

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 28, 2020**

REGULAR X CONSENT _____ EFFECTIVE DATE January 28, 2020

DATE: January 21, 2020

TO: Public Utility Commission

FROM: Eric Shierman

THROUGH: Michael Dougherty and JP Batmale **SIGNED**

SUBJECT: Idaho Power Company:
(Docket No. UM 1675)
Staff Recommendation on Acceptance of 2019 Smart Grid Report.

STAFF RECOMMENDATION:

The Commission should accept Idaho Power Company's (Idaho Power or the Company) *2019 Smart Grid Report* filing as having met the requirements of Order No. 12-158 established in UM 1460 and Order No. 18-266 established in UM 1675.

DISCUSSION:

Issue

Whether the Commission should accept Idaho Power's *2019 Smart Grid Report*.

Applicable Rule

In 2012, the Commission issued Order No. 12-158, establishing smart grid policy goals and objectives, utility reporting requirements, and Commission guidelines for utility actions related to smart grid planning. Under Order No. 12-158, utilities were required to file an initial smart grid report that, at a minimum, included the following main elements:

1. Smart grid strategy, goals and objectives.
2. Status of smart grid projects, initiatives, and activities that are underway, results of implemented smart grid projects, and planned smart grid investments for the next five years.

3. Smart grid opportunities the company is considering for the next five years and any constraints.
4. Targeted evaluations pursuant to Commission-approved stakeholder recommendations.
5. Related activities such as investment to address physical and cybersecurity, privacy, customer outreach and education, etc.

Thereafter, utilities were required to file an annual smart grid report. This requirement was changed to biannual by Order No. 17-290.

This subsequent biannual report is required, at a minimum, to include incremental additions and updates of all elements of the initial report.¹ In Order No. 18-266, the Commission accepted Idaho Power's *2017 Smart Grid Report* as having met the requirements of Order No. 12-158. In addition to the required Smart Grid report elements, Order No.18-266 also gave the Company six more recommendations items to cover in their 2019 report.

Analysis

Background

In accepting Idaho Power's *2017 Smart Grid Report*, Order No.18-266, expressed the expectation that in 2019:

1. Idaho Power should continue to include Staff and stakeholder informal comments and corresponding Company responses in the *2017 Smart Grid Report*.
2. The Company should continue to work with Staff and include other stakeholders for input in finalizing the program design of the [time of day] TOD pilot. Staff encourages the Company to complete its design of the TOD pilot taking into consideration the new suggestions by Staff in the April 2018 phone call. If determined feasible, Staff recommends that the Company file a tariff proposal with the Commission by December 31, 2018, and report any findings in the *2019 Smart Grid Report*.
3. Address the bullet points on page 7 of this Staff Report.
4. Continue to include updates, if any, on additional [phasor measurement unit] PMU installations and provide a summary of how the newly-installed PMUs have improved observability in Idaho Power's system.
5. Include a description of what the energy efficiency measures related to [customer relations management] CRM are and how the Company defines energy efficiency as it pertains to its CRM system. Describe the difference in customer activity as a result of the new marketing tools and tactics, in addition to

¹ Order No. 12-158, page 4.

descriptions, with screenshots and pictures, of how the marketing tools and tactics impact customers. The Company might consider including this as an appendix in the 2019 Report.

6. Continue updating all projects in Idaho Power's 2017 report and continue to include an updated version of Appendix C, with cost information, in the *2019 Smart Grid Report*.

Staff Review of the Report

The guidelines for acceptance of Idaho Power's *2019 Smart Grid Report* are provided through two Commission orders: Order No. 12-158 and Order No. 18-266. The former established the process for smart grid reporting. The latter accepted the Company's *2017 Smart Grid Report* and included a list of additional actions Idaho Power should take in their *2019 Smart Grid Report*.

Order No. 12-158

In comments filed on November 15, 2019, Staff found Idaho Power met all but one of the five requirements in Order No. 12-158. To meet the second requirement of Order No. 12-158, that the Company update the "status of smart grid projects, initiatives, and activities that are underway, results of implemented smart grid projects, and planned smart grid investments for the next five years," Staff sought the original cost estimate of the Jordan Valley Energy Storage Project and asked the Company to compare it to the actual costs. In reply comments, Idaho Power said the original cost estimate was \$250,000. The project bid ended up at \$565,500.²

To meet the second requirement of Order No. 12-158, Staff also asked the Company to include the cost per MW of each demand response program. In reply comments, Idaho Power provided the following two tables:³

² Idaho Power. *Reply Comments* December 5, 2019, page 2.

³ *Ibid.*, page 3.

Table 1 - 2017 Demand Response Cost per MW

	Total Annual Cost⁶	Peak Reduction (MW)	\$ per MW
AC Cool Credit	\$936,272	29	\$32.29
Irrigation Peak Rewards	\$7,223,101	318	\$22.71
Flex Peak Management	\$658,156	36	\$18.28

Table 2 - 2018 Demand Response Cost per MW

	Total Annual Cost⁷	Peak Reduction (MW)	\$ per MW
AC Cool Credit	\$844,369	29	\$29.12
Irrigation Peak Rewards	\$6,891,737	297	\$23.20
Flex Peak Management	\$433,313	33	\$13.13

Staff considers Order No. 12-158's second requirement now met.

Order No. 18-266

When Idaho Power's 2017 *Smart Grid Report* was accepted by the Commission in Order No. 18-266, six requirements were added. Per the comments Staff filed on November 15, 2019,⁴ Staff found the 2019 *Smart Grid Report* had met all six of the additional requirements from Order No. 18-266.

Conclusion

After engaging with Staff in the Company's reply comments, Idaho Power has met all the requirements of Order No. 12-158 and Order No. 18-266.

PROPOSED COMMISSION MOTION:

Accept Idaho Power's 2019 *Smart Grid Report*.

⁴ UM 1675 Staff Comments, November 15, 2019, page 2.