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VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301

RE: UM 2211 – Response to Staff’s Request for Comments

Attention Filing Center:

On December 22, 2021, the Oregon Public Utility Commission (“Commission”) Staff provided an email update to stakeholders regarding their proposed HB 2475 implementation strategy. In that update, Staff proposed that utilities file interim low-income differential rates or programs seeking to address eligible customers’ energy burden (“Interim Rates or Programs”) in Q1 2022 and provided a draft of their baseline evaluation criteria that they plan to use when reviewing utilities’ filings. Idaho Power Company (“Idaho Power” or “Company”) appreciates the opportunity to consider the thoughts presented by Staff and provides the following comments in response to Staff’s baseline evaluation criteria proposals and HB 2475’s broader implementation strategy.

Proposed Baseline Evaluation Criteria for Interim Rates or Programs:

1. Eligibility

The Company believes that auto-enrollment in any Interim Rates or Programs for recipients of energy assistance may be problematic. A stated goal of Staff is to focus programs on customers who have an energy burden of 6 percent or greater; however, not all energy assistance recipients have an energy burden of 6 percent or greater. Therefore, auto-enrollment of these customers may result in the overapplication of benefits provided to customers and thereby unnecessarily increase associated costs for nonparticipating customers.

Similarly, permitting self-certification without an accompanying audit and regular update of customer-provided information may also allow for an overapplication or oversubscription of benefits provided to participating customers. As a result, a more efficient solution, pending their ability to do so, may be to have Community Action

Partnership agencies (“CAP Agencies”) regularly qualify and refer eligible customers to their respective utilities in order to participate in any Interim Rates or Programs. This alternative certification process could build upon the already existing energy assistance qualification processes in place and may avoid the unnecessary duplication of similar efforts by utilities.

2. Level of Relief

Prioritizing relief, using a tiered approach, to customers with the lowest income and highest energy burden is currently not possible due to Idaho Power not tracking customers’ level of income nor being able to accurately aggregate customers’ total energy burden across different energy sources. Similarly, a tiered relief approach will likely vary, based on customer-specific factors, in its success of reducing participating customers’ energy burden to less than 6 percent. Further clarification is needed as to whether utilities’ Interim Rates and Programs should be primarily focused on incorporating low-income differential rates or reducing participating customers’ energy burden to less than 6 percent.

Because any Interim Rates or Programs designed to address energy burden would only be available to residential customers, the Company believes it is reasonable to attribute all necessary funding to only residential rate schedules. This approach is also consistent with the cost causation principle which seeks to identify and recoup costs from customers or the class of customers causing said costs to be incurred.

3. Tracking and Accounting

Idaho Power does not currently track customer demographic data. Therefore, systematic enhancements to the Company’s Customer Relationship and Billing (“CR&B”) database will be required in order to allow for any such data to be confidentially stored, updated and queried. Additional customer protection requirements may also be necessary to implement within the Company’s CR&B system as a result of collecting and storing customers’ demographic data.

To accurately identify the scope of work necessary to enhance the Company’s CR&B system, further clarification is needed regarding the level of granularity that Staff expects demographic and historical billing data to be provided.

4. Bundling

While Idaho Power administers its own energy efficiency programs, it believes the bundling of utilities’ Interim Rates or Programs with energy efficiency services for participants makes sense if bundling can be accommodated by the respective CAP Agencies or providers and the energy conservation measure is determined to be cost-effective.

5. Outreach and Engagement

The Company is supportive of Staff's proposed criteria regarding utilities' outreach and engagement with customers and representing stakeholders for any proposed Interim Rates and Programs. However, additional clarification is needed regarding consistency of format and the data intended to be captured within utilities' 3- and 6-month surveys.

HB 2475:

In general, the passage of House Bill 2475 expands the Commission's ratemaking authority under ORS 757.230 so that differential energy burdens on low-income customers and other economic, social equity or environmental justice factors that affect affordability *may* be taken into account when considering the classification or schedule of rates applicable to individual or groups of customers.¹ However, House Bill 2475's expanded Commission ratemaking authority does not mandate that utilities seek to implement such classification or schedule of rates, it simply allows for consideration of such affordability factors upon request.

As the Company has previously shared with Staff, nearly 88 percent of Idaho Power's less than fourteen thousand (14,000) residential customers in its Oregon service area take service within Malheur County which has a median household income of \$46,806, nearly twenty thousand dollars less than the median household income of Oregon as a whole.² Additionally, it is estimated that one in five households within Malheur County live below the poverty level³ and, according to an Oregon Department of Human Services report released in 2015, Ontario, Nyssa and Vale, the three most populous cities within the Company's Oregon service area, were identified as high poverty hotspots,⁴ or areas with a poverty rate of 20 percent or greater. This context is critical to understanding Idaho Power's reservations about quickly moving forward with an interim proposal prior to an opportunity to participate in a broader comprehensive evaluation of the impact to the residential class as a whole.

Idaho Power is committed to participating in the HB 2475 investigation workshop series and looks forward to exploring ideas that seek to reduce low-income customers' energy burden. The Company's concerns are centered around the following: the economics and small residential customer base within the Company's Oregon service area may not allow for the implementation of Interim Rates or Programs at the magnitude proposed by Staff without excessively burdening nonparticipating residential customers with the costs of doing so.

Although the Company is not in a position at this time to file Interim Rates or Programs in Q1 2022, Idaho Power believes there are potential rate design alternatives that, if implemented, would represent a modest and reasonable step in helping reduce electric

¹ HB 2475 Section 2 amending ORS 757.230(1).

² Oregon Gazetteer, (hometownlocator.com)

³ U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

⁴ Oregon Department of Human Services Office of Forecasting, Research, & Analysis, "High Poverty Hotspots – Malheur County."

bills for households considered to be severely energy burdened (those spending more than 10 percent of their income on energy costs). However, the Company believes that further evaluation and input from agencies and stakeholders representing low-income and energy burdened customers within its Oregon service area is necessary to determine whether any identified rate design alternatives should be pursued. As such, the Company plans to solicit and incorporate feedback from these groups over the coming months.

Idaho Power appreciates the opportunity to review and respond to Staff's proposals and looks forward to continued discussions with all stakeholders during the HB 2475 investigative workshop series.

Sincerely,



Connie Aschenbrenner

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