

## **DECISION MEMORANDUM**

**TO:           COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE**

**FROM:       MARK ROGERS**

**DATE:       NOVEMBER 15, 2016**

**SUBJECT:   IDAHO POWER COMPANY'S TARIFF ADVICE NO. 16-05;  
MODIFICATIONS TO SCHEDULE 84 – CUSTOMER ENERGY  
PRODUCTION NET METERING SERVICE.**

On October 19, 2016, Idaho Power Company (“Idaho Power”) filed a Tariff Advice with the Idaho Public Utilities Commission (“Commission”) to revise its Tariff Schedule 84 – Customer Energy Production Net Metering Service, with an effective date of November 18, 2016. On November 10, 2016, the Company filed a supplement to the Tariff Advice moving the effective date to November 22, 2016. As Schedule 84 is currently written, Schedules 9, 19 and 24 customers are required to meter their Generation Facility’s production through a second meter adjacent to the customer’s Point of Delivery at the same voltage as the retail meter required to measure and bill consumption. When Schedule 84 was designed it was not considered that a customer may in fact want to meter from a location other than adjacent to their Point of Delivery. However, by doing so, the costs for these customers to participate in net metering could be reduced. In this Tariff Advice, Idaho Power proposes to modify the requirements of the second meter’s location and voltage to reduce barriers to participation for the aforementioned customer classes.

### **BACKGROUND**

Idaho Power’s Schedule 84 is available throughout the Company’s service territory within the State of Idaho for customers intending to operate Net Metering Systems to generate electricity to reduce all or part of their monthly energy usage. As stated, Schedule 9, 19 and 24

customers are required to meter their facility's production through a second meter adjacent to the customer's Point of Delivery, at the same voltage as the retail meter required to measure and bill consumption. To comply with these requirements, certain customers from these Schedules would incur large and unnecessary costs that are currently limiting their participation in net metering. According to the Company, it has received inquiries from customers who want to install net metering systems, but find compliance with the existing metering equipment to be cost prohibitive. Consequently, the Company has reevaluated its existing tariff and now proposes to modify the requirements regarding the location and voltage of the required second meter. As stated by the Company, the modification will simply allow Idaho Power the flexibility to reduce the cost responsibility for the potential net metering customer, and it is not expected to result in any incremental or increased costs borne by the Company or non-participants.

#### **STAFF ANALYSIS**

Staff reviewed the Company's Tariff Advice and believes the proposed modifications are reasonable. Staff will address issues with the current tariff in more detail below, specifically with respect to the second meter's location and voltage, and the impacts to Schedules 9, 19 and 24.

Of the Company's 320 Primary Service customers under Schedules 9 and 19, only five are enrolled in net metering. Part of the reason for the low participation is that the current tariff requires the installation of a second meter adjacent to the customer's Point of Delivery if the facility exceeds 25 kW in size. Furthermore, the second meter must measure generation at the same voltage as the retail meter. Since customers taking Primary Service under Schedule 9 and 19 generally have campuses spread over a large area, the Point of Delivery for Primary Service could be a significant distance from where the Generating Facility site would be located. In the case of one customer interested in additional net metering, its Point of Delivery is a Primary Voltage location on its campus nearly four city blocks away from the Generating Facility. Consequently, the cost to install the second meter at the customer's Point of Delivery with line extensions to the Generating Facility could be as expensive as \$6.25 per watt; nearly three times the total installed cost per watt of a typical net metering facility.

The proposed tariff changes mitigate unnecessary installation costs by allowing the Company discretion in determining whether the second meter would be located adjacent to, or on

the customer's side of the Point of Delivery. In the event that the meter is on the customer's side of the Point of Delivery, the new Generation Interconnection Point will most likely be on a Secondary Voltage line. In this case, the meter would not be reading at the same Primary Voltage as the retail meter, but rather at the Secondary Voltage of the distribution system. Therefore, the requirement to change the metering voltage must be modified to coincide with the change of the meter's location.

Staff inquired into what effect these modifications would have on Schedule 24 customers, as this Schedule does not have a Primary Service option. As the Tariff is written, any customer participating in net metering that is not taking service under Schedules 1, 4, 5 or 7 would be required to install the second meter. Given that these customers would potentially have two meters, the possibility of moving the second meter onto a customer's side of the Point of Delivery is still possible; however, it would most likely be measuring at the same voltage as the retail meter.

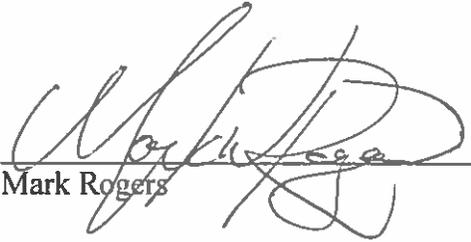
Staff further inquired about whether there could be any metering or operational issues that could occur from moving the location and changing the voltage of the second meter. The Company informed Staff that it is capable of accurately measuring the Generating Facility's output regardless of whether or not it is located on a Primary or Secondary Service line, and regardless of whether or not it is located adjacent to the Point of Delivery. After reviewing the Company's Application, Staff believes that the proposed changes are reasonable.

#### **STAFF RECOMMENDATION**

Staff has reviewed the Company's revised tariff and believes the modifications adequately remove the aforementioned barriers to Schedule 84 participation for customers taking service under Schedules 9, 19 and 24. Staff recommends approval of the revised tariff as filed.

**COMMISSION DECISION**

Does the Commission wish to approve Idaho Power's proposed changes to its Tariff Schedule 84 – Customer Energy Production Net Metering Service, with an effective date of November 22, 2016?



Mark Rogers

i:udmcmos/NEM Tariff Advice – 16-05