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VIA ELECTRONIC FILING

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RE: ADV 1600 – Idaho Power Advice No. 24-01 – Schedule 84 Net Metering Reply Comments

Attention Filing Center:

Idaho Power Company (“Idaho Power” or “Company”) hereby offers these written comments to the Public Utility Commission of Oregon (“Commission”) in relation to the Company’s Advice No. 24-01 filed on February 29, 2024, in which it is seeking to update Oregon Schedule 84, Customer Energy Production Net Metering (“Schedule 84”) to offer net metering services to its non-legacy Oregon customers in accordance with its recently modified on-site generation tariff schedules in effect in Idaho, under a legacy framework specific to Idaho Power’s Oregon service area.

BACKGROUND

Idaho Power has historically offered net metering services consistently between its Oregon and Idaho jurisdictions pursuant to its Idaho tariffs, schedules, and regulations as contemplated by Oregon’s net metering law, codified at ORS 757.300(9) (“Subsection (9)”).¹ Effective January 1, 2024, Oregon Schedule 84 was revised as an interim schedule based on the Commission’s desire for the Company to maintain the status quo pending further consideration by the Commission. However, because Oregon Schedule 84 referred to Idaho Schedule 84, in order for the Company to continue offering net metering service to Oregon customers pursuant to the version of Oregon Schedule 84 that was in effective as of December 18, 2023, it needed to memorialize the version of Idaho Schedule 84 that was in effect on that date, which is no longer operative in Idaho having been modified effective January 1, 2024, in Idaho Case No. IPC-E-23-14. This was applied as a stopgap measure on an interim basis.

The Company has requested that it be authorized to continue to offer net metering services in Oregon consistent with its Idaho offering as contemplated by subsection (9), which deems a qualifying utility compliant with Oregon’s net metering rules if it offers services to its customers in Oregon in accordance with tariffs, schedules and other regulations promulgated by the appropriate authority in the state where the electric utility’s headquarters are located. In other words, pursuant to the updated program recently implemented in Idaho under a legacy framework specific to Idaho Power’s Oregon service area in accordance with the current versions of Idaho

¹ See *also* Oregon Administrative Rules, Public Utility Commission, Chapter 860, Division 39.

Schedules 6 (residential), 8 (small general service), or 84 (commercial, industrial, and irrigation), depending on customer class, and Schedule 68 (interconnection). All three of the Company's net metering service schedules contain rules for both legacy and non-legacy systems.

In the event, however, that the Commission does not believe this renewed tariff filing is justified under ORS 757.300(9), it has been suggested that the Commission review the Company's modified net metering program under ORS 757.300(6), which allows the Commission to limit new customer-generators in order to balance the interests of retail customers once Idaho Power's cumulative customer-generating capacity reaches one-half of one percent of the Company's single-hour peak load. To the extent the Commission believes this to be the more appropriate approach, the Company emphasizes that it is seeking to implement the Idaho offering in its entirety. That is to say, the Company is not seeking to implement a new on-site generation offering in Oregon; rather, it has requested implementation of the program currently in place in its Idaho jurisdiction to be wholesale available to Oregon customers who wish to avail themselves of on-site generation subject to an Oregon-specific legacy billing construct informed by facts specific to information received by Oregon customers and their reasonable expectation of how changes in Idaho Power's Idaho service area would impact them.

Pursuant to Commission Staff's Schedule Announcement issued on March 8, 2024, and the workshop held by Staff on April 4, 2024, the Company received comments from three entities: the Oregon Solar + Storage Industries Association ("OSSIA"),² the Idaho Chapter Sierra Club ("Idaho Sierra Club"),³ and EGT Solar Inc. ("EGT Solar"), a solar installer located in Meridian, Idaho.⁴ Oregon Citizens' Utility Board ("CUB"), the sole intervenor in this docket, provided notice on April 22, 2024, that they would not be filing written comments in the matter.

Several reoccurring and overlapping themes emerge in the comments raised by stakeholders with respect to the Company's advice filing including: (1) the applicable approach to regulatory treatment of Idaho Power under these circumstances, which involves consideration of various policy concerns including but not limited to: the unique characteristics of Idaho Power's Oregon service area, environmental considerations, and the impacts on low- and moderate-income ("LMI") customers; (2) disapproval of the Company's updated offering including distrust of the underlying study and belief that it undervalues solar power exported to the grid and overlooks environmental benefits; and (3) concerns over implementation of "legacy treatment." In these comments, the Company will briefly summarize the primary concerns raised by OSSIA, Idaho Sierra Club, and EGT Solar for each of these areas as applicable and will provide additional information in reply including a discussion of broader policy matters related the Company's on-site generation offering in its Oregon service area.

² OSSIA's filed two sets of comments on April 22, 2024 and April 29, 2024. OSSIA's first set of comments was submitted on behalf of 17 member companies. Fifteen of these companies do not appear to have completed any projects for customers of Idaho Power. Of the two companies that have completed projects in Idaho Power's service area, only one, Blue Raven Solar, has completed projects in both of Idaho Power's jurisdictions; out of 2,449 total projects completed by Blue Raven Solar for customers of Idaho Power, only five were in Oregon. The other company, Purelight Power, has completed one project in Idaho.

³ It is not clear whether the Idaho Sierra Club has members that reside in the Company's Oregon service area.

⁴ According to the General FAQs section of EGT Solar's website: "EGT was founded in Idaho by Idahoan's and does work only in Idaho." Accessed Apr. 30, 2024 at: <https://egtsolar.com/resources/faqs>

REPLY COMMENTS

I. Regulatory Treatment of Idaho Power in Oregon

Party Comments

OSSIA does not believe that the Company's updated program continues to qualify as net metering or a substantial equivalent under ORS 757.300(9), because it is a "net billing" program that does not grant credits in kilowatt hours ("kWh"). OSSIA further asserts that the Company's proposal is not a substantial equivalent to a net metering program because it does not have the same structure as the offerings of Portland General Electric and Pacific Power in Oregon. As a result, OSSIA believes the Company's request should be examined under ORS 757.300(6) ("Subsection (6)"), which allows the Commission to limit new customer-generators in order to balance the interests of retail customers once Idaho Power's cumulative customer-generating capacity reaches one-half of one percent of the Company's single-hour peak load, though OSSIA did not feel the Company analyzed the environmental and other public policy benefits of net metering system as contemplated under that provision.

Idaho Power Response

➤ *Idaho Power's Unique Circumstance in Oregon*

Both the Oregon legislature and the Commission have acknowledged that Idaho Power is differently situated than other Oregon utilities given its small presence in Oregon and the particular characteristics of its Oregon service area and customer base. More specifically, the Company's Oregon service area encompasses 4,744 square miles largely comprised of rural communities and spans some of the most remote landscape across eastern Oregon. In addition, Idaho Power's service area, which straddles the border of western Idaho and eastern Oregon, encompasses communities linked by strong economic and social ties notwithstanding state lines; in fact, Idaho Power has over 650 customers that have accounts in both Idaho and Oregon. There is also significant overlap in trade, industry, and media between the two states.

These unique circumstances implicate special policy considerations, which have, at times, resulted in the Company being afforded particularized treatment. The Commission has often noted an inclination for Idaho Power to follow a single approach; consistency across jurisdictions supports administrative and economic efficiencies and ensures equity among customers residing in a continuous economic and media area (regardless of state boundaries). "Given Idaho Power's small Oregon service area compared to its Idaho service area, we are frequently willing to make limited exceptions for Idaho Power to ensure consistency of regulatory oversight and minimize administrative and regulatory costs."⁵ While there are times where the Commission must evaluate how to balance these and other competing policy interests on an ad hoc basis, in those instances where the legislature has codified different regulatory treatment for the Company, lawmakers have already undertaken this exercise, engaging in the balancing of various policy interests over the course of the legislative process, the result of which is the existence of the exemption. Not only does this approach serve to streamline certain matters for the Commission, but it also minimizes the potential for precedential impact on other differently situated utilities. In those situations where the legislature has determined that the unique characteristics of Idaho Power's

⁵ See, e.g., UE 316, Order No. 17-235 at 8.

small Oregon service area justify different regulatory treatment, these extenuating circumstances undermine any precedential value for utilities outside the scope of the exemption.

➤ *Idaho Power's Legislative Exemptions and Allowances*

In addition to the exemption in Oregon's net metering law, ORS 757.300(9), other examples in which Idaho Power's small customer base in Oregon has resulted in it being afforded special regulatory treatment by statute include: the exemption from direct access requirements, ORS 757.601(3); exemption from the transportation electrification meter charge, ORS 757.357⁶; elimination of coal-fired resources, ORS 757.518, 519⁷; goal for community-based renewable energy projects, ORS 469A.210(2); clean energy plans to reduce greenhouse gas emissions, ORS 469A.480; and delayed and adjusted renewable portfolio standards, ORS 469A.055. A review of this list reveals that the legislature has commonly found a carveout to be justified in the area of environmental policy. Though seemingly incongruous given the State of Oregon's focus on environmental issues, the rationale for this trend becomes apparent when one considers the larger context; in addition to the unique characteristics of Idaho Power's small Oregon service area, the Company is, and has been, voluntarily pursuing clean energy goals in its headquartered state. Thus, affording Idaho Power different regulatory treatment in these instances allowed the legislature to advance its goal of having electricity providers rely on non-emitting electricity in a manner that would minimize associated burdens and costs on the Company's small, largely rural, and disproportionately energy burdened customer base in eastern Oregon.

Similarly, while the Oregon net metering legislation was originally prompted by the lack of clear procedures or standards in Oregon for homeowners that wanted to interconnect to the electrical grid, Idaho Power was differently situated not only due to its unique service area but because it already had a set process in place to enable customer self-generation. The exemption in Subsection (9) satisfied the objectives of the legislature -- allowing customers the ability to offset their energy bills through on-site self-generation and helping reduce demand on the grid under a clear process facilitating safety, energy reliability, and power quality -- while also mitigating the disparate impact, inefficiencies, and costs that would stem from requiring Idaho Power to develop a separate offering for its small Oregon customer base pursuant to Oregon law. Because Oregon's net metering law was intended to fill a gap in Oregon that did not exist in Idaho and considering the other characteristics of the Company's small Oregon service area, the Oregon Legislature was willing to accept the existing Idaho program in lieu of imposing different or additional requirements in Oregon. Moreover, this construct enables the Commission to defer to the tariffs, schedules and other regulations promulgated by the Idaho Public Utilities Commission ("IPUC") without endorsing their substance and without establishing precedent, practice, or pattern in subsequent dockets.

➤ *Special Policy Considerations for Offering On-Site Generation in Oregon*

For 25 years, the Company has provided its Oregon customers the ability to eliminate some or all of their load through their own generation through various iterations over the years, offering such services consistently between its Oregon and Idaho jurisdictions in accordance with ORS 757.300(9). This not only included the Company's service schedule for onsite generation

⁶ Oregon Laws 2021, Chapter 95, Section 2(2) (HB 2165).

⁷ The OPUC may consider the net gain or net loss upon the sale of any coal-fired resource of an electric company with 25,000 or more retail electric consumers in Oregon. Although exempt, Idaho Power has planned to end participation in coal plants.

customers (previously Idaho Schedule 84) but also its interconnection rules and requirements set forth in Idaho Schedule 68. Subsection (9) served to eliminate the confusion, disparate impact, inefficiencies, and unnecessary burdens and costs that would result if the Company was required to have two sets of rules for net metering by allowing the Company to offer a single service offering, with a single set of interconnection rules and procedures to all of its customers.

The Company has requested that it be authorized to continue to offer net metering services in Oregon consistent with its Idaho offering as contemplated by Subsection (9), in other words, pursuant to the updated program recently implemented in Idaho under a legacy framework specific to Idaho Power's Oregon service area in accordance with the current versions of Idaho Schedules 6 (residential), 8 (small general service), or 84 (commercial, industrial, and irrigation), depending on customer class, and Schedule 68 (interconnection). Responding to the Company's request, some stakeholders have claimed that the Company is no longer exempt from Oregon's net metering requirements pursuant to ORS 757.300(9) because the Company's program, as recently modified in Idaho, no longer qualifies as "net metering services or a substantial equivalent offset against retail sales." The Company believes this interpretation is at odds with both the plain language of the statute and the intent of the Oregon Legislature in enacting it as reflected in the legislative history. In this regard, the Company refers generally to its previous discussion of the legislative history including the context and contemporaneous discussion and exchange that led to the adoption of ORS 757.300(9).⁸

Moreover, in response to OSSIA's repeated assertions⁹ that the Company's modified "net billing" program does not satisfy the exemption in ORS 757.300(9), the Company reiterates that the "substantial equivalent offset" language was actually proposed by Idaho Power "**as an alternative to net metering**," to ensure the exemption would cover its program described at the public hearing as a "**net billing tariff**".¹⁰ (Emphasis added.) As previously described, Idaho Power's net metering service offering has long been a work in progress and the iteration in place in 1999, when Subsection (9) was enacted, was markedly different than the version of late. In fact, the version in place in 1999, shared key characteristics with the Company's updated Idaho program including not valuing excess generation at the retail rate and compensating exports with financial credits instead of kWh credits. Given this context, it simply cannot be reasonably concluded that changing the compensation structure of the Company's updated net metering offering is incongruous with the carve out in Oregon's net metering law.

Regardless of the Company's belief that its on-site generation offering continues to qualify for the exemption in ORS 757.300(9), if the Commission determines it is more appropriate for it to examine the program under ORS 757.300(6), the policy considerations subsumed within the statutory exemption in Subsection (9) would be equally applicable to an analysis of public policy issues under Subsection (6). An independent evaluation and balancing of these policy considerations demonstrates the value in allowing the Company to offer a single program across jurisdictions.

⁸ ADV 1600, Idaho Power Advice Filing at 13-17 (Feb. 29, 2024).

⁹ ADV 1539, OSSIA Comments (Nov. 30, 2023); ADV 1600 OSSIA Comments (Apr. 29, 2024).

¹⁰ See HB 3219 -- Public Hearing Before the House Commerce - Subcomm. On Regulations, Meeting Minutes at 6 (Mar. 31, 1999) (Comments of John Brenneman (Lobbyist, Idaho Power)) and HB 3219-A -- Public Hearing Before the Senate Public Affairs Comm., Meeting Minutes at 2 (Jun. 30, 1999) (Comments of John Brenneman).

The Company believes that if it is no longer able to offer its Oregon on-site generation customers service in accordance with its Idaho tariffs, schedules, and regulations, it would be subject to the net metering requirements set forth in ORS 757.300(2)–(8), as well as the rules and regulations provided in OAR 860-039-0010 through 860-039-0080, Net Metering Rules.¹¹ Addressing the scope and applicability of net metering facility rules, OAR 860-039-0005(1) provides:

OAR 860-039-0010 through 860-039-0080 (the “net metering rules”) establish rules governing net metering facilities interconnecting to a public utility as required under ORS 757.300. Net metering is available to a customer-generator only as provided in these rules. These rules do not apply to a public utility that meets the requirements of ORS 757.300(9).

Similarly, Subsection (9) exempts the Company from the requirements of 757.300(2)–(8), and OAR 860-039-0010 through 860-039-0080 by extension, enabling the Company to offer a single, non-conforming program across jurisdictions. However, as the Company understands it, Subsection (6) does not excuse the Company from the legal requirements contained in OAR 860-039-0010 through 860-039-0080.¹² While that provision does provide a certain amount of discretion to the Oregon Commission, it is not clear whether that would encompass relieving the Company from other statutory requirements.¹³

➤ *Efficiencies of a Single Program*

Offering one program across the Company’s service area eliminates administrative inefficiencies and increased costs associated with creation of new processes, additional employee training, development of two sets of customer self-service tools and materials, separate customer communications, reconfiguring existing systems to manage new processes as well as ongoing costs to administer two distinctly different offerings.¹⁴ In addition, having the same offering in both states alleviates customer and installer confusion and misinformation attendant to having different sets of rules across the same broader community. In the specific context of net metering, this dynamic might manifest in a number of ways considering that there are at least seven major solar installers that work in both states, the cross-border participation and attendance that occurs at solar trade shows and home show events involving solar installers held in either state, and the coincidence and overlap of local media outlets targeted at and consumed by residents of western Idaho and eastern Oregon.

¹¹ Examples of differences between the OAR Net Metering Rules and those in Idaho include, but are not limited to, the three tiers of net metering each with different application processes, different requirements for excess credit transfers and aggregation, and additional reporting and record keeping requirements.

¹² OSSIA suggests that the Commission may waive the Division 39 rules pursuant to 860-039-005(2). While this could be the case, it is not a guarantee that the Commission will waive any of the requirements or how many of them it will waive. This uncertainty leaves the Company and its customers with many unknowns about how the offering could change.

¹³ But see OAR 860-039-0075, which refers to the Commission’s authority under ORS 757.300(6) as the ability to limit the cumulative generating capacity of net metering systems.

¹⁴ Compare with UM 1129, Order No. 05-584 at 26 (“In recognition of the fact that Idaho Power exclusively uses the SAR methodology in its Idaho service territory, where it serves far more customers than its Oregon service territory, we find that the administrative burdens to Idaho Power of developing and applying new avoided cost methodologies in Oregon outweigh the potential benefits and justify allowing Idaho Power to continue to use the SAR methodology.”)

The discussion and questions posed in this docket have implied that there may be a hybrid option pursuant to which the Company could maintain the legacy Idaho program in Oregon based on the Commission's ability to limit new customer generators to balance the interests of retail customers under ORS 757.300(6), which they believe would not be as onerous as implementing a true third program. In the event, however, that the Company is directed to implement a program in Oregon that is at all differently structured from what it offers in Idaho, the Company believes it would still legally be required to comply with Oregon's net metering rules including the requirements governing net metering interconnections. To the extent that Staff or stakeholders suggest Idaho's old offering could be permanently implemented in Oregon, it is the Company's belief that anything different than what is currently in place in Idaho would constitute an Oregon-specific offering that would need to comply with the requirements of Oregon Administrative Rules, Chapter 860, Division 39, Net Metering Rules, which include, but are not necessarily limited to, Oregon specific interconnection review procedures; application forms, processing procedures, and timelines; interconnection fees and costs; billing specifications; and mapping, records and reporting requirements, all of which vary significantly from the Company's current practices. Ensuring compliance with applicable Oregon rules would in itself be a significant task.

While the Company has not completed an exhaustive analysis to identify all aspects of increased costs associated with managing a net metering program in Oregon that is different from its Idaho offering, at the request of Staff, it has performed an initial analysis which suggests the costs could be significant and would be borne entirely by the Company's small Oregon customer base.¹⁵ This is of particular significance when one considers the distinctive characteristics of the Company's eastern Oregon customer-base -- small, largely rural, and disproportionately energy burdened -- which underscore the imprudence of subjecting these customers to higher administrative costs associated with implementing an Oregon specific net metering option that most will choose not to utilize. This context is critical to understanding that, when it comes to Idaho Power's Oregon service area, allowing the Company to continue to offer net metering services in Oregon consistent with its Idaho offering is the most effective way to balance customer interests. The Company understands that net metering involves consideration of several important, and at times competing, public policy objectives. However, these policy considerations do not exist in a vacuum and should be evaluated in context; that is to say that Idaho Power's Oregon customers often have different concerns or priorities than customers in other parts of the state and are particularly sensitive to cost shifting.

➤ *Consideration of Environmental Justice Issues*

OSSIA suggests that the Company overlooked LMI concerns and did not consider the effect of its proposal on low- and moderate-income current and future solar customers. In its most recent comments, OSSIA summarily concludes that the Company's updated offering "would have dramatic impacts on the ability of LMI customers to be able to take advantage of federal and state incentives to generate their own clean energy, leaving federal dollars slated for LMI solar to go unused." The Company is not clear why its updated program would impact the ability of LMI customers to take full advantage of state and federal funds for the procurement of solar, and OSSIA does not provide an explanation. Nothing in the Company's proposal to offer net metering services in accordance with its tariffs, schedules, and other regulations in place in its Idaho service

¹⁵ Following the April 4, 2024, public workshop, Commission Staff submitted several informal requests for information to the Company. See Attachment No. 1 for the Company's response to Staff Informal Request No. 1.

area limit the intent of net metering or a customer's ability to install on-site generation. Customers would continue to offset energy consumed behind-the-meter at the full retail rate, and the updated offering will continue to enable customers to offset their usage and reduce or eliminate the volume of energy they consume. Further, non-legacy customers will receive a financial credit for any net excess energy they export and can use their financial credits to offset all charges on their bills, providing greater flexibility in their ability to reduce their bills. The Company is not aware of any reason why Oregon customers taking service under the Company's updated on-site generation offering would not be able to take advantage of new or existing programs available to offset the cost of solar LMI customers.

Idaho Power understands why OSSIA, as a trade association driven by a mission to make solar energy a significant energy source and expand solar and storage markets, is interested in perpetuating the overvaluation of excess exported energy. The Company, however, is differently situated; it is accountable to the Commission and legally obligated to consider the collective interests of all its customers, balancing the interests of both participating and non-participating customers. It has a vested interest in ensuring the information it puts forth is fair and credible to support its ability to reliably meet its electric service obligation to the public with retail rates that are equitable among similarly situated classes and commensurate with the services being provided. The Company believes aligning the Oregon offering with Idaho is important for the sake of efficiency and consistency, especially considering that costs associated with an Oregon specific program would be entirely assigned to its small Oregon customer base. Moreover, updating the service offering for future customers will ensure that non-self-generating customers are not subsidizing the rates for self-generation customers, which is of particular concern for the Company's LMI customers.

Idaho Power also disagrees with the suggestion of OSSIA and Idaho Sierra Club that environmental and other public policy benefits of net metering systems have not been considered. The legislature's historic treatment of the Company on similar issues reflects that, in balancing the various policy interests, the unique characteristics of Idaho Power's small Oregon service area are highly relevant such that, in instances when the Company is pursuing like objectives concurrently with Oregon, the Oregon Legislature has been willing to defer the framework(s) already in place in the state where the Company serves far more customers to minimize burdens and costs on the Company's Oregon customers.

The primary objective of the Company's net metering program has always been to provide customers the opportunity to eliminate some or all of their load through their own generation, but its predecessor offering was outdated and ill-suited to that end. The Company's updated program builds upon its prior efforts to reduce participation barriers and modernize its on-site generation offering to support the continuing development of renewable energy resources and advances in energy generation technology while ensuring equity among all customers moving forward. Notably, as part of the Company's updated on-site generation program, the Company requested that, for systems with energy storage devices, only the amount of generation nameplate capacity be considered to determine whether the applicable cap is exceeded, which removes a potential barrier for customers that desire to incorporate energy storage in their on-site generation system. The Company also sought a change in how the project eligibility cap was defined for Idaho Schedule 84 commercial, industrial, and irrigation ("CI&I") customers enabling CI&I customers to install larger on-site generation systems.¹⁶ Updating the program to ensure it is better aligned with

¹⁶ The Company proposed and the IPUC agreed to set the Idaho Schedule 84 project eligibility cap be set at the greater of 100 kilowatts ("kW") or 100% of demand at the service point for CI&I customer.

customer needs and current circumstances, economically supportable, and fair to all customers, was imperative to ensure on-site generation can continue to thrive.

II. Suitability of the Company's Updated On-Site Generation Program

Party Comments

The Idaho Sierra Club comments critique the Company's Export Credit Rate ("ECR") study, design, and calculations and express a general distrust of the Company's Value of Distributed Energy Resources Study ("VODER Study"), which provided the foundation for the Company's updated offering. The Idaho Sierra Club also believes the ECR is biased, incomplete, and inaccessible. EGT Solar also voices dissatisfaction with the process and result from the IPUC. Likewise, OSSIA believes that the updated offering undervalues solar and that the changes are unfair to future customers, overly complicated, and rely on biased studies, in support of which it cites to written comments of the Idaho Conservation League ("ICL") from the Idaho case.¹⁷

OSSIA also claims that the new meters do not show how much energy a customer is using and that customers have no way to see how their export credits are being calculated, forcing installers to overbuild solar systems so that customers receive the maximum benefits allowed under Idaho Power's new net billing program.

Idaho Power Response

➤ *The VODER Study*

When the practice of retail rate net metering was first authorized by the IPUC over twenty years ago, it was done so in full recognition that it likely did not accurately reflect the cost to serve customers with on-site generation but was a new program that should be monitored on an ongoing basis and could be modified as experience was gained and conditions evolved.¹⁸ In fact, in the decades that followed, knowledge and circumstances have changed dramatically—increased technological and financial feasibility of on-site generation helped to fuel rapid growth in customers participating in net metering and metering and billing improvements made a more nuanced approach possible. The need to modernize the on-site generation compensation structure was well established, and the IPUC laid the groundwork for the same in a long series of customer-self generation dockets including establishing a process to ensure changes to the Company's on-site generation service offering are well-reasoned and data driven, directing that any changes are based on a comprehensive, Commission-approved study.¹⁹

➤ *The Crossborder Review*

Because the Crossborder Review was referenced during the April 4, 2024, Staff-led workshop and in written comments submitted in this docket (referred to as an "independent study" by two of its funders, ICL and Idaho Sierra Club), the Company is providing additional background for the Commission's consideration.

¹⁷ ADV 1600 OSSIA Comments at fn 1 (Apr. 29, 2024).

¹⁸ *In the Matter of the Application of Idaho Power Company for Approval of a New Schedule 84—Net Metering Tariff*, Case No. IPC-E-01-39, Order No. 28951 at 5-6, 12 (Feb. 13, 2002).

¹⁹ See, e.g., IPUC Case No. IPC-E-17-13; IPUC Case No. IPC-E-18-15; IPUC Case No. IPC-E-20-26; IPUC Case No. IPC-E-21-21; and IPUC Case No. IPC-E-22-22.

Pursuant to the process directed by the IPUC, the Company initiated the “study review” phase in June 2022, completing the VODER Study and initiating a case to allow for public, stakeholder, and Commission review of the Study. The Company conducted the VODER Study pursuant to the Study Framework that the Commission approved in Case No. IPC-E-21-21²⁰ after considering more than 250 written public comments, oral testimony at a public hearing, and written comments filed by eleven parties to that proceeding. Notably, having reviewed the extensive record in that case, the IPUC declined to order the VODER Study be conducted by a third party, finding that the Company itself was “best positioned to access and study the extensive data and issues specific to the Idaho Power system at a reasonable cost.”²¹ Thus, OSSIA’s assertion that the IPUC recognized that a study performed by the Company was potentially less accurate than third-party analyses is erroneous.²²

One of the intervenors in that case, ICL, included a report with their comments, “Independent Review of Idaho Power’s *Value of Distributed Energy Resources Study*” authored by Crossborder Energy (“Crossborder Review”), which is a consulting firm that was hired by ICL, other environmental groups, and solar companies,²³ for the purpose of critiquing the VODER Study. After assessing the Crossborder Review, associated workpapers, and related discovery responses, the Company identified several flaws, which include assumptions and methodologies inconsistent with regulatory precedent and incongruous with the Commission-approved study framework; in addition, it contained arguments and conclusions that are misleading and inherently flawed. The Company’s Reply and Final Comments filed in Idaho Case No. IPC-E-22-22 include a detailed discussion of the numerous issues with that Crossborder Review and explained why it would not lead to fair and equitable rates.²⁴ Notably, another intervenor in that case, Idaho Irrigation Pumpers Association, Inc. (“IIPA”), offered testimony from its expert witness in response to the Crossborder Review, which identified many of the same issues as the Company and noted:

While the Crossborder study may have been conducted by a reasonable, competent industry professional, the analytic choices themselves are not reasonable and should not be adopted. I caution the Commission against attempting to find a middle ground between the VODER study and the Crossborder study. The Commission should instead disregard all aspects of the Crossborder study.²⁵

²⁰ *In the Matter of Idaho Power Company’s Application to Initiate a Multi-Phase Collaborative Process for the Study of Costs, Benefits, and Compensation of Net Excess Energy Associated with Customer On-Site Generation*, Case No. IPC-E-21-21, Order No. 35284 (Dec. 30, 2021).

²¹ *Id.* at 11.

²² ADV 1600 OSSIA Comments at 1 (Apr. 29, 2024) (stating that the changes “rely on biased studies which were performed by Idaho Power which the Idaho commission recognized were potentially less accurate than third-party analyses.”)

²³ Idaho Statesman, *Idaho Power wants to pay less for homeowners’ rooftop solar, new report says* (September 29, 2022). (“Crossborder’s report was paid for by the Idaho Conservation League, the Idaho Chapter of the Sierra Club, EGT Solar, Vote Solar, the Portneuf Resource Council, the Snake River Alliance, CED Greentech, Sunnova, Empowered Solar, the Climate Action Coalition of the Wood River Valley and the Idaho Organization of Resource Councils.”)

²⁴ See Case No. IPC-E-22-22, Idaho Power’s Reply Comments (Oct. 12, 2022), available here: <https://puc.idaho.gov/Fileroom/PublicFiles/ELEC/IPC/IPCE2222/Company/20221012Reply%20Comments.pdf>; and Idaho Power’s Final Comments (Oct. 26, 2022) available here: <https://puc.idaho.gov/Fileroom/PublicFiles/ELEC/IPC/IPCE2222/Company/20221026Final%20Comments.pdf>

²⁵ Case No. IPC-E-22-22, IIPA Reply Comments (Oct. 12, 2022) at 4.

In October 2022, the Company submitted a revised VODER Study in response to stakeholder and public comments, which the IPUC ultimately found “complies with our previous directives and should serve as a basis for the Company’s implementation recommendations in a subsequent case.”²⁶ Based on the October VODER Study, the Company developed recommendations to update its on-site generation offering relating to modifying the compensation structure, which included proposals related to the measurement interval and export credit rate value and structure, administrative items related to the implementation of an avoided cost-based ECR, and, in tandem, changes in how the project eligibility cap is defined for CI&I customers.

On December 29, 2023, the IPUC issued its Order in IPC-E-23-14 establishing the Company’s updated net metering service offering. In authorizing changes to the Company’s on-site generation offering, the IPUC emphasized that the fundamental purpose of on-site generation is to offset a customer’s own usage, that on-site generation should not create cost shifting between generators and non-generators, and that on-site generators should be given a fair value for their exported energy.²⁷

➤ *The Company’s Valuation of Excess Energy*

The Company’s updated net metering program more accurately assigns the value of exported energy to the Company’s system, providing a reasonable balance between the interests of customers with on-site generation, and customers without. The seasonal time-variant ECR rate structure implemented by the Company provides a mechanism by which on-site generators who invest in storage can realize the value of their investment when they export stored energy. By aligning the rate design for the ECR with the hours of highest risk, it sends a price signal to customers with energy storage when dispatching their batteries to the grid is valued and needed most.

While environmental considerations are an inherent component of any evaluation pertaining to net metering, in considering the value of exported energy to the to the Company’s system, the IPUC made clear that environmental benefits or costs that cannot be quantified or shown to affect customers’ rates, should not be considered in valuing an ECR: “This Commission was granted authority by the Idaho legislature to conduct economic analyses to determine rates that are fair, just and reasonable. We have not been granted the legislative or executive authority to monetize many of the environmental attributes addressed by Parties and customers.”²⁸ It further stated:

Generic conclusions and recommendations from third-party studies that do not fully reflect the environmental conditions and legislative requirements in Idaho or the particulars of the Company’s system, should not be considered by the Company in its implementation recommendations. Likewise, environmental benefits or costs that cannot be quantified or shown to affect customers’ rates, should not be considered in valuing an ECR.²⁹

²⁶ Case No. IPC-E-22-22, Order No 35631 at 28.

²⁷ Case No. IPC-E-23-14, Order 36048 at 5-6.

²⁸ Case No. IPC-E-21-21, Order No. 35284 at 12 (Dec. 30, 2021).

²⁹ Case No. IPC-E-22-22, Order No. 35631 at 29 (Dec. 19, 2022).

As directed the Company did not include a recommended value for environmental benefits or costs that cannot be quantified or shown to affect customers' rates in valuing the ECR. Idaho Power is not subject to any state or federal legislative mandates that provide a quantifiable environmental cost or adder to the Company's rates; it is not currently subject to a carbon tax or a Renewable Portfolio Standard ("RPS") requiring it to produce a set amount of renewable energy and, therefore, has no need to purchase Renewable Energy Certificates ("RECs"). As a reminder, the Company is voluntarily pursuing clean energy goals and has been exempt from Oregon's clean energy targets by the Oregon Legislature.³⁰ Accordingly, the rationale employed by the IPUC is equally applicable in Oregon; because the Company is not subject to any mandates that provide a quantifiable environmental cost or adder to the Company's rates, it is not appropriate to include any associated environmental benefits in the ECR.

➤ *Transparency of the Company's Updated Offering*

Both OSSIA and Idaho Sierra Club claim that the Company's updated program is overly complicated and lacks transparency. The Company disagrees that its method is not transparent and easily reviewable by stakeholders; it appreciates the concern for customer understandability and in fact made several modifications to its proposed ECR in Idaho Case No. IPC-E-23-14 based on feedback from stakeholders in order to enhance understandability and transparency. The ECR fairly and accurately reflects the value of energy on Idaho Power's system, while also balancing customer understandability and a need for transparent pricing.

OSSIA's comments also suggest a misunderstanding of some of the operational aspects of the updated offering. For example, OSSIA claims that without access to real-time data there is no way to design a system to maximize the solar output during Idaho Power's peak times. However, OSSIA neglects to mention that commonly available tools relied on by the industry already project hourly solar production (which varies based on factors such as panel tilt and orientation). Idaho Power customers have access to hourly historical consumption via their online My Account profile and customers who do not have a My Account profile can contact Idaho Power to request their historical hourly consumption data. These tools provide adequate information for installers to evaluate system sizing. Once a customer's system is operational, they have access to the information needed to evaluate their consumption and export patterns within 2-3 days via My Account, which provides them with data throughout the course of their billing cycle. The Company agrees with OSSIA's assertion that overbuilding solar systems increases the overall cost of the system unnecessarily, which is bad for businesses and customers, but disagrees that this practice is being driven by the Company's offering.³¹

III. Implementation of Legacy Treatment in Oregon

Party Comments

A common concern raised by stakeholders pertains to legacy treatment. OSSIA raises concerns related to the Oregon specific legacy framework, notably: that the legacy cutoff date

³⁰ ORS § 469A.480.

³¹ Though Idaho Power is not privy to the details of the bilateral transactions between sellers or installers of on-site generation systems and their customers, a number of stakeholders appear to suggest that the Company is part of the transaction or is responsible for ensuring the transaction is equitable and economically supportable. The Company, however, does not partner or endorse specific solar installation companies and is not a party to agreements between installers and their customers.

should be the date of the Commission Order in this case and that legacy systems should be able to repair and add additional capacity to their systems and maintain their legacy status. Similar to the comments provided by OSSIA, the Idaho Sierra Club recommends that the legacy date should be after the date of the Commission Order in this case and that legacy customers should be able to maintain legacy rates through the entire duration of the legacy period even if they make changes to their system.

Idaho Power Response

➤ *The Distinction Between New and Existing On-Site Generation Customers*

Under the legacy framework in place in Idaho, those on-site generation systems that qualify for legacy treatment continue to be entitled to monthly one-for-one kWh credit compensation for excess energy, regardless of program changes through 2045, while those systems deemed non-legacy are subject to the new Idaho crediting structure. This delineation stems from the IPUC's finding in Case No. IPC-E-18-15, Order No. 34509, that it was "prudent and justifiable" to distinguish between existing and new customers, as of the service date of its order (December 20, 2019), based on customers' reasonable expectations when making significant personal investments in on-site generation systems. The IPUC recognized that, prior to its order, customers could have reasonably assumed the net-metering program fundamentals would not change due to representations made by both solar developers and the Company, whether explicit or implied. Moving forward, however, the IPUC found it would no longer be reasonable for a customer to assume the net-metering program fundamentals would remain the same over the expected payback period of their investment. Over the course of the series of self-generation dockets that followed, the IPUC repeatedly cautioned that tariffs are not contracts and are subject to change and affirmed its treatment of legacy systems. For its part, the Company has continued to follow the IPUC's recommendation for it to convey to potential and existing on-site generation customers that rates and program structure are subject to change and has undertaken extensive efforts to communicate with its customers.

➤ *The Reasonable Expectations of Idaho Power's Oregon Customers*

While Oregon Staff acknowledges the Company's efforts to communicate with customers, both the Commission and Commission Staff had questions over the overall efficacy of these efforts in Oregon, finding that "the structure of the Company's Oregon Schedule 84 could have caused confusion that may have unfairly given Oregon customers the impression that they were exempt from these changes." As a result, the Company has proposed that the Commission establish a legacy framework specific to Idaho Power's Oregon service area based on the date of its advice filing (February 29, 2024). As part of its efforts to be transparent, the Company sent an email to all customers who applied for on-site generation in Oregon after its proposed cut-off date. The email informed the customers of the Company's proposal and what that would mean for their system if the proposal is approved by the Commission. As of April 25, 2024, six customers in Oregon have applied for on-site generation after the filing date. All of these customers are residential. One application was for a system expansion. One customer's system is online.

The Company continues to believe the February 29, 2024, date is fair to Oregon customers, but does not, however, oppose a legacy cut-off date that aligns with the date of the Commission Order, as both OSSIA and Idaho Sierra Club have proposed, if the Commission believes that is more appropriate. The Company will remain transparent and clearly communicate with on-site generation customers how their systems will be affected based on which ever cut-off date the Commission approves.

➤ *The Reasonable Expectations of Idaho Power's Oregon Customers*

Though the Company agrees that an Oregon-specific legacy framework is warranted based on facts specific to information received by Oregon customers and their reasonable expectation of how changes in Idaho Power's Idaho service area would impact them, it does not agree with eliminating the distinction between existing and new customers. The suggestion that the Company could offer legacy treatment to Oregon customers indefinitely in order to minimize the administrative burden and costs as a sort of compromise to a fully separate Oregon program is flawed. The legacy concept is based in investment-backed decisions and the reasonable expectations of the customer-generator when they established service; it is the system that has been designed and installed to meet the current rules that qualifies for legacy treatment. While the Company agreed with Staff that different cut-off dates for Oregon Legacy treatment were appropriate based on the reasonable expectations of its Oregon customers when they established net metering services, by nature legacy treatment has a cutoff and is not envisioned to be offered in perpetuity. Offering all Oregon on-site generation customers (past, present, and future) service in accordance with the rules applicable to legacy systems effectively removes the distinction between existing and new systems for Oregon customers and simply becomes a new Oregon-specific service offering.

While the Company's proposal does not bar customers from repairing and expanding their systems, it does impose stipulations around what is allowed while still maintaining legacy status of a system for several reasons. The six-month offline timeframe for forfeiting legacy is not limited to legacy status requirements but part of a larger framework; it sets the parameters for classifying when a system is deemed to be "permanently removed" for purposes of interconnection and service schedules,³² and so is, by extension, also the timeframe used for determining if a legacy system has been permanently removed. Additionally, electrical codes and regulations and interconnection standards are not static; they evolve to incorporate the latest safety standards and practices, and placing a time limit helps the Company ensure that on-site generation systems adhere to the most up-to-date safety requirements. This mechanism also holds customers accountable for making sure their system does not linger offline indefinitely and is back on-line within a reasonable timeframe and helps to ensure that customers are taking service under the appropriate rate schedule. An on-site generation system that is offline longer than six-months may fall into disrepair and/or become outdated, which could lead to potential issues or code violations. Requiring review and reevaluation of a system that has been offline for an extended period of time is important to verify that the system is in good working order and in compliance with applicable rules and regulations.

³² See Schedule 6, Original Sheet No. 6-7; Schedule 8, Original Sheet No. 8-7; Schedule 68, First Revised Sheet No. 68-10; Schedule 84, Original Sheet No. 84-8.

The limits on expanding a system's capacity were put in place to allow a customer to replace old or broken panels with new panels that may not exactly correspond to the original rating. Newer panels are often more efficient, and a customer should not lose legacy status for needing to update panels in their system. Under the Company's Idaho offering a customer may increase the capacity of their legacy system by no more than 10 percent or 1 kilowatt ("kW"), whichever is greater. The 10 percent parameter was put in place to protect larger systems' ability to update panels while the 1kW parameter was put in place to protect smaller systems' ability to update panels. While acknowledging the importance of allowing customers to maintain their current system when a panel becomes old or broken, allowing greater expansions of systems would circumvent the rules and be unfair to similarly situated customers. As stated earlier, granting legacy status is predicated upon the reasonable expectation the customer had when making an investment decision. When expanding a system beyond what is needed to repair it, a customer is making a new investment decision under new known parameters.

CONCLUSION

Across the country, the net metering policy landscape continues to evolve as customer-sited generation expands. Amid the growing penetration of solar over the past several years, many states have been compelled to reexamine net energy metering ("NEM") rules and regulations that were initiated decades ago under vastly different circumstances when behind-the-meter systems were few in number, which helped to mitigate program design inefficiencies and the resulting implications for other customers. In recent years, however, rapid growth of on-site generation systems and a changing energy landscape have exacerbated the regulatory and policy concerns prompting many regulators to reevaluate net energy metering policies to better align with sound regulatory principles. As a result, a number of states have moved away from traditional net monthly metering, with net billing emerging as one of the more common successor tariff structures.³³

The instant docket is reflective of the larger national debate surrounding NEM, which unfortunately often finds stakeholders at cross-purposes, with utility or Commission efforts to modify NEM rules or rate design met with stiff resistance from solar contractors and customers and others that desire to maintain the status quo. Idaho Power understands and appreciates that some customers desire to offset their energy bills through on-site self-generation and help reduce demand on the Company's system; goals that are consistent with the underlying intent of the Company's on-site generation offerings: to provide customers the opportunity to serve some of their load through their own generation. These objectives, however, cannot be achieved with a blind eye to the cost and effects on non-participants nor can the business or personal interests of solar contractors and customers be pursued at the expense of non-participating customers. As a publicly regulated utility, Idaho Power is differently situated than a private seller or installer; it is

³³ For at least the past two years, the NC Clean Energy Technology Center's ("NCCETC") annual review has identified states moving from traditional net metering and net billing as a dominant successor tariff structure as top solar distributed policy trends. Apadula, E., et al. *The 50 States of Solar: Q4 2022 & 2022 Annual Review Executive Summary* at 9-10, NC Clean Energy Technology Center, Jan. 2023.

Available at: <https://nccleantech.ncsu.edu/wp-content/uploads/2023/01/Q4-22-Solar-Exec-Summary-Final.pdf>.

Apadula, E., et al. *The 50 States of Solar: Q4 2023 & 2023 Annual Review Executive Summary* at 9-10, NC Clean Energy Technology Center, Jan. 2024.

Available at: <https://nccleantech.ncsu.edu/wp-content/uploads/2024/01/Q4-23-SolarExecSummary-Final.pdf>

Public Utility Commission of Oregon
May 6, 2024
Page 16

accountable to the Commission and legally obligated to consider the collective interests of all its customers and to establish mechanisms based on an economically supportable analyses that result in fair, just, and reasonable rates for its customers in eastern Oregon.

Sincerely,

A handwritten signature in black ink that reads "Megan Goicoechea Allen". The signature is written in a cursive style with a large, looping initial 'M'.

Megan Goicoechea Allen

MGA:sg

Enclosure

ATTACHMENT 1

STAFF INFORMAL DATA REQUEST NO. 1:

Can you provide a narrative description of what the administrative costs and burden would be of having a separate NEM program for Idaho and Oregon including those associated with having a true third NEM program just for Oregon as well as what it would be if IPC just kept the legacy TOU program in place in perpetuity in Oregon?

RESPONSE TO STAFF'S INFORMAL DATA REQUEST NO. 1:

As highlighted in the accompanying cover letter, if the Company is not permitted to offer its Idaho offering in its entirety, the Company will be subject to Oregon-specific net metering rules. Compliance with those rules will result in increased costs associated with creation of new processes, additional employee training, development of two sets of customer self-service tools and materials, separate customer communications, and so forth as more fully set forth below. The Company believes it is important for the Commission, Staff, and other stakeholders to understand the costs of which will be entirely assigned to its Oregon jurisdiction, given it would be driving the need. Considering the small number of Oregon customers, the Company anticipates incurring such costs would be particularly impactful.

While the Company has not completed an exhaustive analysis to identify all aspects of increased costs associated with managing a separate net metering program, in order to comply with OAR 860-039-0010 through OAR 860-039-0080, there would be both **upfront costs to reconfigure existing systems to manage new processes**, as well as **on-going costs to administer two distinctly different offerings**. Examples of these new requirements from Oregon Administrative Rule Chapter 860, Division 039:

- 860-039-0030 through 860-039-0040: There are three different tiers (1, 2, and 3) of Net Metering that all have different and more complex application processes than Idaho Power currently administers under Idaho Schedule 68. New applications, form agreements, and internal procedures would need to be created to comply with determining these levels and providing the required interconnection review process for each level.
- 860-039-0045: Idaho Power currently has different interconnection fees than what is allowed in this section. The fees allowed in this section are lower than what the Company currently charges, which will reduce how much of the program is funded by participating customers and will result in increased costs to non-participants.
- 860-039-0055 & 860-039-0060: Requires an "annual billing cycle" whereby unused kWh credits are valued at an avoided cost and transferred to customers who are participating in the utility's low-income assistance programs. Idaho Power's on-site generation offering provides for the credits to remain with the customer's active service agreement. This change would require configuration changes to Idaho Power's billing system, which results in an upfront cost and ongoing administration. Additionally, these sections would impose new reporting requirements on the Company.
- 860-039-0065: The aggregation rules laid out in this section differ from what is currently in place for the Company's on-site generation offering. This would again create two separate systems across the Company's service area.
- 860-039-0070: Each public utility must maintain current maps and records of customer-generator net metering facilities showing size, location, generator type, and date of installation, and file an annual report with the Commission with

information on the number and generation capacity of NEM facilities and, upon request file maps, records, and reports to identify, locate and summarize net metering facilities in a form satisfactory to the Commission. There would be upfront costs associated with configuring the Company's systems to comply with these requirements in addition to ongoing costs associated with the reporting and recordkeeping requirements.

Based on the questions received through the process, the Company has estimated the costs associated with two possible scenarios: (1) continuation of retail rate net metering, and (2) a new "unknown" compensation structure. As noted above, the continuation of retail rate net metering isn't without incremental costs, as new systems would need to be established and/or modified to adhere to the Oregon net metering rules.

While not exhaustive, the Company has provided the following estimates based on its experience.

Costs	NEM Continuation	New (TBD) Billing Structure
<u>Upfront/Set Up Costs</u>		
Interconnection Database Reconfiguration	\$23,000	\$23,000
Billing System Reconfiguration	\$8,700 minimum	\$995,955
Upfront Admin Costs	\$16,600	\$16,600
Customer Solar Calculator	N/A	\$20,000
<u>Ongoing/Annual Administrative Costs</u>		
Ongoing Administrative Expenses	\$231,750	\$231,750
Interconnection Database Maintenance (Programmer Costs)	\$21,000	\$21,000
Customer Solar Calculator Subscription	Unknown	\$80,935

Upfront Cost/Set Up Costs:

Key expenses in implementing a different system in Idaho and Oregon include:

Interconnection Database Reconfiguration: This encompasses costs for a programmer to reconfigure its system for a separate Oregon offering utilizing the company's Customer Generation (CG) database. This system is used to process interconnection applications, run automated engineering review screening, send automated customer emails, manage workflows, documents, and track on-going compliance with the tariffs or rules.

Billing System Reconfiguration: A new billing structure would necessitate building new functionality in the Company's customer information system specific to the Oregon offering. This entails modifying the customer bill configuration and integrating new data services. These

changes are critical for maintaining the functionality of 'My Account' across various software applications. Additionally, the reconfiguration will extend to updates on the web and app interfaces that customers interact with, ensuring they receive accurate and up-to-date information regarding their new billing structure. Collectively, these updates will require significant investment, both in terms of financial resources and labor, to execute effectively.

Upfront Admin Costs: The administration of a separate billing structure for Oregon necessitates an additional increase of one-time labor costs. This estimate encompasses various functions, not all of which are captured in this document. Some key components identified are:

- **Process Development/Integration:** including labor expenses for IPC staff to develop new processes, as well as contract management, interconnection database contractor management and testing. Also includes work to develop customer communications.
- **Training:** Involves education and outreach with customers, training of internal Energy Advisors and Customer Solutions Advisors who work directly with our customers. Development of training curriculum and updating of internal training documents and guides.
- **New Interconnection Forms:** The development of new forms and programming on-line webform applications requires careful consideration of technical, legal, and regulatory requirements. These forms are vital for customers to connect an on-site generation system to the grid safely and effectively.

Customer Solar Calculator- Idaho Power offers a web-based calculator to help new customers evaluate if solar is right for them. The current calculator has functionality for rate changes under the existing structure and the existing license can also present net energy metering. However, if Oregon implements something different, there will be an additional set-up cost depending on new rules or structure.

Ongoing/Annual Administrative Costs:

Ongoing Administrative Expenses: These costs are largely expected to be associated with labor incurred to manage a separate Oregon program, which includes interconnection application reviews/processing, coordination and development of customer communications via multiple channels (i.e., webpage updates/maintenance), database quality assurance/testing, installer trainings, managing installer lists, inverter lists, customer meetings, additional annual reporting requirements, ongoing training and curriculum development for customer facing staff.

It is also important to note, given the complexity of the Oregon rules governing interconnection requirements and/or required processes, there is also uncertainty regarding the ability for the Company to automate its processes to the same level that exists under compliance with Idaho Schedule 68. Manual processes will increase costs in this category.

Interconnection Database Maintenance (Programmer Costs): The upkeep and programming of a new Interconnection Database for Oregon customers would have an annual maintenance expense.

Customer Solar Calculator Subscription- The current calculator has functionality for rate changes under the existing structure and the existing license can also present net energy metering, however if a different structure is created and cannot be configured under the current

format, then an additional annual subscription charge would apply. It is unknown as to whether the current licensing arrangement (that allows for presentment of net energy metering) will continue to be available.

The outlined estimated costs reflect the additional financial commitment required to initiate and sustain a separate customer generation offering in Oregon, which increases the complexity of daily operations. It is important to note that these figures are only estimates and would vary based on actual program implementation and operational experience.