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January 24, 2024

VIA ELECTRONIC FILING

Idaho Public Utilities Commission
11331 W. Chinden Blvd. Building 8 Suit 201A
Boise, ID 83714

Attn: Commission Secretary

**RE: CASE NO. PAC-E-24-02
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER
REQUESTING APPROVAL FOR ADJUSTMENTS TO THE IRRIGATION LOAD
CONTROL PROGRAM**

Please find enclosed for filing in the above captioned matter Rocky Mountain Power's Application requesting an order approving changes to the Irrigation Load Control program.

Informal questions related to this matter may be directed to Michael Snow at (801) 220-4214 or Mark Alder at (801) 220-2313.

Sincerely,

A handwritten signature in blue ink that reads "Michael S. Snow".

Michael S. Snow
Manager, Regulatory Affairs

Enclosures

cc: Eric Olsen

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Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF ROCKY MOUNTAIN POWER) CASE NO. PAC-E-24-02
REQUESTING APPROVAL FOR)
ADJUSTMENTS TO THE IRRIGATION) APPLICATION
LOAD CONTROL PROGRAM)**

COMES NOW, Rocky Mountain Power, a division of PacifiCorp (the “Company” or “Rocky Mountain Power”), in accordance with Idaho Code §61-502, §61-503, and RP 052, hereby respectfully submits this application (“Application”) to the Idaho Public Utilities Commission (“Commission”) to make adjustments to the Irrigation Load Control Program (“ILC Program”).

In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is authorized to do and is doing business in the state of Idaho as a public utility providing retail electric service to approximately 88,780 customers. Rocky Mountain Power is a public utility subject to the jurisdiction of the Commission pursuant to Idaho Code § 61-129.

I. BACKGROUND

2. On December 7, 2012, the Company filed an application in Case No. PAC-E-12-14 requesting authority to cancel Electric Service Schedule Nos. 72 and 72A

Irrigation Load Control tariffs and approve a new 10-year contract with EnerNoc, now known as Enel X North America, Inc. (“Enel X”), to administer the ILC Program.

3. On February 7, 2013, the Company and Idaho Irrigation Pumpers Association filed a Stipulation to amend various sections of the Company’s contract with EnerNoc.

4. On March 8, 2013, the Commission issued Order No. 32760 approving the Company’s December 7, 2012 application for an ILC Program, as modified by the Stipulation filed February 7, 2013.

II. IRRIGATION LOAD CONTROL PROGRAM

Contract Terms

5. The ILC Program has remained materially the same over the past decade. Irrigators on Electric Service Schedule 10 who choose to enroll in the ILC Program can earn cash incentives for curtailing electricity during peak demand periods. The current 10-year contract term with Enel X is coming to an end. In order to continue administering the ILC Program to Idaho customers, a new, updated contract with Enel X is needed. Attached hereto as Confidential Exhibit A is a new contract (“Contract”) with Enel X for the administration of the ILC Program through 2033. The Contract consists of the following components:

- Master Professional Services Contract Agreement (“MSA”) between PacifiCorp and Enel X dated February 22, 2022.
- Task Order Release Agreement (“TOA”) between PacifiCorp and Enel X dated December 20, 2023.

The MSA serves as a general terms agreement between PacifiCorp and Enel X that will apply to any services provided by Enel X across PacifiCorp’s service territory. Task Order Release Agreements authorize specific work under the MSA terms and provide detailed scopes of work

and pricing that pertain to any given project under the MSA. The TOA provided in Confidential Exhibit A includes the defined services and pricing for the ILC Program. The ILC Program TOA has an initial 5-year term through 2028, with an option to extend an additional 5 years through 2033 if agreed to by both parties.

Program Design

6. Enel X works with Rocky Mountain Power customers to enroll irrigation pumps that best fit the ILC Program and provide the greatest financial incentive to customers. During the ILC Program season, Enel X provides irrigators with a notice at least two hours prior to upcoming load control events with an option to opt-out. Enel X's load control devices shut off irrigation pumps automatically at the start of a dispatch event and release control of the pumps at the end of the event, allowing them to restart. Enel X pays irrigators in the fall after the season has ended based on average available load during program hours, adjusted for the percentage of events in which customers participated.

Incentive Structure

7. The ILC Program will continue to be a pay-for-performance structure that compensates irrigators for the average available load, measured in kilowatts (kW), that a pump can reliably shut-off during program hours, adjusted for event participation. This average available load per pump will then be multiplied by the applicable incentive rate, according to Table 1 below. The average load for each pump is measured by the load control devices on each pump. It is the average energy demand during all program hours (weekdays, 2:00pm – 9:00pm), excluding days when events are called. A pump's available load depends on its size and how often it is running. If a customer chooses to opt-out of a load control event, the available load is adjusted down by the percent of events in which they elected to opt out, and

they will receive the Base Incentive Rate as defined in Table 1. If a customer participates in all mandatory events, as defined in Confidential Exhibit A, they are eligible to receive the Bonus Incentive Rate as defined in Table 1. Customers participating in mandatory events will also receive an incentive payment based on the actual load reduced multiplied by the Mandatory Event Energy Reduction Payment (“ERP”) Rate specified in Table 1.

Table 1 – ILC Program Incentives (Mandatory Season)

Program Year	Base Incentive Rate (\$/kW)	Bonus Incentive Rate (\$/kW) *if Customer Participates in all Mandatory Events	Mandatory Event Energy Reduction Payment Rate
2024	\$32.50	\$39.00	\$0.075/kWh
2025	\$33.31	\$39.98	
2026	\$34.15	\$40.97	
2027	\$35.00	\$42.00	
2028	\$35.87	\$43.05	
2029	\$36.77	\$44.13	
2030	\$37.69	\$45.23	
2031	\$38.63	\$46.36	
2032	\$39.60	\$47.52	
2033	\$40.59	\$48.71	

Dispatch Parameters

8. The Company will continue to dispatch mandatory and voluntary events. In order to be eligible for the bonus incentive rate, participating customers must participate in all events during the Mandatory Season, based on the criteria in Table 2. Voluntary events are events that occur outside of the Mandatory Season dispatch parameters. Participating customers may choose to opt-out of any or all voluntary events with no penalties or reductions to their financial compensation. For customers who do participate in voluntary events, they will earn an ERP for each event. The ERP will be equal to the actual load reduced during the voluntary event multiplied by the voluntary ERP rate of \$0.38/kWh.

Table 2 – ILC Program Dispatch Parameters - Mandatory Season

Irrigation Load Control Program Mandatory Season	
Dispatch Period	Week including June 1 through August 15
Available Dispatch Hours	2:00 PM to 9:00 PM Mountain Time
Maximum Dispatch Hours	52 hours per Mandatory Season
Dispatch Duration	Not more than four hours per Dispatch Event or twelve hours per week
Dispatch Event Frequency	Limited to one Dispatch Event per day and up to three Dispatch Events per week
Dispatch Days	Monday through Friday, excluding holidays

In the event of a system emergency, Rocky Mountain Power may, at its discretion, expand the dispatch criteria beyond the parameters described herein. Emergency events may be used to satisfy requirements of the North American Electric Reliability Corporation standard BAL-002- WECC-2 for Contingency Reserve Obligation, and may be deployed when the Company is experiencing a qualifying event as defined by the Northwest Power Pool.

Projected Participation and Costs

The ILC Program currently has approximately 137 megawatts (“MW”) of curtailable demand response and is projected to maintain approximately 137 MW of curtailable demand response through 2033. Table 3 provides a breakdown of estimated costs for the ILC Program through 2033, and Table 4 provides an estimate of program participation.

Table 3 – Estimated Program Costs by Category

Year	Program Admin and Marketing	Customer Incentives	Utility Admin	Total
2024	\$1,141,000	\$2,794,000	\$65,000	\$4,000,000
2025	\$1,170,000	\$2,865,000	\$65,000	\$4,100,000
2026	\$1,200,000	\$2,938,000	\$65,000	\$4,203,000
2027	\$1,230,000	\$3,012,000	\$65,000	\$4,307,000
2028	\$1,262,000	\$3,089,000	\$65,000	\$4,416,000
2029	\$1,294,000	\$3,167,000	\$65,000	\$4,526,000
2030	\$1,326,000	\$3,247,000	\$65,000	\$4,638,000

Year	Program Admin and Marketing	Customer Incentives	Utility Admin	Total
2031	\$1,360,000	\$3,330,000	\$65,000	\$4,755,000
2032	\$1,394,000	\$3,414,000	\$65,000	\$4,873,000
2033	\$1,430,000	\$3,501,000	\$65,000	\$4,996,000
Total	\$9,577,000	\$23,449,000	\$493,000	\$33,518,000

Customer incentive costs assume all customers from the previous year continue to participate in the following years, and 80 percent of enrolled capacity receives the bonus payment. Total costs in Table 3 leverage a net present value calculation, with an assumed discount rate of 6.77 percent.

Table 4 – Estimated Program Participation

Estimated Site Participation	Estimated Customer Participation	Estimated MW
1,050	125	137

Data Tracking and Reporting

The Company currently reports on the ILC Program in its annual Demand Side Management reporting, due May 1st annually (“DSM Report”). The Company’s DSM Report includes program descriptions, program performance and major achievements for the ILC Program, as well as detailed information on called events. Beginning with the Company’s DSM Report for 2022, the Company also started tracking and reporting on the following additional metrics at the request of Commission Staff:

- a) the date and time for each initiated irrigation event;
- b) the amount of demand saved in megawatts for each event hour;
- c) the amount of energy saved in megawatt-hours for each event hour;
- d) the value of demand saved in each event hour;
- e) the program cost for demand saved in each event hour;
- f) the value and cost of energy saved in each event hour;
- g) the corresponding market price of energy for each event hour;
- h) a breakdown of incentives paid to each participant by event;
- i) any event adjustment for participant opt-outs; and
- j) any event adjustments for non-participation.

The Company will continue to provide this same level of detail for the ILC Program with the DSM Report. Additionally, the Company is working to gather hourly interval data for called events, including the timing leading up to and proceeding an event window. This will allow the analysis of data throughout the duration of an event, which will lend further insight to each event's success. The Company may update its reporting of the ILC Program as more granular data becomes available.

Program Management

9. Changes to the Program over the past 10 years have been minimal. The Company anticipates minimal changes will be needed going forward. However, in order to help manage the ILC Program and the TOA Contract with Enel X, the Company may make periodic adjustments to incentives, dispatch parameters, and other program design elements as needed to improve the ILC Program and ensure the ILC Program runs as intended and remains cost effective. To the extent that the Company anticipates there will be a material difference in total spend over the 10-year period relative to Table 3 above, the Company will notify and discuss with Commission Staff, and if necessary, submit a new Application with changes for the Commission to approve.

Changes in Program Design from Previous Contract

10. The Company included increased incentives for customers in the new ILC Program contract. The new incentive for customers beginning in 2024 will be increased by 30 percent over previous years, with an additional 2.5 percent increase each subsequent year. The Company believes that maintaining the same incentives that have been offered the past ten years will cause participation in the ILC Program to decline. The ILC Program has already

been seeing a general decline in available load reduction as shown in Figure 1 below, largely due to the following factors:

- Abnormally dry years. Dry years increase average availability as more irrigation pumping is required compared to an average year, which increases the load the Company has available to curtail. However, for abnormally dry years, irrigators may determine it is not financially viable to curtail their load if they see this having a non-negligible impact on growing patterns. Increased incentives are anticipated to mitigate this concern (See Figure 2 below for Pocatello, Idaho precipitation over the last 10 years)
- Inconsistent weather throughout the season. High variability of weather conditions throughout a season can lead to inconsistent availabilities that are difficult to forecast. Variability within a year may impact when an irrigation season begins and ends, and this timing may not align with the timing of the ILC Program.
- Inflation and rising costs of living. With the high level of variability in inflation over the past few years, the costs of goods and services have increased significantly. As a result, it may be less lucrative for irrigators to participate in the ILC Program if incentives are not increased. Irrigators need to weigh the benefits of being compensated for their participation against downsides such as possible loss of profit if changing irrigation patterns reduce crop output or increases labor costs.

The Company believes that the increased incentives will allow the ILC Program to retain its current enrollment of customers and may encourage other irrigation customers who have previously unenrolled from the ILC Program to rejoin.

Figure 1 – Maximum Weekly Average Available Load Reduction

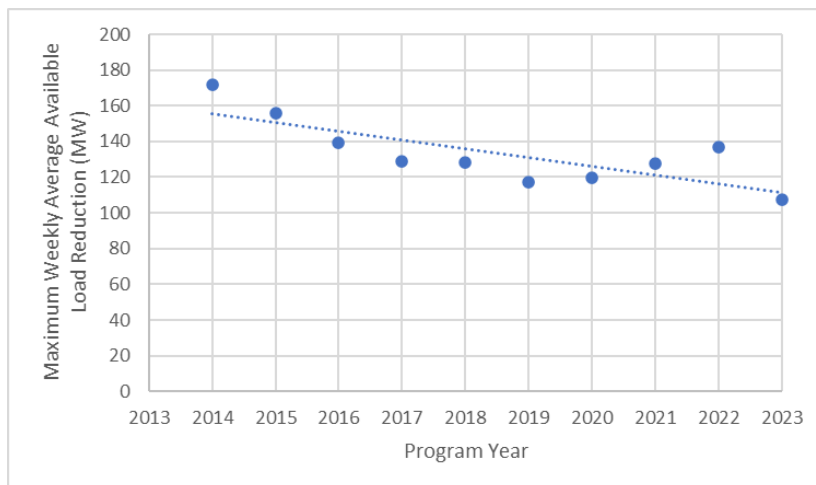
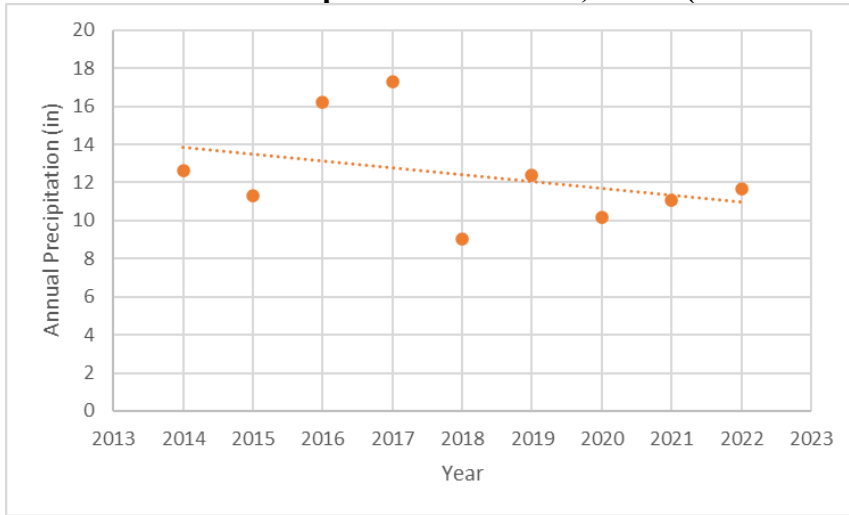


Figure 2 – Total Annual Precipitation - Pocatello, Idaho (www.weather.gov)



11. The Company modified the Contract to allow for a two-hour notification in lieu of a four-hour notification for called events. The ILC Program also may move to a more real-time structure in the coming years. The Company intends to maintain a four-hour notice for the 2024 season, but included the options for two-hour notices and/or more real-time scenarios to allow flexibility for a faster acting resource. The Company will discuss the change to a two-hour notice or real-time events with irrigators prior to implementation if it is determined that this adjustment is necessary for the ILC Program.

III. COST EFFECTIVENESS

12. A cost effectiveness analysis for the ILC Program is attached hereto as Confidential Exhibit B. The benefits used in the model generally follow guidelines outlined in the California Public Utility Commission 2016 DR cost effectiveness protocols,¹ where applicable. The avoided cost analysis for demand response resources is also similar to what is done for energy efficiency in Idaho and relies primarily on outputs from the 2023 IRP. The

¹ [Demand Response Cost-Effectiveness \(ca.gov\)](https://www.cpuc.ca.gov/~/media/CPUC/REGULATORY/DR/2016-DR-Cost-Effectiveness-Protocols.pdf)

following benefit streams are used for valuation of demand response benefits for the ILC Program:

- Avoided generation capacity costs.
- Avoided energy costs.
- Avoided transmission and distribution capacity costs.

Additionally, the Company applies the avoided cost benefit streams to account for parameters specific to the ILC Program, accounting for the following components when assessing the realization of benefits:

- Load impacts, in MW
- Hours of dispatch
- Availability of dispatch hours (i.e. when an event can be called)
- Duration of events
- Expected availability of load

13. As avoided costs are considered proprietary on load control programs, the cost effectiveness results are provided below with a “pass” designation, which equates to a benefit to cost ratio of 1.0 or better. Due to the nature of demand response, and consistent with the cost effectiveness methodology for other demand response programs, the Participant Cost Test is not applicable. The ILC Program is expected to be cost effective under the other benefit/cost tests. Workpapers in support of the cost effectiveness analysis is provided as Confidential Exhibit C.

Table 5 – Irrigation Load Control Program Cost Effectiveness

Benefit/Cost Test	Benefit/Cost Ratio
PacifiCorp Total Resource Cost Test (PTRC) + Conservation Adder	Pass
Total Resource Cost Test (TRC) No Adder	Pass
Utility Cost Test (UCT)	Pass
Rate Impact Test (RIM)	Pass
Participant Cost Test (PCT)	N/A

IV. COMMUNICATIONS

14. Communications regarding this Application should be addressed to:

Mark Alder
Michael Snow
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Telephone: (801) 220-2313
(801) 220-4214
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Joseph Dallas
825 NE Multnomah, Suite 2000
Portland, Oregon 97232
Telephone: (503) 813-5701
Email: joseph.dallas@pacificorp.com

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to one or more of the following:

By e-mail (preferred) datarequest@pacificorp.com

By regular mail
Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

IV. MODIFIED PROCEDURE

15. The Company believes that consideration of the proposals contained in this Application do not requires an evidentiary proceeding, and accordingly requests that this Application be processed under modified procedure pursuant to RP 201-204, which allows for consideration of these issues by written submissions rather than by an evidentiary hearing. If, however, the Commission determines that an evidentiary proceeding is required, the Company stands ready to provide supporting testimony.

V. CONFIDENTIAL INFORMATION


16. This filing, specifically the exhibits, contain confidential information including trade secret and other Company confidential information exempt from public review under Idaho Code §§ 74-104–109 and Idaho Public Utilities Commission’s Rule of Procedure 67.

VI. CONCLUSION

17. WHEREFORE, Rocky Mountain Power respectfully requests the Commission issue an Order: (1) authorizing that this proceeding be processed under modified procedure, and (2) approving the continuation of the Irrigation Load Control Program through the new 10-year contract with Enel X as described herein, with an April 1, 2024 effective date.

DATED this 24th Day of January 2024.

Respectfully submitted,

By  _____

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Confidential Exhibit A

**THIS EXHIBIT IS CONFIDENTIAL IN ITS
ENTIRETY AND IS PROVIDED UNDER SEPARATE
COVER**

Confidential Exhibit B

**THIS EXHIBIT IS CONFIDENTIAL IN ITS
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COVER**

Confidential Exhibit C

THIS EXHIBIT IS CONFIDENTIAL IN ITS
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