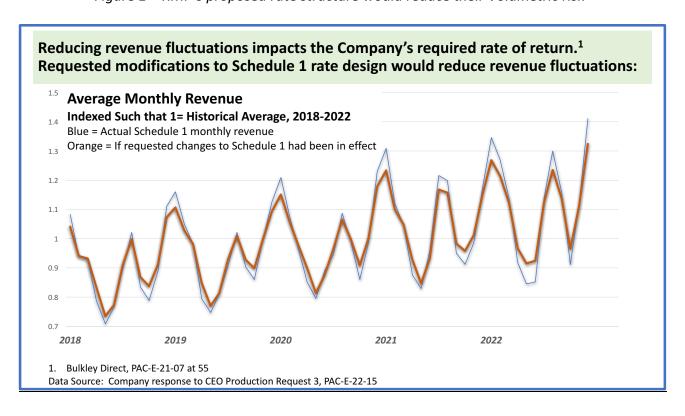
# 1b Revenue neutral is not the same as risk neutral. Reducing volumetric risk implies the need for a reduction in their required rate of return.

Implementing the rate design RMP proposes clearly would reduce the volumetric risk effects within RMP's Residential revenue streams. CEO believes the rate changes RMP proposes will reduce the variability in their cash in-flow thereby lowering RMP's exposure to volumetric risk. Because the implications to RMP's associated rate of return caused by that risk reduction are not addressed in this docket, the Residential rate designs implemented in the most recent GRC should be retained.

In response to a Production Request submitted by CEO in this docket, RMP provided data showing what their actual monthly revenue from Schedule 1 residential customers has been in each month over the past five years (2018-2022). For comparison purposes, CEO requested that RMP provide an estimate of what those monthly revenue flows would have been if the "year 5" changes to rate structure were applied to the actual number of Schedule 1 customers and their monthly consumption during those same 60 months. The results are shown in Figure 1 below.

In Figure 1 monthly revenue from Schedule 1 customers is shown for each of the 60 months in the period 2018 through 2022. The blue line shows the revenue in-flow to RMP as it actually occurred. The bolder orange line shows what those monthly revenues would have been if RMP's proposed rate design changes (in their final, "Year 5" amounts) had been in effect during the 2018 through 2022 period.

Figure 1 – RMP's proposed rate structure would reduce their Volumetric risk





As one can see in Figure 1, shifting to RMP's proposed rate structure would reduce the amount the Company's monthly revenue from Schedule 1 customers varies due to seasonal variations in the volume of Residential power consumption – effectively producing a reduction in the amount of volumetric risk the Company bears. In all months, the proposed rate design reduces volumetric variability – in low consumption months the proposed monthly revenue streams are larger, in high consumption months the proposed monthly revenue streams are smaller.

The benefits RMP would receive in the form of reduction in volumetric risk resulting from increased monthly fees warrant a simultaneous review of RMP's required rate of return on investments. No such review is offered in this docket. Absent such a review of RMP's required rate of return on their Idaho investments, RMP's request for changes to their Residential rate designs should be denied.

# 1c <u>Customers who prioritize bill stability would be better served by an optional billing</u> structure designed for that purpose

With regard to the separate matter of whether customers prefer stabilization of costs over control of costs, CEO acknowledges there is no one-size-fits-all to serve the priorities of all residents. Some customers may value bill stabilization and may be willing to forgo some control over their bills. But providing a mechanism to serve the desire of some customers for bill stabilization needn't be implemented by raising monthly fees on all residential customers.

Reducing volumetric prices limits the financial impetus for customers to lower their energy costs through efficiency investments or to shift their consumption patterns in ways that lower power costs for all customers. Offering an average billing option for customers who value month-to-month stability is a better way to meet the needs of <u>customers who desire that bill stability</u> than by unnecessarily raising fixed monthly fees on <u>all residential customers</u>.

# 1d The premise of a GRC should not be changed AFTER it is evaluated & negotiated.

Evaluation of a different Residential monthly service charge in the GRC application could have resulted in a different Settlement Agreement. The comprehensive evaluation and the settlement discussions in PAC-E-21-07 were predicated on the fact the Company had proposed a \$3 increase in Schedule 1 monthly service charges.<sup>3</sup> In that docket, Staff invested substantial resources to evaluate the "cost of capital, capital structure, class cost of service, rate spread, and revenue normalization" for, among other things, a residential rate design substantially different than that requested in PAC-E-22-15.

<sup>&</sup>lt;sup>4</sup> "Additionally, Staff evaluated the Company's cost of capital, capital structure, class cost of service, rate spread, and revenue normalization. In total, Staff submitted 228 production requests and held several virtual meetings with Company personnel as a part of its comprehensive investigation. Staff also reviewed the Company's responses to 365 production requests submitted by intervening parties." (PAC-E-21-07, Donn English Direct, at 5).



<sup>&</sup>lt;sup>3</sup> "The Parties agreed to increase the monthly customer charges based on the proposal in the Company's original filing. This includes, but is not limited to, raising the customer service charge from \$5.00 to \$8.00 for Schedule 1 residential customers, from \$14.00 to \$15.00 for Schedule 36 Time-of-Day residential customers, and from \$16.00 to \$18.00 for Schedule 23 general service customers." (PAC-E-21-07, Donn English Direct, summary at 12)

PAC-E-22-15 proposes to dramatically reduce the ability of residential customers to control their costs; such a request changes the balance of interests which were evaluated and negotiated in the GRC.

# 1e. <u>If the GRC application had proposed a nearly 600% increase in the Schedule 1 monthly service charge, the parties in the GRC docket could have been different.</u>

Stakeholder engagement in any docket is prompted by the Company's specific requests. Had the Company's request in PAC-E-21-07 to raise monthly charges by \$3 been similar to the request in this docket to raise monthly service charges to nearly \$30, a different set of parties could have been concerned. A different set of parties in the GRC could have resulted in different outcomes. Because stakeholders cannot go back in time to engage in prior settlement negotiations, the Company should not be allowed to ignore the premise of those negotiations in this docket.

The Company suggests in this docket that the Cost of Service Study (COSS) deliberated in PAC-E-21-07 justifies a substantially different rate design than it requested in PAC-E-21-07. Absent the presence of all parties who would participate in a General Rate Case in this docket, a review of matters related to COSS or required rate of return cannot be performed in this docket.

# 2 The justification RMP has proposed for raising monthly residential fees is severely flawed

# 2a. A customer has no duty to be average. The modern approach is "Costs follow benefits".

A customer has no duty to be "average". CEO takes issue with the Company's suggestion that, because the Company recovers some required revenue via volumetric charges, therefore customers who use more energy are subsidizing customers who use less energy. Customers who use more electricity do benefit more from shared infrastructure, and a customer who uses disproportionately more electricity during high cost to serve times benefits disproportionately more from using distribution, transmission and generation capacity irrespective of their of their total monthly consumption.

Pricing should not be viewed through the one-way lens of whether it aligns with the RMP's characterization of costs. If the Commission chooses to consider changes to residential rate design in this docket, CEO suggests that the Commission evaluate changes in the context of how they affect customer choices and future behaviors, as described further in section 3 of these comments.

<sup>&</sup>lt;sup>6</sup> Meredith Direct, at 7.



<sup>&</sup>lt;sup>5</sup> The "nearly 600%" increase is calculated on a rise from \$5/month when PAC-E-21-07 was filed to nearly \$30/month as proposed in this docket.

**Costs follow benefits.** It is fair and reasonable that customers who benefit more pay more. If a customer benefits from using power during higher cost to serve hours, higher prices for consuming services during those times are appropriate. Similarly, during lower cost to serve hours, lower prices would provide better price signals. This "Costs follow benefits" principle has been discussed at NARUC<sup>7</sup> and is commonly practiced in competitive markets.

All costs are not equally caused by each meter. Instead of RMP's proposed "peanut-butter" spread of distribution system costs across meters via a very large increase in the monthly service fee, CEO believes that truly "modern" best practices (as described in *Electric Cost Allocation for a New Era*, p18-19) suggest the following approach:

- 1. Treat as customer-related only those costs that actually vary with the number of customers, generally known as the basic customer method.
- 2. Apportion all shared generation, transmission and distribution assets and the associated operating expenses on measures of usage, both energy- and demand-based.

In sum, CEO believes it is fair and reasonable that customers who benefit disproportionately by when or how much they use the grid pay more. Increasing a fixed monthly fee does not provide a pricing signal that reflects how customer consumption patterns cause costs and thus is not a useful pricing signal for harnessing customer actions to control cost incurrence.

# 2b. <u>"Fixed" depreciation costs should not drive rate structure.</u>

Rate design needs to allow adequate revenue recovery, but the "Modernization" RMP proposes should include less emphasis on legacy methodologies for characterizing costs and more focus on controlling future costs.

The image at the right, presented at the NARUC 2020 Winter policy meeting in a discussion of modern approaches to Electric Cost Allocation, suggests that "modernization" implies the elimination of distinctions between "fixed" and "variable costs.

Utilities have to invest in a large range of assets to serve their load. Investments in distribution system assets should not be carved out for

# **Best Practices for All Frameworks**

- Apportion shared assets on measures of usage
- Ensure broad sharing of administrative and general costs
- Eliminate distinction between "fixed" and "variable" costs
- Only customer-specific costs are "customer" related.

Regulatory Assistance Project (RAP)®

special treatment for recovery via substantial increases in residential monthly fees.

<sup>&</sup>lt;sup>7</sup> NARUC 2020 Winter policy meeting, Electric Cost Allocation for a New Era (Regulatory Assistance Project)



# 2c. Municipal and cooperative utilities are not comparable to IOU's in their ability to raise capital or having a required ROE, and are not comparable in their monthly service charges

In Table 1 of the Application, the Company presents the Fixed Monthly Residential Charges for nine municipal and cooperative utilities (Coops) and two Investor Owned Utilities (IOU's), and then presents a simple average of all eleven Fixed Monthly Residential charges as evidence supporting its proposed substantial increases in fixed monthly charges. CEO believes this grouping of forprofit with not-for-profit utilities is an inappropriate basis for comparison.

IOUs have access to credit/financial services that Coops don't have. That access to financial services allows IOUs to much more easily accommodate variations in monthly inflows compared to Coops' ability to do the same. IOUs have working capital requirements, such as the working capital needed to cover variations in their monthly customer billings, already reflected in the calculations for their ROI.

The reference group of utilities shown in Table 1 are not appropriate. CEO maintains that Municipal & Cooperative utilities should not be part of the proxy group RMP uses to characterize their "comparable" Idaho load-serving entities. Further, the disproportionate weighting given to the Municipal & Cooperative utilities in Table 1 produces a very misleading result. The Company gives Municipal and Coop utilities a weighting of 82% in its calculation of "Average" Fixed Monthly Residential Charges, yet those utilities serve only 16% of Idaho's electricity customers.<sup>8</sup>

The only comparable operations in Table 1 with comparable corporate structures and for-profit purpose are Avista and Idaho Power. Both of these IOU's have a monthly residential charge LOWER than Rocky Mountain Power's current Schedule 1. If the Commission finds that comparable utilities are relevant in the determination of monthly customer charges, then the comparables suggest that RMP should reduce its \$8 monthly charge.

CEO suggests that the Commission consider only IOU utilities and that such consideration be weighted by number of residential customers. The average Fixed Monthly Residential Charges for the two Idaho IOU's in Table 1, weighted by total number of Idaho electricity customers, implies RMP's monthly fixed charge should be reduced to approximately **\$5.40**. 9

<sup>&</sup>lt;sup>9</sup> 2023 Idaho Energy Landscape, Idaho Governor's Office of Energy and Mineral Resources, reports that Avista serves 141,000 Idaho electricity customers (p12) & that Idaho Power serves 610,000 customers (p13). This illustrative calculation assumes 95% of Idaho Power customers are in Idaho.



<sup>&</sup>lt;sup>8</sup> "The three IOUs serve approximately 84% of the state's electricity needs, while the municipal and rural electric cooperative utilities serve the remaining 16%", 2023 Idaho Energy Landscape, Idaho Governor's Office of Energy and Mineral Resources, at 12.

3. As long as rates afford an opportunity to recover revenue requirements, the goal of "Modernization" should not be to align prices with legacy methodologies for characterizing costs, but to design rates which can achieve other goals.

CEO supports PUC Staff's statement made in a previous docket:

"So long as rates afford the Company an opportunity to recover its revenue requirement, Staff believes that rates may be chosen to achieve other goals, such as energy efficiency, incenting customer behaviors that defer or avoid future plant investment, or allowing customers the ability to control their bills." <sup>10</sup>

The Company's requested changes to Schedule 1 rate design and the Company's request to increase fixed monthly fees for Schedule 36 customers are counter to each of those three goals named by PUC Staff.

# Goal 1: Encourage more efficient and effective use of energy (Idaho Energy Plan).

This guidance is explicitly stated in the most current Idaho Energy Plan: "The Idaho PUC and Idaho utilities should continue to adopt rate designs that encourage more efficient and effective use of energy." Contrary to the Idaho Energy Plan, PAC-E-22-15 proposes changes that discourage more efficient and effective use of energy when compared to the rate design ordered in PAC-E-21-07:

- From a customer perspective, the proposal to lower volumetric rates while increasing fixed
  monthly fees reduces the customer's economic incentive to conserve energy or to invest in
  any technology which would reduce or change the timing of their electricity purchases from
  the Company.
- Similarly, from a customer perspective, the proposal to remove inclining block rates lowers the
  marginal cost of electricity to the customer, thus reducing the customer's economic incentive
  to conserve energy or to invest in any technology which would reduce their electricity
  requirements from the Company.

While CEO does not believe that the Company's current rate design is the optimal means of encouraging efficient and effective use of energy, the changes RMP has proposed would take us backwards rather than forwards.

One can perceive RMP's proposal to dramatically raise Residential monthly fixed fees as a lightly disguised attempt to introduce a BLC-type demand charge within the Residential customer class. A Time of Use rate design is a more effective signal of cost causation.<sup>12</sup> Any changes to rate

 $\underline{https://puc.idaho.gov/Fileroom/PublicFiles/ELEC/IPC/IPCE1816/Staff/20200121Comments.pdf}$ 

https://www.naseo.org/stateenergyplans-state?State=ID

<sup>&</sup>lt;sup>12</sup> "In short, Staff believes that a traditional Time of Use rate design is a more effective signal of cost causation than the Company's proposed Demand and BLC charges." (IPC-E-18-16 PUC Staff Comments, 2020, p20)



<sup>&</sup>lt;sup>10</sup> PUC Staff comments, IPC-E-18- 16, at 4.

<sup>11</sup> Idaho Energy Plan (p12), adopted by the Idaho Legislature on March 6, 2012,

structure should go in the direction of encouraging more efficient and effective use of energy as guided by the Idaho Energy Plan.

CEO asks the Commission to deny the requests to increase the Customer Service Charge in Schedules 1 & 36 and the request to eliminate inclining block tiered rates on the basis that such changes do not encourage efficient and effective use of energy and therefore are counter to the Idaho Energy Plan.

# Goal 2: Allow customers greater, not less, ability to control their bills.

Rate design should allow customers, individually and collectively, the freedom to make choices that lower their energy costs. Shifting a large portion of the Residential revenue streams from volumetric to fixed monthly fees reduces a customer's freedom to control their energy costs.

CEO advocates for increased customer agency. In that light, CEO asks the Commission to deny the Company's requests to increase the Customer Service Charge in Schedules 1 & 36 on the basis that such changes unnecessarily diminish the ability of customers to control their energy costs.

## Goal 3: Incent customer behaviors that defer or avoid future plant investment.

New plant investments can result in rate increases. As the Company justified in its recent request to increase rates:

"At a total-Company level, the Test Period includes over \$4 billion of new plant investment partially offset by \$120 million in decreased net power costs. This Application includes in rates the investments, costs, and benefits of the Company's activities during the Test Period." (PAC-E-21-07 Application, ¶ 11, p4)

Rate design affects customer choices of when and how much electricity they use, which in turn affects required future plant investments. Microeconomics is built on the correlations between lower per unit prices and higher unit sales. For example, when do people eat more – when food is priced a la cart, or at the all-you-can-eat buffet?

As an advocate for long-term affordability, CEO asks the Commission to deny the Company's requests to increase Customer Service Charges in Schedules 1 & 36 given that relatively lower volumetric charges incent customers to consume more and thereby increases the probability that new plant investments will be required.

#### 4. CEO supports TOU rates but recommends narrowing the summer on-peak window

TOU rate structures can be a powerful tool. CEO advocates for TOU tariffs when they are designed to achieve goals such as the following:

- 1. providing customer's agency over their energy costs,
- 2. lowering net power costs, and
- 3. improving long-term affordability by better aligning price signals with marginal cost causation.



In that context, if the Commission chooses to implement Residential rate changes in this docket, CEO requests the following:

# 4a Narrow the on-peak window from the proposed 8 hours to a 3 or 4-hour period.

As shown by the daily pattern of summer EIM prices displayed in Figure 2 below, the data suggest that a shorter period focused on the hours ending 6 to 9pm in the summer have dramatically higher market prices than the broader 8-hour range RMP has proposed.

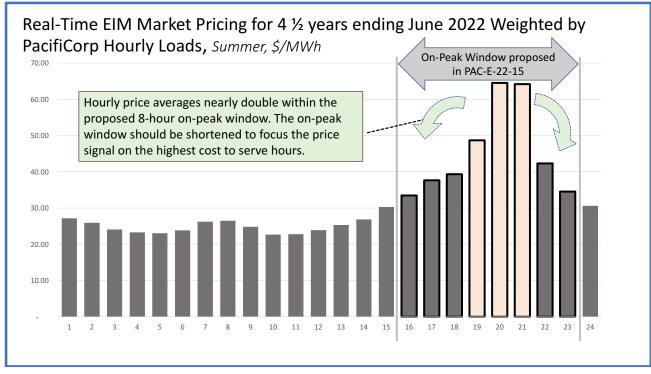


Figure 2 – Summer power market prices<sup>13</sup>

The Company describes that, "A customer's decision to opt into the voluntary Schedule 36 time of use program should be motivated by a desire to shift load to lower cost times" (Application, p4). Customers are less able to shift load when on-peak windows are too long. Rocky Mountain Institute presents among its Key Takeaways in *A Review of Alternative Rate Designs* (at 50):

"To ensure customers can respond to the price signal, the peak period duration needs to be kept as short as possible while still capturing the necessary peak hours.

• If the peak period is too long, customers are unable to reduce consumption during the entire period.

<sup>&</sup>lt;sup>13</sup> Data source: RMP Response to CEO Data Request 2



• Customer surveys indicate a preference for a peak period duration not exceeding 4–5 hours, even if that means the peak price will increase." <sup>14</sup>

CEO requests that any TOU program be designed to better enable customers to shift load to lower cost times, specifically in this docket that implies shortening the summer on-peak time window to 3 or 4 hours.

4b <u>CEO would support a thoughtful transition in which residential rates shift from the current inclining block rate design to a default, Opt-Out Time of Use rate design which includes on-peak rates in summer.</u>

As noted by the Company, public interest is served when customers shift load to lower cost times, specifically by reducing net power costs (NPC). <sup>15</sup> An Opt-Out Time of Use rate design would serve the public interest in several ways.

For example, transport and some building electrification is leading to rapid growth of flexible loads<sup>16</sup> for which customers have additional control over the timing of their loads. Implementing default time-varying price signals is important to ensure electrification improves asset utilization rather than augments peak load challenges.<sup>17</sup>

The Company has propsed eliminating its inclining block rate design, yet that would be counter to the Idaho Energy Plan guidance to encourage efficient and effective use of energy. In any effort to eliminate inclining block rates, the Company should simultaneously propose a more effective instrument for encouraging the efficient and effective use of energy.

### 5. Summary

CEO asks the Commission to deny the requests to increase the Customer Service Charge in Schedules 1 & 36 and the request to eliminate inclining block tiered rates on the basis that:

- Such changes alter the balance of interrelated matters evaluated and negotiated in the most recent GRC, including how a reduction in volumetric risk impacts a required rate of return.
   Further, had RMP requested this substantially different rate design in its GRC, different parties may have engaged, and a different GRC Settlement may have resulted.
- Such changes encourage customers to consume higher loads and thereby increase the probability of new plant investments being required. This is counter to the public interest in

<sup>&</sup>lt;sup>17</sup> E.g., <u>Residential Electric Vehicle Rates That Work, (Erika Myers, et al, Nov '19)</u> and other publications note TOU rates are an important first step in bringing customers on board with load management opportunities.



<sup>&</sup>lt;sup>14</sup> https://rmi.org/wp-content/uploads/2017/04/A-Review-of-Alternative-Rate-Designs-2016.pdf

<sup>&</sup>lt;sup>15</sup> "The potential benefits to the public interest from customers shifting load to lower cost times would be the reductions in net power costs (NPC)." Response to CEO Date Request 1, PAC-E-22-15.

<sup>&</sup>lt;sup>16</sup> The National Potential for Load Flexibility (Brattle Group, June 2019) reports that the magnitude of cost-effective load flexibility potential in U.S. would represent 20% of peak in 2030.

maintaining affordability.

- Such changes do not encourage efficient and effective use of energy, which is counter to the public interest and counter to guidance in the current Idaho Energy Plan.
- Such changes unnecessarily diminish the ability of customers to control their energy costs, which is counter to the public interest.
- The justification RMP has proposed for raising monthly residential fees is severely flawed and should not be relied upon.

CEO requests that any TOU program be designed to better enable customers to shift load to lower cost times, specifically implying that within Schedule 36 the summer on-peak time window should be reduced to a 3 or 4 hour period.

CEO would support a thoughtful transition in which residential rates shift from the current inclining block rate design to a default, Opt-Out Time of Use rate design which includes on-peak rates in summer.

Respectfully submitted on April 11, 2023,

**Courtney White** 

Clean Energy Opportunities for Idaho

#### **CERTIFICATE OF SERVICE**

I hereby certify that on this 11th day of April, 2023, I delivered true and correct copies of the foregoing COMMENTS to the following persons via the method of service noted:

Electronic Mail Delivery (See Order No. 34602)

Idaho Public Utilities Commission Jan Noriyuki Commission Secretary secretary@puc.idaho.gov

Idaho PUC Staff
Claire Sharp
Deputy Attorney General
Idaho Public Utilities Commission
claire.sharp@puc.idaho.gov

Idaho Conservation League
Marie Callaway Kellner
mkellner@idahoconservation.org

Brad Heusinkveld <a href="mailto:bheusinkveld@idahoconservation.org">bheusinkveld@idahoconservation.org</a>

Northwest Energy Coalition F. Diego Rivas diego@nwenergy.org

Pacificorp, dba Rocky Mountain Power Mark Alder 1407 West North Temple, Suite 330 Salt Lake City, UT 84116 mark.alder@pacificorp.com

Joe Dallas 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 joseph.dallas@pacificorp.com

Data Request Response Center <a href="mailto:datarequest@pacificorp.com">datarequest@pacificorp.com</a>

Minn ou

Kelsey Jae Attorney for CEO