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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	CASE NO. IPC-E-12-27
APPLICATION OF IDAHO POWER)	
COMPANY FOR AUTHORITY TO)	SUPPLEMENTAL COMMENTS
MODIFY ITS NET METERING)	OF THE
SERVICE AND TO INCREASE THE)	IDAHO CONSERVATION LEAGUE
GENERATION CAPACITY LIMIT.)	AND THE
)	IDAHO CLEAN ENERGY
)	ASSOCIATION

The Idaho Conservation League (ICL) and the Idaho Clean Energy Association (ICEA) respectfully submit the following Supplemental Comments in response to Order No. 32880, dated August 14, 2013.

In Order No. 32880 the Commission stated: "The primary thrust of net metering is to provide customers the opportunity to offset their own load and energy requirements."¹ To ensure the program provides this opportunity the Commission instituted several changes to Idaho

¹ Order No. 32880 at 3.

Power's net metering program, including most relevant here, replacing cash payments for annual excess energy with a system of bankable kilowatt-hour credits. Under the cash payment system, a net metering customer could apply the cash as they wished to offset power bills, including to bills covering separate accounts and service points. Under the bankable credit system, this ability to apply credits to multiple accounts is uncertain.

To address several public comments on the issue the Commission requested input on the following: "If a net metering customer takes service through multiple meters at one or more premises, should the customer be allowed to apply net metering credits to offset usage on the other meters? If so, what conditions should apply?"²

For Idaho Conservation League and the Idaho Clean Energy Association, the answer to the first question is yes. Allowing a customer to apply kwh credits to offset the energy portion of their power bills is consistent with the primary purpose of net metering.³ Whether the customer's load and energy requirements is measured at a single meter or multiple meters, the effect is the same—the customer is using kwh credits to reduce their own power bills, not engaging in a wholesale power transaction of any sort.

Using a hypothetical monthly power bill will illuminate the issue. Each month a customer receives a single bill covering three accounts and two locations. Account #1 covers the Boise office. Account #2 covers the outdoor lighting at the Boise office. Account #3 covers a separate office in Meridian. Because the accounts cover a single point of service and single customer, the kwh credits should, at a minimum, be available to offset the energy portion of both Accounts 1 and 2. Because the accounts cover a single customer and do not implicate a wholesale power

² Order No. 32880 at 5.

³ Although ICEA previously advocated for a financial credit, ICEA did not seek reconsideration on this issue and, for the purpose of this proceeding, accepts the use of a kwh credit. ICEA does not waive the opportunity to advocate for a financial credit in future proceedings, if justified by the circumstances.

transaction, the kwh credits should also be available to offset the energy portion of Account 3. In either case, excess kwh credits offset a single customer's energy requirements.

Allowing a single customer to apply kwh credits at multiple locations provides more opportunities for Idahoans to participate in the program while remaining true to the primary purpose of net metering. During the public hearing and in written comments the Commission heard from several current customers who designed their systems to offset their own energy demands but happen to use multiple meters. Mr. Standal's Petition for Reconsideration explains how he designed his system to offset his energy loads spread across his five accounts.⁴ Mr. Kelly Hogan explained at the June 11, 2013 public hearing he separately meters the power consumption of his commercial buildings and the power production of his net metered system to simplify his accounting, but the system is designed to only offset his own load. Ada County explained they apply credits generated at one meter to offset power bills at a second meter because this reduced the cost of the installing and interconnecting the system.⁵ Allowing a customer to apply excess kwh credits to multiple locations provides a full opportunity to offset their own loads and energy requirements while staying true to the primary purpose of net metering.

Allowing customers to apply kwh credit across multiple locations will not incent customers to oversize systems beyond their own energy requirements. Yes, a customer could install a system at location A designed to produce excess kwh credits at that location. But the customer would have no incentive to produce more excess kwh credits than the energy they consume at location B. Even though the system at location A is oversized for that location, using kwh credits instead of cash payments limits the customer to only offset the energy portion of their power bills. Utilizing a kwh credit system instead of a financial payment incents systems that

⁴ See Standal Petition at 1 – 2 (July 20, 2013).

⁵ See Dave Logan/Ada County Comment (September 27, 2013).

are sized to only offset a customers own energy requirements even when measured at multiple locations, not engage in wholesale power sales to the utility or other customers.

Applying kwh credits to accounts with differing rate schedules is fair, just, and reasonable. A single customer may pay for power under differing rate schedules that correspond to the electric service delivered. But when providing “customers the opportunity to offset their own load and energy requirements”⁶ it is the customer’s kwh consumption, not the rate schedule, that matters. Previously a customer accumulated a financial credit calculated by multiplying the excess kwh by the corresponding energy rate of the customer’s rate schedule. Because different schedules charge different energy rates, applying the financial credit across schedules could exacerbate cost recovery issues. A kwh credit scheme avoids this issue. Any excess kwh credits would first reduce the kwh portion of the energy bill, any remaining kwh consumed would be billed at the correct rate on the corresponding schedule. Applying credits to different rate schedules allows a customers the opportunity to offset their load and energy requirements, while paying the proper rate for the customer’s net energy consumption.

In response to a discovery request, Idaho Power states the Company’s billing system “is not able to net usage across multiple schedules and customer accounts” so a manual system must be used.⁷ ICL and ICEA submit the Commission should be skeptical of claims that technical difficulties prevent Idaho Power from doing a thing it does not want to do for policy reasons. Instead, the Commission should direct Idaho Power to report back within six months on the necessary timeline for ensuring the Company’s billing system has adequate capability to apply a kwh credit system for net metering customers.

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⁶ Order No. 32880 at 3

⁷ See Exhibit 206, Idaho Power’s Response to Staff Request No 18.

In conclusion ICL and ICEA suggest the following conditions apply to excess kwh credits:

- Any excess kwh credits will first be applied to the same account the net metered system is electrically connected to.
- A customer may apply any excess kwh credits to another account held by the same customer.
- Kwh credits may not offset the customer charge portion of any account to which they are applied.
- Customers must prospectively designate the additional account or accounts to apply the kwh credit.
- Customers may change the designated account annually.

Respectfully submitted this 30th day of September 2013,



Benjamin J. Otto
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League



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CASE NO. IPC-E-12-27

Idaho Conservation League

Idaho Clean Energy Association

September 30, 2013

EXHIBIT 206

IDAHO POWER'S RESPONSE TO STAFF REQUEST NO 18

REQUEST NO. 18: Please explain the capabilities of the Company's new billing system with regard to net metering aggregation. Specifically, for customers having a separate meter from the existing retail load, please explain if the new billing system can net usage across multiple schedules and customer accounts.

RESPONSE TO REQUEST NO. 18: The Company's new billing system is not able to net usage across multiple schedules and customer accounts. Manual billing processes would need to be developed should it be necessary to net usage across schedules, service points, or accounts.

The response to this Request is sponsored by Mathew Larkin, Regulatory Analyst, Idaho Power Company.

CERTIFICATE OF SERVICE

I certify that on the 30th day of September 2013, I delivered true and correct copies of the foregoing SUPPLEMENTAL COMMENTS THE IDAHO CONSERVATION LEAGUE and IDAHO CLEAN ENERGY ASSOCIATION to the following persons via the method of service noted:

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