

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-17-13
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO ESTABLISH NEW) NOTICE OF APPLICATION
SCHEDULES FOR RESIDENTIAL AND)
SMALL GENERAL SERVICE) NOTICE OF
CUSTOMERS WITH ON-SITE) INTERVENTION DEADLINE
GENERATION)
ORDER NO. 33843

On July 27, 2017, Idaho Power Company (“Idaho Power” of the “Company”) applied for authority to establish new schedules for residential and small general service customers (“R&SGS”) with on-site generation (“Application”). Idaho Power contends that its existing retail pricing structure does not accurately reflect the cost to serve its customers with on-site generation who require services from Idaho Power, but who also meet some of their own energy needs with on-site, customer-owned systems such as rooftop solar.

With this Order the Commission notifies interested persons that the Company has filed the Application, and sets deadlines by which interested persons may intervene.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company is a public utility providing net metering service to its Idaho customers. The Company’s Application states that “[n]et metering service is offered by the Company . . . to provide for the transfer of electricity to the Company from customer-owned generation facilities with the intent of offsetting all or a portion of a customer’s energy usage.”

YOU ARE FURTHER NOTIFIED that the Company states that in recent years the number of its customers choosing on-site generation and, therefore, taking bi-directional electricity services, has outpaced the Company’s extant net metering rates, leading to unfair cost shifting between certain customer classes. The Company further maintains that due to this value imbalance and related pricing inaccuracies, it is time, in line with the electric utility industry nationwide, to reassess the appropriateness of net metering policies established decades ago, when nearly all Idaho Power customers received one-way power service.

YOU ARE FURTHER NOTIFIED that the Company states that its existing net metering rate structure creates inequity between standard service customers and net metering customers because net metering customers decrease some or all of their net usage while still heavily relying on the Company's grid to purchase and transfer electricity. The Company states this reduces its ability to collect class revenue requirement, leaving other residential customers to pay the fixed costs that transfer to them through the claimed net metering revenue shortfall. The Company also believes that the current net metering rate design subsidizes, by wealth transfer, those with the financial ability to install solar by those without the ability to do so.

YOU ARE FURTHER NOTIFIED that the Company proposes to correct this claimed unfair cost shifting by amending its net metering rate design to remove rate design based incentives for net metering and help expand scalable and sustainable on-site generation. The Company believes its proposed amendments will correctly signal to customers that changes in rate design or compensation for excess net energy could negatively impact the economics of their investment in on-site generation.

YOU ARE FURTHER NOTIFIED that, specifically, Idaho Power asks the Commission to:

1. Close Schedule 84 to new service for R&SGS customers with on-site generation after December 31, 2017;
2. Establish two new classes and implement two new tariff schedules, for R&SGS customers with on-site generation that ask to connect to Idaho Power's system on or after January 1, 2018, with no pricing changes at this time;
3. Amend all applicable Company tariff schedules to require the installation and operation of smart inverters for all new customer-owned generator interconnection within 60 days following the Institute of Electrical and Electronic Engineers adopting of an industry standard definition of smart inverters; and
4. Open a generic case to establish a compensation structure for customer-owned distributed energy resources when this case ends.

YOU ARE FURTHER NOTIFIED that the Company requests that the Commission convene a prehearing conference to establish proper procedure for this case and issue a final Order by December 29, 2017.

YOU ARE FURTHER NOTIFIED that the Company attached its clean and proposed Tariff 101, Schedules 6, 8, Rule H-1, 54, 55, 63, 66, 72, 81, 84, 91, 98, and Direct Testimonies by David M. Angell, Connie G. Aschenbrenner, and Timothy E. Tatum to its Application.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Electric Cases," and then click on the case number as shown on the front of this document.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 3 1.01.01.072 and -.073. Persons intending to participate in this matter must file a Petition to Intervene no later than twenty-one (21) days from the service date of this Order. Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that once the intervention deadline has passed, the Commission Secretary will issue a Notice of Parties listing all parties to the case and assigning exhibit numbers to each party in this proceeding. The Commission Staff will then informally confer with the parties about a proposed schedule and other matters. The Staff will then report back to the Commission with a proposed schedule, and the Commission will issue additional orders or notices setting further procedure, including a public hearing for customers.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Idaho Power's representatives in this matter:

Lisa D. Nordstrom
Idaho Power Company
1221 W. Idaho Street (83702)
PO Box 70
Boise, ID 83707-0070
E-mail: lnordstrom@idahopower.com
dockets@idahopower.com

Timothy E. Tatum
Connie Aschenbrenner
Idaho Power Company
1221 W. Idaho Street (83702)
PO Box 70
Boise, ID 83707-0070
E-mail: ttatum@idahopower.com
caschenbrenner@idahopower.com

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter under Title 61 of the Idaho Code. The Commission may enter any final order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that the Commission will conduct all proceedings under the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

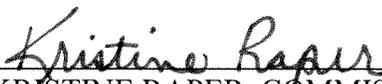
IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene with the Commission no later than twenty-one (21) days from the service date of this Order.

IT IS FURTHER ORDERED that after the intervention deadline has passed, a Notice of Parties shall issue and Staff shall informally confer with the parties and report back to the Commission with a proposed schedule. The Commission then will issue further orders or notices setting a case schedule, including a public hearing for customers.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *17th* day of August 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane Hanian
Commission Secretary

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