

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 29, 2020**

REGULAR  CONSENT  EFFECTIVE DATE December 30, 2020

DATE: December 21, 2020

TO: Public Utility Commission

FROM: Kacia Brockman

THROUGH: Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: IDAHO POWER COMPANY:  
(Docket No. ADV 1205/Advice No. 20-12)  
Requests update to Oregon Community Solar Program Power Purchase Agreement and customer tariff, Schedules 100 and 101.

**STAFF RECOMMENDATION:**

Approve Idaho Power Company's (IPC or Company) Advice No. 20-12, which modifies a) its Community Solar Program (CSP or Program) Purchase Agreement and Schedule 100 to clarify payment terms for energy received from a CSP project; and b) its Schedule 101 to reference the CSP bill credit rates on the Program website, with an effective date of December 30, 2020.

**DISCUSSION:**

Issue

Whether the Commission should approve IPC's Advice No. 20-12, which modifies a) its CSP Purchase Agreement and Schedule 100 to clarify payment terms for energy received from a CSP project; and b) its Schedule 101 to reference the CSP bill credit rates on the Program website, with an effective date of December 30, 2020.

Applicable Rule or Law

ORS 757.386(2)(a) directs the Commission to establish a program that provides electricity customers the opportunity to share the costs and benefits of electricity generated by a community solar energy system.

OAR 860-088-0120(4) requires electric companies to obtain Commission approval of any applicable tariffs required by the CSP rules.

ORS 757.205 requires public utilities file to all rates, rules, and charges with the Commission.

ORS 757.210 establishes a hearing process to address utility filings and requires rates be fair, just, and reasonable.

OAR 860-022-0025 requires that filings revising tariffs include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

## Analysis

### *Background*

On May 14, 2020, IPC filed a Supplement to Schedule 100 that established the interconnection process for CSP projects and updated the Oregon Community Solar Program Interconnection Agreement and pro forma Power Purchase Agreement (PPA).<sup>1</sup> Together, these documents define the terms under which IPC will purchase energy generated by a CSP project.

On August 10, 2020, IPC filed a new tariff, Schedule 101, which established the terms under which qualifying IPC customers may participate in the CSP.<sup>2</sup>

Staff and the CSP Program Administrator met with IPC, Portland General Electric (PGE), and PacifiCorp (PAC) throughout 2020 to jointly implement the CSP. The meetings helped identify several issues that need to be addressed through revisions to the utility PPAs and customer tariffs. The revisions made by IPC in this filing are explained below.

### *Revisions to Schedule 100 and PPA*

New language added to Schedule 100 requires IPC to pay for energy received from a CSP project during facility start-up testing prior to commercial operation. The utility compensates projects for test energy at the “as-available rate” defined in Schedule 100. Compensating a project’s test energy is consistent with IPC’s standard PPA for

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<sup>1</sup> See IPC’s Supplement to Advice No. 20-01, effective April 7, 2020, docketed in ADV 1094 and UM 1930 in compliance with Orders Nos. 20-038 and 20-122.

<sup>2</sup> See IPC’s Second Supplement to Advice No. 20-07, effective August 26, 2020, docketed in ADV 1144 and UM 1930.

Qualifying Facilities of intermittent resource.<sup>3</sup> Its omission from the original CSP PPA was an oversight.

The revision to Section 3 of the PPA will require IPC to make payments for unsubscribed energy<sup>4</sup> to the Program Administrator rather than the Project Manager. This change streamlines the compensation process for both the Company and the Project Manager because the Program Administrator already facilitates the transfer of subscription fees collected by the utilities to Project Managers.

Each month, the utility will collect all appropriate CSP fees from the customer and pass the subscription and program administration fees, along with the value of the unsubscribed energy, to the Program Administrator. The Program Administrator will then pass the subscription fee and the unsubscribed energy payment through to the Project Manager.

The Program Administrator reports that Project Managers active in the CSP prefer this payment method. The utilities also expressed their support for this approach. Staff notes that PGE and PAC will each file similar revisions to their CSP PPAs in the near future.

Additional minor revisions to IPC's PPA include:

- Clarification that project capacity is measured in kW of alternating current (not direct current); and
- A provision that allows the Company to terminate the PPA if the project is not certified within one calendar year from the commercial operation date. This is reasonable safeguard for the Company given that the Program requires that a project not begin commercial operation until *after* certification.<sup>5</sup>

#### *Revisions to Schedule 101*

IPC removed the bill credit rate from the customer tariff, Schedule 101, and replaced it with a reference to the CSP website, where bill credit rates for each utility are listed. This change is intended to limit the confusion a CSP subscriber might experience if the bill credit rate in the tariff is different than the bill credit rate applied to their bill. Such a scenario is likely in the future because a subscriber's bill credit rate will not change over the life of their subscription, whereas the bill credit rate offered to new subscribers may change as the program evolves. The Program Administrator will maintain a list of each

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<sup>3</sup> See IPC's Oregon Standard Energy Sales Agreement (Intermittent Resource), sections 1.42 and 7.2 relating to Surplus Energy.

<sup>4</sup> Unsubscribed energy is energy generated and delivered to the Company but not allocated to a subscribing customer.

<sup>5</sup> See Oregon CSP Program Implementation Manual, dated December 26, 2019, Chapter 5.

utility's historical bill credit rates with the dates the credits were available to new subscribers on the CSP website. Referencing bill credit rates listed on the CSP website mimics the approach already taken by PGE in its customer tariff.<sup>6</sup>

### Conclusion

Staff appreciates IPC's close collaboration with Staff, the Program Administrator, PGE, and PAC to find ways to streamline Program implementation. Staff finds that IPC's requested tariff and PPA revisions achieve this intent and should be approved.

### **PROPOSED COMMISSION MOTION:**

Approve IPC's Advice No. 20-12, which modifies a) its CSP Purchase Agreement and Schedule 100 to clarify payment terms for energy received from a CSP project; and b) its Schedule 101 to reference the CSP bill credit rates on the Program website, with an effective date of December 30, 2020.

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<sup>6</sup> Staff notes that PAC has declined to make a similar change to its CSP customer tariff and will instead maintain a list of PAC's historical bill credit rates in the customer tariff itself.