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UTILITIES COMMISSION

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May 2, 2019

VIA HAND DELIVERY

Diane M. Hanian, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-19-15
Study of Net Excess Energy for On-site Generation Under Schedule 84 and
Temporary Suspension of Schedule 84 for New Idaho Applicants – Idaho
Power Company's Comments

Dear Ms. Hanian:

Enclosed for filing in the above matter please find an original and seven (7) copies
of Idaho Power Company's Comments.

Very truly yours,



Lisa D. Nordstrom

LDN:csb
Enclosures

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Attorney for Idaho Power Company

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

| | | |
|----------------------------------|---|-----------------------|
| IN THE MATTER OF IDAHO POWER'S |) | |
| APPLICATION TO EVALUATE SCHEDULE |) | CASE NO. IPC-E-19-15 |
| 84 – NET METERING |) | |
| |) | IDAHO POWER COMPANY'S |
| |) | COMMENTS |
| |) | |

As the Idaho Public Utilities Commission ("Commission") observed in May 2018, "The increasing technological and financial feasibility of on-site generation, and its adoption by customers, is rapidly increasing and evolving."¹ With the active and pending capacity growth for all Schedule 84 customers increasing by 150 percent in the first four months of this year (for the irrigation class alone, the increase was 470 percent), Idaho Power Company ("Idaho Power" or "Company") is increasingly concerned that flawed economic signals and incentives provided through retail rate net metering may mislead

¹ *In the Matter of the Application of Idaho Power Company for Authority to Establish New Schedules for Residential and Small General Service Customers with On-Site Generation*, Case No. IPC-E-17-13, Order No. 34046 at 16 (May 9, 2018).

customers considering multi-million-dollar investment decisions in on-site generation. This concern prompted the Company to request the Commission review modifications to the compensation structure and excess net energy value applied under Schedule 84, as well as temporarily suspend service under Schedule 84 to new Idaho commercial, industrial, and irrigation (“CI&I”) applicants during the pendency of this case.

Commission Order No. 34315 directed interested parties to submit comments regarding the procedural aspects in Case No. IPC-E-19-15 (“19-15 Case”). The Company’s comments first provide background for the establishment and scope of two current dockets relevant to the 19-15 Case. Then, the Company describes several important distinctions between residential and small general service (“R&SGS”) customers with on-site generation taking service under Schedules 6 and 8 and CI&I customers taking service under Schedule 84, and provides further evidence supporting its request for a temporary suspension of Schedule 84. Finally, the Company comments on each of the statements listed on page 3 of Order No. 34315.

I. BACKGROUND

On July 27, 2017, the Company filed Case No. IPC-E-17-13 seeking authority to establish two new customer classes for R&SGS customers with on-site generation. At that time, both the R&SGS and CI&I customers with on-site generation were included within Schedule 84, Net Metering Service (“Schedule 84”). In its filed Application and testimony in Case No. IPC-E-17-13, the Company described its concerns regarding the potential for cost-shift specifically in the R&SGS customer classes caused by the rate design applicable to those customer classes:

Currently, the Company's R&SGS customers are billed two types of charges: (1) a flat monthly service charge of \$5.00 and (2) per kWh energy charges that vary by season and total monthly consumption. Due to the limited billing components associated with these rate classes, most of the Company's revenue requirement is collected through the volumetric energy rates.²

When the Company filed Case No. IPC-E-17-13 in July 2017, growth in the Company's Schedule 84 was primarily attributed to new residential applications. The rapid growth in Schedule 84 monthly net metering, coupled with rate design and metering differences applicable to R&SGS customers, prompted the Company to focus its request on addressing concerns related to the R&SGS customer segments.

On May 9, 2018, the Commission issued Order No. 34046 finding it fair, just, and reasonable for the Company to separate R&SGS on-site generation customers into Schedules 6 and 8, respectively. Furthermore, the Commission ordered the Company and interested parties to undertake a process to "study the costs and benefits of net metering on Idaho Power's system, proper rates and rate design, alongside the related issues of compensation for net excess energy provided as a resource to the utility."³ On September 21, 2019, the Commission issued its Reconsideration Order No. 34147, directing the Company to expand the discussions in the forthcoming docket to include studying the feasibility of a non-export option. Order Nos. 34046 and 34147 were the impetus for the following two cases: IPC-E-18-15 and IPC-E-18-16.

² Case No. IPC-E-17-13, Tatum DI at 13.

³ Order No. 34046 at 22.

A. Case No. IPC-E-18-15.

On October 19, 2018, Idaho Power filed Case No. IPC-E-18-15 (“18-15 Case”)⁴ asking the Commission to initiate a docket to study the costs, benefits, and compensation of on-site generation on Idaho Power’s system, as well as proper rates and rate design, transitional rates, and related issues of compensation for net excess energy provided as a resource to the Company. The Company’s focus for this study was for the newly established Schedules 6 and 8 created through Order No. 34046. As reported in the Staff Report filed in the 18-15 Case with the Commission on February 28, 2019, the Company and intervening parties have held several settlement meetings to discuss those matters.

In an effort to facilitate discussion in the 18-15 Case, prior to filing its Application in October 2018, the Company prepared several studies to use as a basis for discussion: (1) 2017 Idaho Report of Operations (“2017 ROO”), (2) Class Cost-of-Service Study (“COS Study”) based upon the 2017 ROO, (3) a 25-year levelized, solar-based Value of Distributed Energy Resources (“VODER”), and (4) an analysis of moving the newly established Schedules 6 and 8 to a net hourly billing structure. The Company prepared those studies to provide parties with a “strawman” that may facilitate settlement negotiations in the case and provided these studies to all parties in the 18-15 Case on December 12, 2018, in response to a Commission Staff (“Staff”) discovery request.

The Company has continued, at the request of Staff, to prepare additional materials and presentations to share with parties during the settlement meetings. It has been the Company’s position that changes to the compensation structure (measurement interval for billing and compensation for net excess generation) could be reasonably

⁴ *In the Matter of the Petition of Idaho Power Company to Study the Costs, Benefits and Compensation of Net Excess Energy Supplied by Customer On-Site Generation*, Case No. IPC-E-18-15.

studied and implemented by January 1, 2020. The Company has prepared information for the workshop discussions and has been responsive to parties' requests for formal and informal data inquiries. However, the Company is concerned that progress made to date is not occurring at a pace that will lead to timely resolution of the matters being discussed for the benefit of its customers.

B. Case No. IPC-E-18-16.

On October 19, 2018, Idaho Power filed Case No. IPC-E-18-16 ("18-16 Case") asking the Commission to initiate a docket to facilitate stakeholder input on a comprehensive customer fixed-cost analysis performed by the Company.⁵ To date, parties have met in the 18-16 Case for one prehearing conference and three settlement meetings. At this time, the Company believes it has received the necessary input to draft its initial study and has commenced work on the fixed cost recovery study, which it plans to file with the Commission by September 30, 2019. Prior to finalizing its study for submission to the Commission, the Company intends to circulate a draft to the parties to the 18-16 Case to solicit feedback for consideration in the final version to be filed with the Commission.

II. CASE NO. IPC-E-19-15

While the Company and parties have been focused in the 18-15 Case on addressing the compensation structure and VODER to be applied to excess net energy for Schedule 6 and 8 customers, as well as proper rates and rate design (if necessary, evaluating transitional considerations associated with changes to rates), it has continued

⁵ *In the Matter of the Petition of Idaho Power Company to Study Fixed Costs of Providing Electric Service to Customers*, Case No. IPC-E-18-16.

to monitor activity in the CI&I customer segments taking service and filing applications under Schedule 84.

A. CI&I Compared to R&SGS.

While the rate designs applicable to the CI&I customer classes also include a portion of fixed costs embedded in the volumetric energy rates, those customer segments have additional billing components that provide better fixed cost recovery (e.g., Billing Demand, Basic Load Capacity (“BLC”), On-Peak Billing Demand) as compared to the R&SGS customer classes.

In addition, the CI&I customers have different interconnection requirements under Schedule 84 than are required for R&SGS customers. A CI&I customer interconnecting on-site generation under Schedule 84 is required to install a separate meter to measure the customer’s consumption requirements independent from the amount of energy generated by the customer’s on-site generation system.

When the Company bills a CI&I customer taking service under Schedule 84, it subtracts the total kilowatt-hours (“kWh”) generated during the billing month (measured by the generation meter) from the total kWh consumed in that same month (measured by the consumption meter) in order to determine the kWh usage for billing purposes. The customer’s billing demand measurement is determined by the kilowatt (“kW”) reading (measured on the consumption meter) for the applicable kW-related charges. This is a different process than currently exists for R&SGS customers, where there is no demand component measured and a single meter registers the *net* monthly amount of kWh transacted.

CI&I customers are also allowed to install larger systems than R&SGS customers—CI&I customers are permitted to install systems up to 100 kW in size, where R&SGS customers are limited to installing systems no larger than 25 kW.

B. Significant Growth of Irrigation Net Metering.

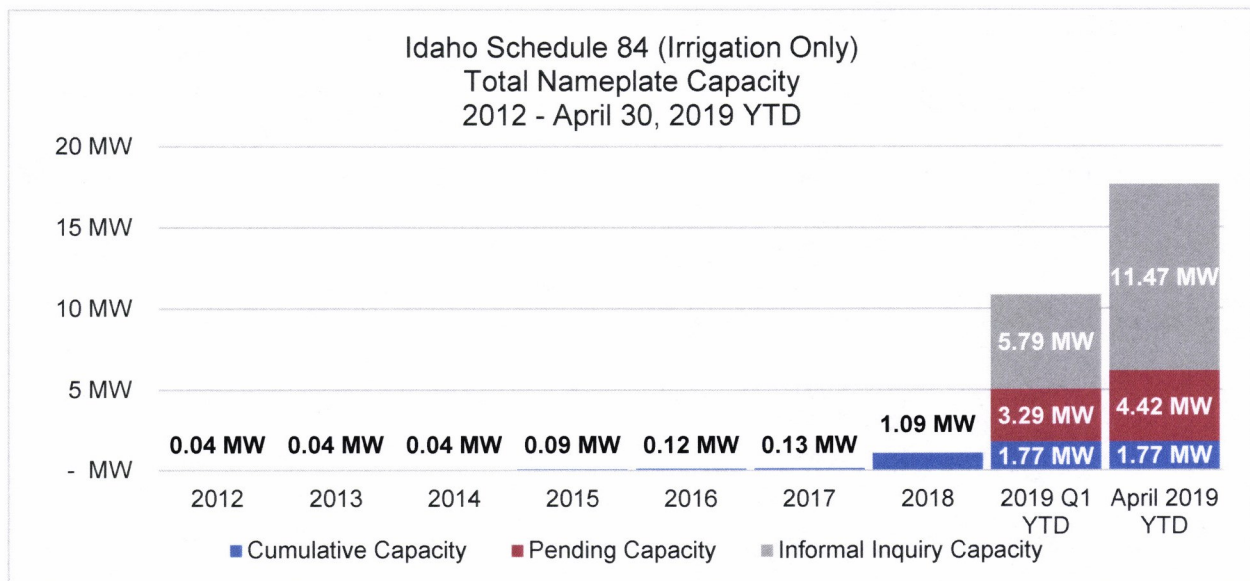
While the Company had initially envisioned waiting until the outcome of the 18-15 Case was decided before asking the Commission to open a docket to investigate the compensation structure and the VODER for CI&I classes, the growth of installed and pending capacity in these customer segments, most notably within the irrigation segment, has become of a magnitude that Idaho Power felt it was necessary to bring it to the Commission's attention now. On April 5, 2019, Idaho Power filed the 19-15 Case asking the Commission to initiate a collaborative process to explore modifications to the compensation structure and excess energy value applied under Schedule 84 for implementation by January 1, 2020.

For context, while the Company had 25 megawatts ("MW") of active and pending R&SGS on-site capacity (comprised of 3,475 systems) in its Idaho service area as of December 31, 2018, it had only 6.5 MW of active and pending CI&I on-site generation capacity (comprised of 146 systems) in its Idaho service area at the same time. Between December 31, 2018, and April 30, 2019, the active and pending capacity of on-site generation in the CI&I class had grown by 150 percent overall; the growth in the irrigation class was 470 percent. Additionally, at this time, the Company has received informal inquiries⁶ for an additional 11.5 MW of capacity—all from the irrigation customer segment.

⁶ Customers have requested the Company provide detailed information on their meter data points, including geographic information system data flagging contiguous property, names of distribution feeders for each meter, transformer sizes, and rate schedule detail.

In the last month alone, 14 individual irrigation customers have contacted Idaho Power requesting information about their meters (presumably to determine aggregation eligibility); these customers collectively have 128 irrigation meters. Figure 1 below shows the activity in active, pending, and informal inquiries through the end of April, as compared to the activity previously presented⁷ to the Commission through March 31, 2019.

Figure 1: Irrigation Net Metering Capacity



C. Inaccurate and Misleading Information to CI&I Customers.

While the 18-15 and 18-16 Cases proceed, R&SGS and CI&I customers are continuing to invest in on-site generation under the assumption that the monthly net metering billing and retail rate compensation structure for excess net energy will continue. As the Commission observed in Case No. IPC-E-17-13, “the evidence causes us a great deal of concern that industry surrounding R&SGS on-site generation may be sending price signals to Idaho consumers, including the Company’s customers, that are not in the

⁷ Case No. IPC-E-19-15, Application at 5, Tatum DI at p. 16, l. 19 - p. 19, l. 2.

public interest.”⁸ The Company has similar concerns, which have since been validated after having conversations with CI&I customers, that the information Schedule 84 customers are relying on to make large investment decisions may not be accurate, and in some cases is misleading.

Through conversations with CI&I customers, the Company understands that there are instances where installers have presented customers with payback periods of as little as five years—when inaccurate assumptions are corrected, the payback increases in some cases to over 25 years. Specifically, several common misstatements that can significantly understate the payback are:

- Electric Bill Savings. After discussions with installers, some customers are left with the expectation that they will receive a \$0.00 electric bill. This belief is inaccurate, particularly in the CI&I customer segments where those customers will continue to receive a service charge and kW-related charges (BLC, Billing Demand, and/or On-Peak Billing Demand), even if they are able to entirely offset their monthly kWh consumption.

- Tax benefits. Some customers have been told by installers that they will receive 100 percent of the potential tax credits in the year the investment is made. Through conversations with irrigation customers, the Company understands these customers typically have very low tax liabilities, limiting their ability to monetize the tax credits until years into the future. The Company has also noted that the reduced tax benefit associated with a lower utility bill has been ignored. The combined impact of these two assumptions alone can affect the investment payback period by up to 10 years.

⁸ Order No. 34046 at 19.

- Equipment Degradation. The effects of “degradation” (the quantification of power decline over time) are frequently overlooked or ignored, which overstate the energy production of a system over its lifetime. The United States Department of Energy’s National Renewable Energy Laboratory (“NREL”) cites an annual degradation of 0.70 percent.⁹

- Operations and Maintenance (“O&M”) Expense. After speaking with installers, customers are often unaware that they will have ongoing O&M associated with maintaining the system over time.

D. Gaming of Meter Aggregation Criteria.

The Company received an inquiry from an installer in January 2019, requesting information for a total of 71 meters to be evaluated—against the criteria provided in Schedules 6, 8, and 84¹⁰—to determine which of these meters would be eligible for transfer of Excess Net Energy¹¹ and which meters listed would be eligible to receive those transfers. The list included nine commercial meters, 17 residential meters, and 45

⁹ NREL, U.S. Solar Photovoltaic System Cost Benchmark: Q1 2018 <https://www.nrel.gov/docs/fy19osti/72399.pdf> (p. 14).

¹⁰ To aggregate meters for the annual transfer of unused Excess Net Energy credits, the following criteria must be met:

- i. The account subject to offset is held by the Customer; and
- ii. The meter is located on, or contiguous to, the property on which the Designated Meter is located. For the purposes of this tariff, contiguous property includes property that is separated from the Premises of the Designated Meter by public or railroad rights of way; and
- iii. The meter is served by the same primary feeder as the Designated Meter at the time the Customer files the application for the Net Metering System; and
- iv. The electricity recorded by the meter is for the Customer’s requirements; and
- v. For Customers taking service under Schedule 6 or Schedule 8, credits may only be transferred to meters taking service under Schedule 1, 6, 7, or Schedule 8. For Customers taking service under Schedule 9, Schedule 19, or Schedule 24, credits may only be transferred to meters taking service under Schedule 9, Schedule 19, or Schedule 24.

¹¹ “Excess Net Energy” is defined in Schedules 6, 8, and 84 as “the positive difference between the kilowatt-hours (kWh) generated by a Customer and the kWh supplied by the Company over the applicable Billing Period.”

irrigation meters; the names on the accounts were attributed to several different individuals and related business entities.

This situation highlights potential “gaming” that may be occurring as it relates to the meter aggregation criteria established by the Commission in Order No. 32925.¹² To qualify for aggregation, the criteria mandates that (1) the account subject to offset is held by the Customer and (2) the electricity recorded by the meter is for the Customer’s requirements. The Company does not believe it was the Commission’s intent when meter aggregation was approved that a customer would simply be able to put service into another name to be eligible for aggregation; that is, the Commission required that the “electricity recorded by the meter is for the Customer’s requirements.”¹³ Further, as described by Company witness Tatum, due to the unique characteristics of irrigation customers, the current criteria for meter aggregation incentivizes these customers to oversize their systems in order to generate Excess Net Energy to be transferred to other sites, rather than installing generation that is more aligned with the customer’s usage needs.¹⁴

The Company is aware of other situations where this “gaming” may be occurring in the R&SGS customer segments. During this year’s period to transfer Excess Net Energy credits,¹⁵ the Company was made aware that a customer with on-site generation

¹² *In the Matter of Idaho Power Company’s Application for Authority to Modify its Net Metering Service and to Increase the Generation Capacity Limit*, Case No. IPC-E-12-27, Order No. 32925 (November 19, 2013).

¹³ Order No. 32925 at 6.

¹⁴ Case No. IPC-E-19-15, Tatum DI at p. 21, 1. 11 - p. 24, 1.6.

¹⁵ Schedule 84 requires customers to submit requests to transfer unused Excess Net Energy credits by January 31; the Company must execute qualifying transfers no later than March 31.

who had excess net energy credits that would otherwise be unused intended to simply “add” his/her name to his/her neighbor’s residential account so the credits could be transferred. This request was ultimately denied due to not meeting the contiguous property criteria, but the action the customer initiated to modify the names on the service account certainly suggests the opportunity to game is present—and as the criteria currently exist, it is difficult for the Company to consistently enforce compliance.

III. RESPONSE TO COMMISSION REQUEST FOR INFORMATION

The remainder of the Company’s comments will specifically address the Commission’s request for comments on the list of six statements presented on page 3 of Order No. 34315.

A. Whether and to What Extent this Application Impacts or is Impacted by IPC-E-18-15 and IPC-E-18-16.

First and foremost, the scope of the 18-16 Case remains unchanged. The 18-16 Case was initiated to facilitate stakeholder input on a comprehensive customer fixed-cost analysis performed by the Company. This comprehensive customer fixed-cost analysis will evaluate for *all* customer classes. Nothing which has subsequently been filed in the 19-15 Case would change the scope of the 18-16 Case.

With regard to the other remaining dockets, the 18-15 Case (Schedules 6 and 8) and the 19-15 Case (Schedule 84), the single issue common to each of them is the appropriate VODER to be used in compensation for Excess Net Energy. Because of the differences between R&SGS and CI&I customers with on-site generation in rate design, billing components, interconnection and metering requirements, billing processes, and size of installed systems allowed, every other issue, even if it may be similar in nature, would be considered in the corresponding appropriate docket for that customer class.

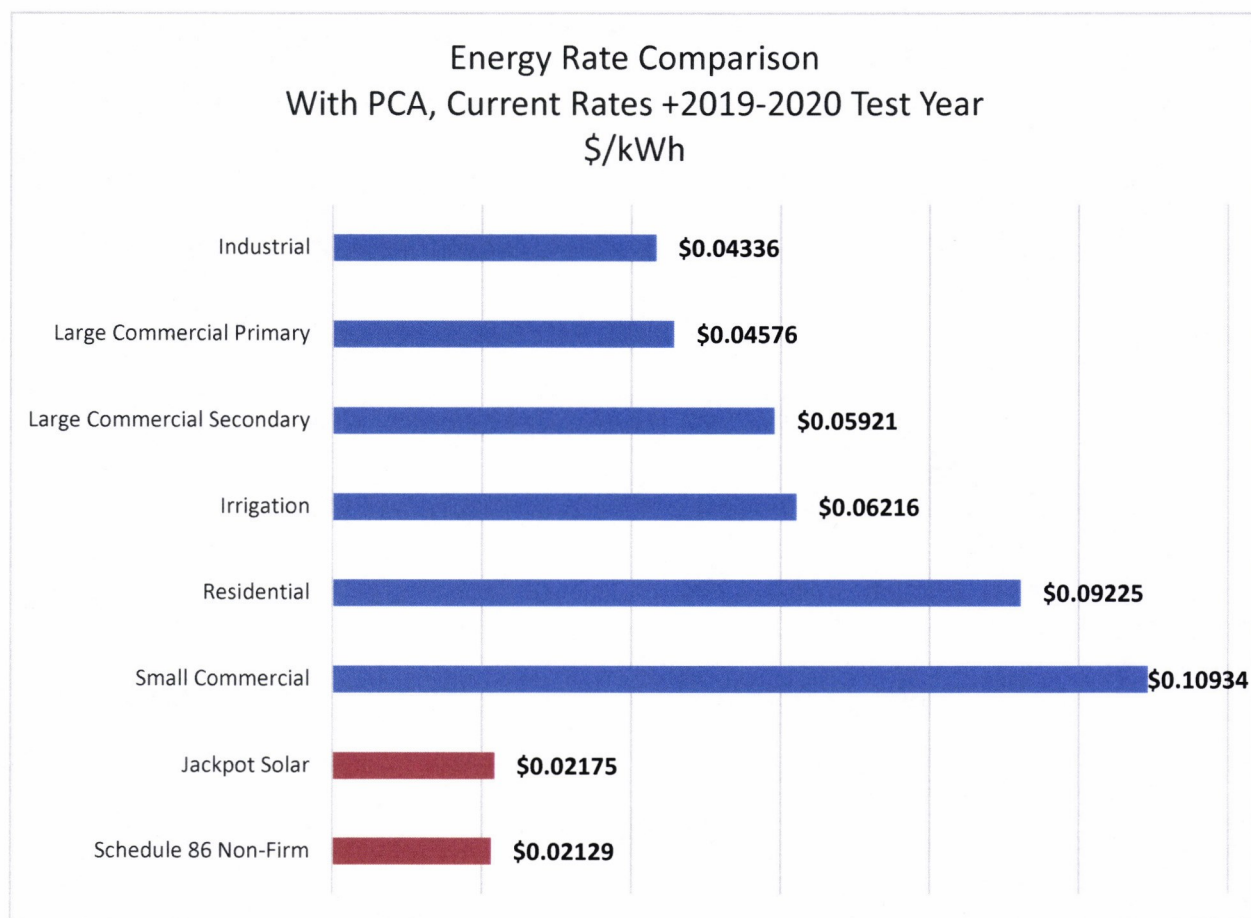
For the 18-15 Case, the scope includes the study of the costs, benefits, rates and proper rate design, and compensation of on-site generation for Schedules 6 and 8. Any changes to the compensation structure (measurement interval for billing and compensation for net excess generation) would reflect the inherent nature of the single meter configuration and could be reasonably studied and implemented by January 1, 2020.

The 19-15 Case, on the other hand, is only envisioned to evaluate the measurement interval and compensation structure for the CI&I customer classes; the Company is not asking to evaluate proper rates and rate design or seek changes to rate design for the CI&I customer classes as part of the 19-15 Case. The Company believes evaluation of the measurement interval and compensation structures for CI&I in a docket (19-15 Case) separate from the determination of the measurement interval and compensation structure for R&SGS customers (18-15 Case) is most appropriate because of the key differences that exist between the two customer segments that could lead to differing outcomes for each: (1) differing interconnection requirements (meter configurations and functionality) and (2) different system size limitations.

B. Whether and to What Extent the Issues Raised in IPC-E-18-15, IPC-E-18-16, and this Docket Can and Should be Examined Holistically.

The VODER is the only common issue between the 18-15 Case and the 19-15 Case. As demonstrated by the Figure 2 below, the value of “compensation” for energy can vary significantly by class and may be significantly greater than the value of a similar resource. The Company believes that the VODER should be determined holistically for all classes of customers for each resource type, not individually by class.

Figure 2: Rates Paid for a Kilowatt-Hour Generated



The Application in the 19-15 Case impacts or is impacted by the 18-15 Case to the extent the Commission intends for a single resource-specific VODER to apply to customer on-site generation. Parties to the 18-15 Case have only discussed issues in that case specific to the R&SGS customer classes. Application of the result of the 18-15 Case to Schedule 84 has not been discussed in that docket. Further, as more fully described above, keeping the R&SGS and CI&I discussions separate on the matters other than VODER is most appropriate given the distinct differences that exist between those customer segments.

C. Whether this Docket Should be Processed According to Idaho Power's Proposal on Page 8 of the Application.

For the reasons outlined above, Idaho Power believes continuing to limit the 18-15 Case to R&SGS on-site generation issues (cost-of-service, rate design, compensation structure, and value of excess net generation) and limiting the scope of the newly established 19-15 Case to CI&I on-site generation issues (measurement interval and value of excess net generation) will allow these cases to be processed in an efficient manner.

The single, overlapping issue these cases will each address is assigning a value to the export of customer-sited generation, regardless of customer class. The scope the Company laid out in its Application envisioned that on that single issue, the VODER, parties from the 18-15 Case and the 19-15 Case would hold joint settlement meetings to address that specific issue. The Company believed that to be a reasonable expectation, given the collaborative process established in the 18-15 Case. However, in the alternative, if the Commission believes the scope laid out by the Company in its initial Application in the 19-15 Case creates confusion, Idaho Power would also support the Commission establishing a separate case dedicated to determining the appropriate value to be applied to excess net energy on the Company's system, removing the single issue of the VODER from both the 18-15 Case and the 19-15 Case.

The 18-16 Case should continue in accordance with its current schedule, unaffected by any changes to the other two dockets.

D. Whether the Commission Should Process this Docket by Modified Procedure or by Hearings.

While the Company would like to reach a collaborative settlement of the issues presented in the 18-15 and 19-15 cases, Idaho Power remains sensitive to the fact that

its customers lack accurate export pricing information. Therefore, the Company believes it is appropriate at this time for the Commission to establish a schedule in both the 18-15 and 19-15 Cases (and potentially, a stand-alone “VODER Case”) to allow for settlement of the specific issues in each case, but one that envisions technical hearings in the event settlement cannot be accomplished.

The Company proposes that it file testimony and exhibits supporting its recommended position in each of the cases; this will provide a more formal and detailed basis for settlement discussions. To ensure a timely resolution to these issues, the Company recommends the Commission establish a hearing schedule with multiple settlement opportunities in each of the cases. For consideration, the Company has provided the following illustrative case schedules:

Case IPC-E-18-15 (R&SGS)

| | |
|-------------------|---|
| July 1, 2019 | Company files Supplemental Direct Testimony, including recommendations for: (1) Proposed Rate Design for Schedules 6 and 8 (based on current COS methodology most recently approved by the Commission, Case No. IPC-E-08-10), (2) Measurement interval for consumption and Excess Net Energy, (3) Transitional Considerations, (4) Feasibility of Non-Export Options, and (5) VODER ¹⁶ |
| TBD | Settlement Workshop(s) |
| August 5, 2019 | Staff and Intervenor Direct Testimony |
| TBD | Settlement Workshop(s) |
| September 9, 2019 | All Party Reply Testimony |
| TBD | Settlement Workshop(s) |
| October 14, 2019 | Company Sur-Rebuttal Testimony |
| November 12, 13 | Technical Hearing |
| January 1, 2020 | Proposed Effective Date of Modifications |

¹⁶ VODER is proposed by the Company to be jointly considered in the 18-15 and 19-15 Cases; however, in the alternative, the Company has proposed an alternative VODER-only case structure for the Commission's consideration.

Case IPC-E-19-15 (CI&I)

| | |
|-------------------|--|
| July 1, 2019 | Company files Supplemental Direct Testimony, including recommendations for: (1) Measurement interval for consumption and Excess Net Energy and (2) VODER ¹⁷ |
| TBD | Settlement Workshop(s) |
| August 5, 2019 | Staff and Intervenor Direct Testimony |
| TBD | Settlement Workshop(s) |
| September 9, 2019 | All Party Reply Testimony |
| TBD | Settlement Workshop(s) |
| October 14, 2019 | Company Sur-Rebuttal Testimony |
| November 14, 15 | Technical Hearing |
| January 1, 2020 | Proposed Effective Date of Modifications |

Potential Stand-Alone VODER Case

| | |
|-------------------|---|
| July 1, 2019 | Company files Direct Testimony recommending VODER |
| TBD | Settlement Workshop(s) |
| August 5, 2019 | Staff and Intervenor Direct Testimony |
| TBD | Settlement Workshop(s) |
| September 9, 2019 | All Party Reply Testimony |
| TBD | Settlement Workshop(s) |
| October 14, 2019 | Company Sur-Rebuttal Testimony |
| November 7, 8 | Technical Hearing |
| January 1, 2020 | Proposed Effective Date of Modifications |

E. Whether the Commission Should Suspend Schedule 84 for New Applicants While IPC-E-19-15 is Being Processed, and if the Commission Does Suspend Schedule 84 in the Interim, Whether the Suspension Should be from the Date of Filing—April 5, 2019—or some other date.

While the Company continues to believe it is in the best interest of its customers to determine the appropriate measurement interval for compensation and excess net energy and VODER for exports before additional customers sign agreements to purchase on-site generation systems, the Company understands enforcing a retroactive suspension date could be difficult to implement. The Company respectfully requests that

¹⁷ VODER is proposed by the Company to be jointly considered in the 18-15 and 19-15 Cases; however, in the alternative, the Company has proposed an alternative VODER-only case structure for the Commission's consideration.

if the Commission agrees that CI&I customers are best served by a limited suspension of Schedule 84 to new applicants until the Commission issues an order effective January 1, 2020, that the Commission issue the effective date of that suspension as of the date of its procedural order.

Alternatively, if the Commission believes it would not be in the best interest of customers to limit the availability of Schedule 84 while the 19-15 Case issues are being evaluated, the Company respectfully requests that the Commission consider suspending the availability of meter aggregation to Schedule 84's irrigation customers during the pendency of the 19-15 Case if an order addressing the VODER is unlikely to be issued by January 1, 2020.¹⁸ Excess Net Energy credits could still be accumulated for each metered account but would not be eligible for transfer under Schedule 84's meter aggregation criteria. Should the Commission determine a VODER to be applied to Excess Net Energy, the accumulated Excess Net Energy credits could then be assigned that value. Although meter aggregation implementation concerns exist in all customer classes, differences in the condition of irrigation service and in the time, nature and pattern of irrigation usage (i.e., consumption seasonality, large number of meters on contiguous properties on a single primary feeder, and complex contiguous land ownership and leasing relationships) support the differentiation¹⁹ from other classes if the Commission wishes to narrow suspension of meter aggregation until the concerns described on pages above are addressed.

¹⁸ Schedule 84 requires customers to submit requests to transfer unused Excess Net Energy credits by January 31; the Company must execute qualifying transfers no later than March 31.

¹⁹ *Grindstone Butte Mutual Canal Company v. Idaho Power Company*, 98 Idaho 860, 867, 574 P.2d 902, 909 (1978) and *Building Contractors Association of Southwestern Idaho, Inc. v. Idaho Public Utilities Commission et al.*, 128 Idaho 534, 539, 916 P.2d 1259, 1264 (1996).

F. Whether the Company's Proposed Effective Date of January 1, 2020, in IPC-E-19-15 is Feasible.

The Company initially filed its Applications in the 18-15 and 18-16 Cases in October of 2018, allowing 14 months for parties to discuss and develop positions on the issues in the case to facilitate a January 1, 2020, implementation of changes. As a point of reference, the Commission is statutorily required²⁰ to process a general rate case in seven months. The issues the Company has been asked to study in either the 18-15 Case or 18-16 Case are only a small subset of what would be considered by parties and the Commission in a general rate case. In the 19-15 Case, the Company asked the Commission to consider modifying only the measurement interval for consumption and exports of excess net energy and the VODER applied to excess net energy for CI&I customers—a subset of the issues being evaluated in the 18-15 Case for R&SGS customers.

The Company believes eight months to study these issues is more than sufficient for the Commission to establish an evidentiary record to make a determination—either by reviewing a settlement agreement or hearing the issues presented at technical hearing. As such, the suggestion²¹ by parties that the Company's recommended January 1, 2020, implementation date would be considered hasty is unfounded.

IV. CONCLUSION

While the Company supports customers who wish to install on-site generation at their businesses and farms, the current compensation structure provides an inaccurate

²⁰ *Idaho Code* § 61-622.

²¹ Case No. IPC-E-18-15, Idaho Conservation League Petition to Intervene at 4 (April 15, 2019), City of Boise Formal Comments at 4 (April 18, 2019).

economic signal that may lead to significant uneconomic investment by customers, if not modified. During the technical hearing in Case No. IPC-E-17-13, witnesses and commissioners expressed concern that consumers are caught in a period of “limbo” or “purgatory” until an on-site generation compensation structure and value are established.²² More than a year has passed and Idaho electric consumers considering installation of on-site generation do not yet have resolution of these issues. If the Commission establishes procedural schedules in the 18-15 and 19-15 Cases, Idaho Power believes these issues can be timely resolved by negotiation or litigation such that certainty can be had for everyone impacted, directly or indirectly, by January 1, 2020.

As discussed in greater detail in its Application and these Comments, Idaho Power requests the Commission review modifications to the compensation structure and excess energy value applied under Schedule 84. If the Commission does not find it in the public interest to temporarily suspend service under Schedule 84 to new Idaho CI&I applicants during the pendency of this case and anticipates issuing an order after January 1, 2020, the Company requests the Commission suspend irrigation meter aggregation to immediately address gaming of the criteria established by the Commission in Order No. 32925.

DATED at Boise, Idaho, this 2nd day of May 2019.



LISA D. NORDSTROM
Attorney for Idaho Power Company

²² Case No. IPC-E-17-13 Tr. at 914-915 (King Redirect), 954-955 and 959-960 (White Commissioner Examination).

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 2nd day of May 2019 I served a true and correct copy of IDAHO POWER COMPANY'S COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

Edward Jewell
Deputy Attorney General
Idaho Public Utilities Commission
472 West Washington Street (83702)
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