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March 1, 2019

**VIA ELECTRONIC FILING**

PUC Filing Center  
Public Utility Commission of Oregon  
PO Box 1088  
Salem, OR 97308-1088

**Re: Docket No. UM 1795 — 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.**

Attention Filing Center:

Attached for filing in the above-referenced docket is an electronic copy of Idaho Power Company's Application for Deferral of Start-Up Expenses Associated with the Community Solar Program. A notice of this filing has been served on all parties to Idaho Power's most recent rate case, docket UE 233, and on all parties in this docket as indicated on the attached Certificate of Service.

Sincerely,

A handwritten signature in blue ink that reads "Alisha Till".

Alisha Till  
Paralegal

Enclosures

cc: UE 233 and UM 1795 Service List

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM 1795

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**

1 Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho  
2 Power" or the "Company") hereby requests reauthorization to defer for later rate-making  
3 treatment start-up operations and maintenance ("O&M") expenses associated with the  
4 development of the Oregon Community Solar Program ("Community Solar"), implemented in  
5 compliance with Senate Bill ("SB") 1547. The start-up costs associated with Community  
6 Solar are described in OAR-860-088-0160. Idaho Power may seek amortization of the  
7 deferred amount in a future Commission proceeding. The Company requests an effective  
8 date of March 2, 2019. In support of this Application, Idaho Power states:

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

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

Lisa Rackner  
McDowell Rackner Gibson PC  
419 SW 11<sup>th</sup> Avenue, Suite 400  
Portland, OR 97205-2605  
dockets@mrg-law.com

1 **I. Statutory and Regulatory Framework**

2 **A. Background**

3 Pursuant to Section 22 of SB 1547, the Commission established formal rules for  
4 Oregon’s Community Solar Program on June 29, 2017 through Order No. 17-232. The  
5 Community Solar rules were then codified under OAR Chapter 860, Division 088.  
6 Commission Order No. 17-232 provided for a series of extensive implementation actions  
7 that must be accomplished before the formal launch of Community Solar. Effective January  
8 31, 2018, UM 1930 was opened to house non-rulemaking matters related to the  
9 implementation of Community Solar.

10 **B. Recovery of Start-Up Costs for Community Solar Program.**

11 In accordance with SB 1547 Section 22(7)(c) and OAR 860-088-0160(1), “start-up  
12 costs incurred during the development or modification of Community Solar are recoverable  
13 in electric company rates.”

14 Ongoing costs of Community Solar are described in OAR 860-088-0160(2) and will  
15 be collected from Community Solar participants. The start-up phase for community solar will  
16 include program development and the Program will transition to an ongoing phase once  
17 Community Solar is fully operational.<sup>1</sup>

18 To limit the number of rate adjustments for customers, Idaho Power will propose cost  
19 recovery of Community Solar start-up costs at the point when the start-up period has ended,  
20 and on-going costs will be borne by community solar participants.

21 **II. Required Contents of Application**

22 The following information is provided as required by OAR 860-027-0300(3).

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<sup>1</sup> The delineation between start-up and on-going Community Solar costs will be determined by the Program Administrator and included in the Program Implementation Manual.

1 **A. Description of Utility Expense.**

2 The Company requests authority to defer costs associated with the development of  
3 the Oregon Community Solar Program.

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

- 5 1) Costs associated with the Program Administrator and Low-Income Facilitator;  
6 and  
7 2) Each electric utility's prudently incurred start-up costs associated with  
8 implementing Community Solar. These costs include, but are not limited to,  
9 costs associated with the customer account information transfer and on-bill  
10 crediting and payment, but exclude any costs associated with the electric utility  
11 developing a Community Solar project.<sup>2</sup>

12 The costs to be deferred would include start-up costs associated with the Program  
13 Administrator and Low-Income Facilitator, costs for modification of Idaho Power's  
14 Information Technology ("IT")/billing systems, professional and consultant fees, costs related  
15 to regulatory compliance, and any other costs the Company may incur to develop the  
16 Community Solar Program. All of these costs are properly recorded as operations and  
17 maintenance expense and do not include capital costs.

18 **B. Reasons for Deferral.**

19 Idaho Power seeks this deferral pursuant to ORS 757.259(2)(e). The authorization  
20 for deferral of these expenses will minimize the frequency of rate changes and match  
21 appropriately the costs borne by and benefits received by customers. This deferral is  
22 necessary because SB 1547 requires the implementation of Community Solar, and the start-  
23 up costs for Community Solar are not currently included in the Company's rates.

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<sup>2</sup> Oregon Laws 2016, chapter 28, section 22(1)(d)(A) states that a Project Manager may be an electric company. OAR 860-088-0160(1)(b) excludes recovery of costs associated with an electric company acting as a Program Manager and developing a Community Solar project.

1 **C. Proposed Accounting.**

2 Idaho Power proposes to record the deferred amount as a regulatory asset in FERC  
3 account 182.3, Other Regulatory Assets. The Company will record amortization of the  
4 deferred amount to FERC Account 407.3, Regulatory Debits. In the absence of a deferred  
5 accounting order from the Commission, Idaho Power would record start-up costs associated  
6 with Community Solar to various FERC accounts.

7 **D. Estimate of Amounts.**

8 Community Solar is still in the development process and key milestones such as  
9 engagement by the Program Administrator, completion of the Program Implementation  
10 Manual and selection of the Low-Income Facilitator have not yet occurred. For this reason,  
11 the Company cannot provide an estimate of the costs it will incur to implement Community  
12 Solar.

13 **E. Notice.**

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

16 **III. Conclusion**

17 Deferral of the costs described in this Application is necessary to allow recovery of  
18 prudently incurred start-up costs associated with compliance with SB 1547's mandate to  
19 implement a community solar program. Therefore, Idaho Power respectfully requests that,  
20 in accordance with ORS 757.259 and SB 1547, Section 22(7)(c), the Commission authorize  
21 the Company to defer start-up expenses associated with Community Solar.

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DATED: March 1, 2019

**McDOWELL RACKNER GIBSON PC**



Lisa F. Rackner

Attorneys for Idaho Power Company

**IDAHO POWER COMPANY**

Lisa D. Nordstrom  
Lead Counsel  
PO Box 70  
Boise, ID 83707

Of Attorneys for Idaho Power Company

**Attachment A**  
**Notice of Application for**  
**Deferred Accounting Order**

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM 1795

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**

1           On March 1, 2019, Idaho Power Company (“Idaho Power” or the “Company”) applied  
2 to the Public Utility Commission of Oregon (“Commission”) for an order reauthorizing the  
3 Company to use deferral accounting for startup expenses associated with a Community Solar  
4 program required by Senate Bill (“SB”) 1547.

5           Idaho Power proposes to defer from the date of the application forward the costs and  
6 startup expenses associated with the development of its Community Solar Program. Idaho  
7 Power is unable at this time to estimate the amounts to be deferred during the start-up period.  
8 Idaho Power requests that the deferral continue no longer than twelve months from the date  
9 of this filing.

10           The granting of the Application will not authorize a change in rates, but will permit the  
11 Commission to consider allowing such deferred amounts in rates in a subsequent  
12 proceeding.

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

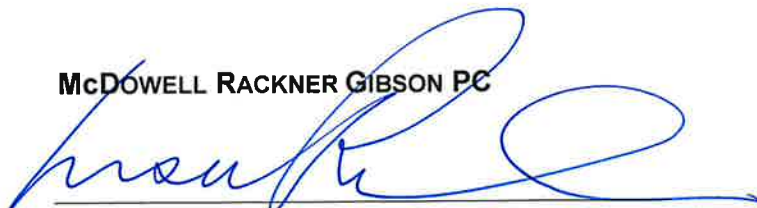
Lisa Rackner  
McDowell Rackner Gibson PC  
419 SW 11<sup>th</sup> Avenue, Suite 400  
Portland, OR 97205-2605  
Phone: 503-595-3922  
Facsimile: 503-595-3928  
[dockets@mrq-law.com](mailto:dockets@mrq-law.com)



1           Any person may submit to the Commission written comment regarding the Application,  
2 in accordance with the procedures prescribed by the Commission. The deadline for  
3 comments on the application is due April 1, 2019.

DATED: March 1, 2019.

**McDOWELL RACKNER GIBSON PC**



Lisa F. Rackner

**IDAHO POWER COMPANY**

Lisa D. Nordstrom  
Lead Counsel  
PO Box 70  
Boise, ID 83707

Of Attorneys for Idaho Power Company

## CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document on all parties in Docket No. UE 233 and UM 1795 by email addressed to said person(s) at his or her last-known address(es) indicated below.

PACIFICORP, DBA PACIFIC POWER	825 NE MULTNOMAH ST, STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com
IDAHO POWER COMPANY	PO BOX 70 BOISE ID 83707-0070 dockets@idahopower.com
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