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Lead Counsel
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February 28, 2020

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

RE: Docket No. UM 1795(3) – Idaho Power Company’s Application for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program

Attention Filing Center:

Enclosed for filing is an electronic copy of Idaho Power Company’s Application for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program. The Notice of Application for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program is attached to the Application as Attachment A.

The Application and Notice have been served on the parties of Idaho Power Company’s last general rate case, Docket No. UE 233.

The Application was prepared in consultation with the Oregon Public Utility Commission Senior Revenue Requirements Analyst Mitch Moore. If you have any questions, please do not hesitate to contact me or Senior Regulatory Analyst Kelley Noe at (208) 388-5736.

Very truly yours,



Lisa D. Nordstrom

LDN/kkt

Enclosures

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1795(3)

In the Matter of the Application of Idaho Power Company for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program.

**IDAHO POWER COMPANY'S
APPLICATION FOR DEFERRAL OF
START-UP EXPENSES ASSOCIATED
WITH THE COMMUNITY SOLAR
PROGRAM**

I. INTRODUCTION

Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho Power" or the "Company") hereby requests an accounting order reauthorizing Idaho Power to defer for later ratemaking treatment start-up operations and maintenance ("O&M") expenses associated with the development of the Oregon Community Solar Program ("Program"), implemented in compliance with Senate Bill ("SB") 1547. The start-up costs associated with Community Solar are described in OAR 860-088-0160. Idaho Power respectfully requests reauthorization for 12 months beginning March 2, 2020. In support of this Application, Idaho Power states:

1. Idaho Power is a public utility in the state of Oregon and its rates, services, and accounting practices are subject to the regulation of the Public Utility Commission of Oregon ("Commission").
2. This application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize deferral of certain items for later incorporation in rates.
3. Idaho Power wishes to waive paper service in this docket. Communications to Idaho Power concerning this proceeding should be addressed to:

Lisa Nordstrom
 Idaho Power Company
 PO Box 70
 Boise, ID 83707
lnordstrom@idahopower.com
dockets@idahopower.com

Kelley Noe
 Idaho Power Company
 PO Box 70
 Boise, ID 83707
knoe@idahopower.com

1 **II. OAR 860-027-0300(3) REQUIREMENTS**

2 **A. Description**

3 With this deferral application, Idaho Power seeks reauthorization from the
4 Commission to continue to defer, for future amortization, costs associated with the
5 development of the Program.

6 OAR 860-088-0160(1) defines start-up costs as:

7 1) Costs associated with the Program Administrator ("PA") and Low-Income
8 Facilitator ("LIF"); and

9 2) Each electric utility's prudently incurred start-up costs associated with
10 implementing Community Solar. These costs include, but are not limited to,
11 costs associated with the customer account information transfer and on-bill
12 crediting and payment, but exclude any costs associated with the electric utility
13 developing a Community Solar project.

14 The costs to be deferred would include start-up and ongoing costs¹ associated with
15 the PA and LIF not covered by participants, costs for modification of Idaho Power's
16 Information Technology billing systems, professional and consultant fees, costs related to
17 regulatory compliance, and any other costs the Company may incur to develop the
18 Program.

19 **B. Reason for Deferral**

20 Idaho Power seeks this deferral pursuant to ORS 757.259(2)(e). The authorization
21 for deferral of these expenses will minimize the frequency of rate changes and match
22 appropriately the costs borne by and benefits received by customers. This deferral is

23 _____
24 ¹ Order No. 19-392 at 3, set the general participant administrative fee for the PA/LIF at \$0.85
25 per kilowatt per month, a level assuming full participation in the Program's initial capacity tier (~160
26 MW). Because there will be a lag to get the Program fully subscribed, there will be a portion of the
ongoing administrative fees that will be funded by all of Idaho Power's Oregon customers.

1 necessary because SB 1547 requires the implementation of Community Solar, and the
2 start-up costs for Community Solar are not currently included in the Company's rates.

3 To limit the number of rate adjustments for customers, Idaho Power will propose cost
4 recovery of Community Solar start-up costs at the point when the start-up period has
5 ended, and ongoing costs will be borne by Community Solar participants.

6 **C. Proposed Accounting**

7 Idaho Power proposes to record the deferred amount as a regulatory asset in the
8 Federal Energy Regulatory Commission ("FERC") account 182.3, Other Regulatory
9 Assets. The Company will record amortization of the deferred amount to FERC Account
10 407.3, Regulatory Debits. In the absence of a deferred accounting order from the
11 Commission, Idaho Power would record start-up costs associated with Community Solar
12 to various FERC accounts.

13 **D. Estimate of Amounts**

14 Idaho Power estimates that its costs for Community Solar start-up will be \$15,000
15 and outside legal expenses will be \$10,000 for the next 12 months. Regarding the funding
16 of the PA/LIF, the invoice received for the December 2019 funding for the PA/LIF indicated
17 that the amount paid to date to the PA/LIF was at 99 percent of the not to exceed ("NTE")
18 amount in the contract. As indicated in Order No. 19-392, the ongoing administrative costs
19 of the PA/LIF will be borne by both Community Solar participants and by Idaho Power's
20 non-participating Oregon customers. Idaho Power's allocated share of the start-up costs
21 for the PA/LIF is 1.29 percent of the remaining NTE contractual amount. Idaho Power is
22 unable to estimate at this time the magnitude of any additional start-up costs beyond the
23 NTE amount and the ongoing PA/LIF funding to be recovered from all of Idaho Power's
24 Oregon customers. Idaho Power requests that, in accordance with Order No. 05-1070, it
25 be allowed to accrue interest on the unamortized balance at a rate equal to its authorized
26 weighted average cost of capital most recently approved by the Commission.

1 E. Notice

2 A copy of the notice of application for deferred accounting treatment and a list of
3 persons served with the notice are attached to the Application as Attachment A.

4 III. OAR 860-027-0300(4) REQUIREMENTS

5 A. Entries in the Deferred Account to Date

6 Attached to the Application as Attachment B is a description and explanation of the
7 entries in this deferred account as of the date of the Application.

8 B. Reason for Continuation of Deferred Accounting

9 As discussed above, this deferral is intended to capture the O&M start-up costs of
10 developing the Program that will be amortized in rates. Additionally, this deferral may
11 capture a portion of the ongoing PA/LIF costs not funded by participants once the Program
12 is operational and amortized into rates.

13 IV. CONCLUSION

14 Idaho Power respectfully requests that the Commission authorize the Company to
15 continue deferring the Community Solar start-up costs and any ongoing funding of the
16 PA/LIF that is not covered by participants over the duration of this deferral.

17 DATED: February 28, 2020

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LISA D. NORDSTROM
Attorney for Idaho Power Company

Attachment A

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1795(3)

In the Matter of the Application of Idaho Power Company for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program.

NOTICE OF APPLICATION

On February 28, 2020, Idaho Power Company (“Idaho Power”) filed an application with the Public Utility Commission of Oregon (“Commission”) for an Order reauthorizing the Company to use deferral accounting for startup expenses associated with a Community Solar program required by Senate Bill 1547.

Idaho Power estimates that its costs for Community Solar start-up will be \$15,000 and outside legal expenses will be \$10,000 for the next 12 months. However, the Company is unable to estimate the amount of continued funding for the Program Administrator/Low-Income Facilitator over the next 12 months.

Approval of Idaho Power’s Application will not authorize a change in Idaho Power’s rates but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Interested persons may obtain a copy of the Application by contacting:

Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street
P.O. Box 70
Boise, ID 83707
lnordstrom@idahopower.com
dockets@idahopower.com

Any person who wishes to submit written comments to the Commission on Idaho Power’s Application must do so no later than March 30, 2020.

1 DATED: February 28, 2020

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4 Lisa D. Nordstrom
5 Attorney for Idaho Power Company

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Attachment B

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CERTIFICATE OF SERVICE

I hereby certify that on 28th day of February, 2020, I served a true and correct copy of the foregoing document on all parties in Docket Nos. UM 1795 and UE 233 by e-mail to said person(s) as indicated below.

UM 1795 Service List

Mitch Moore Public Utility Commission of Oregon mitch.moore@state.or.us	Sommer Moser Department of Justice sommer.moser@doj.state.or.us
Lisa Rackner McDowell Rackner & Gibson, PC dockets@mrg-law.com	

UE 233 Service List

OPUC Dockets Citizens' Utility Board of Oregon dockets@oregoncub.org	Robert Jenks Citizens' Utility Board of Oregon bob@oregoncub.org
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