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February 29, 2024

VIA ELECTRONIC FILING

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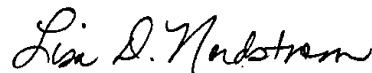
Re: Docket UM 1795(7)
In the Matter of the Application of Idaho Power Company for an Order Approving
the Deferral of Start-Up Expenses Associated with a Community Solar Program

Attention Filing Center:

Attached for electronic filing, pursuant to Order No. 20-088, is Idaho Power Company's Application for Deferral of Start-Up Expenses Associated with the Community Solar Program. The Notice of Application for Deferral of Start-Up Expenses Associated with the Community Solar Program is attached to the Application as Attachment A. The Application and Notice have been served on the parties in Docket Nos. UM 1795 and UE 426, Idaho Power Company's last general rate case.

If you have any questions, please do not hesitate to contact me or Regulatory Consultant Kelley Noe at (208) 388-5736.

Very truly yours,



Lisa D. Nordstrom

LDN:sg
Attachments

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1795(7)

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.

APPLICATION

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 (“Community Solar”), 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 1, 2024. 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. 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
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II. OAR 860-027-0300(3) REQUIREMENTS

A. Description

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

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

- 1) Costs associated with the Program Administrator (“PA”) and Low-Income Facilitator (“LIF”); and
- 2) Each electric utility’s prudently incurred start-up costs associated with implementing Community Solar. These costs include, but are not limited to, costs associated with the customer account information transfer and on-bill crediting and payment, but exclude any costs associated with the electric utility developing a Community Solar project.

Idaho Power anticipates its start-up costs consisting of:

- 1) Internal administration costs - which include internal program management, billing system operating costs, training and support for customer support representatives and customer outreach costs;
- 2) External administration costs - which include funding of the Program Administrator and Low-Income Facilitator; and
- 3) Incremental subscribed energy costs - which represent the difference in energy costs between the bill credit rate and the cost of energy Idaho Power would otherwise purchase.¹

¹ In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Investigation of Joint Utility Method for Calculating the Incremental Cost of Subscribed Energy In Community Solar Program, Docket No. UM 2247, Order No. 22-310 (Aug. 26, 2022).

1 4) Unsubscribed energy costs which include the costs paid for energy delivered for
2 which the project has no subscriber or owner and is purchased by the Company.

3 **B. Reason for Deferral**

4 Idaho Power seeks this deferral pursuant to ORS 757.259(2)(e). The Company
5 requests reauthorization to defer the start-up costs associated with Community Solar which
6 will minimize the frequency of rate changes and match appropriately the costs borne by and
7 benefits received by customers. This deferral is necessary because SB 1547 requires the
8 implementation of Community Solar, and the start-up costs for Community Solar are
9 recoverable² in electric company rates but not currently included in the Company's rates. To
10 limit the number of rate adjustments for customers, Idaho Power will propose cost recovery
11 of Community Solar start-up costs at a future point in time.

12 **C. Proposed Accounting**

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

18 **D. Estimate of Amounts**

19 Idaho Power estimates that its internal administration costs for Community Solar
20 start-up will be \$17,000 for the deferral period. Program Administration costs are estimated
21 to be \$50,000 based on the Company's share (1.9 percent) of the State of Oregon's contract
22 with Energy Solutions, the Program Administrator. Some portion of these costs will be paid
23 by Community Solar participants and project managers once community solar projects come
24 online and begin billing, but the magnitude and timing of that contribution is uncertain at this

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26 ² ORS 757.386(7)(c), OAR 860-088-0160(1).

1 time. The incremental subscribed energy costs will be calculated based on the forward price
2 curves filed in the March Update of the Annual Power Cost Update, which has not been filed
3 at the time of this deferral application and due to volatile pricing year-over-year, an estimate
4 is not available. Unsubscribed energy costs are based on the amount of unsubscribed
5 energy purchased by the Company each month at an as-available rate and an estimate of
6 these costs is not available. Idaho Power requests that, in accordance with Order No. 05-
7 1070, it be allowed to accrue interest on the unamortized balance at a rate equal to its
8 authorized weighted average cost of capital most recently approved by the Commission.³

9 **E. Notice**

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

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

13 **A. Entries in the Deferred Account to Date**

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

16 **B. Reason for Continuation of Deferred Accounting**

17 As discussed above, this deferral is intended to capture the O&M start-up costs of
18 developing the Community Solar program that will be amortized in rates at a future date.

19 **IV. CONCLUSION**

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

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26 ³ Order No. 12-055 at 2-3 (Feb. 23, 2012) issued in docket UE 233.

1 DATED: February 29, 2024

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LISA D. NORDSTROM

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Attorney for Idaho Power Company

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CERTIFICATE OF SERVICE

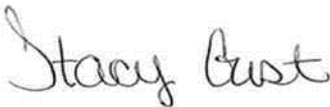
I hereby certify that on 29th day of February, 2024, I served a true and correct copy of the foregoing document on all parties in Docket Nos. UM 1795 and UE 426 by e-mail to said person(s) as indicated below.

UM 1795 Service List

Joseph Abraham Public Utility Commission of Oregon joseph.abraham@pu.oregon.gov	Natascha Smith Department of Justice natascha.b.smith@doj.state.or.us
Kathy Zarate Public Utility Commission of Oregon kathy.zarate@puc.oregon.gov	

UE 426 Service List

OPUC Dockets Citizens' Utility Board of Oregon dockets@oregoncub.org	Robert Jenks Citizens' Utility Board of Oregon bob@oregoncub.org
John Garrett Citizen's Utility Board of Oregon john@oregoncub.org	Stephanie S. Andrus Department of Justice stephanie.andrus@state.or.us
Dru Nakaya Simplot Dru.nakaya@simplot.com	Matthew Muldoon Public Utility Commission of Oregon matt.muldoon@state.or.us
Peter J. Richardson Richardson Adams, PLLC peter@richardsonadams.com	Adam Lowney McDowell Rackner & Gibson PC Adam@mrg-law.com
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Stacy Gust, Regulatory Executive Assistant

Attachment A

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UM 1795(7)

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, 2024, 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 (“SB”) 1547.

Idaho Power estimates that its costs for Community Solar start-up will be \$67,000 for the next 12 months. However, the Company is unable to estimate the magnitude of incremental subscribed energy costs and unsubscribed energy costs 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 29, 2024.

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DATED: February 29, 2024



Lisa D. Nordstrom
Attorney for Idaho Power Company

Attachment B