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February 26, 2021

VIA ELECTRONIC FILING

PUC.FilingCenter@state.or.us

Re: Docket UM 1795(4)
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:

Enclosed 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.

Confidential Attachment B to the Application contains customer information or commercially sensitive, potentially material non-public information under Regulation FD and is being provided to the Public Utility Commission of Oregon's Filing Center pursuant to OAR 860-001-0070, under a separate encrypted email. The Application and Notice have been served on the parties in Docket Nos. UM 1795 and UE 233, 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,

A handwritten signature in black ink that reads "Lisa D. Nordstrom".

Lisa D. Nordstrom

LDN:slb
Enclosures

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1795(4)

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, 2021. In support of this Application, Idaho Power states:

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

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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.

The costs to be deferred would include start-up costs¹ associated with the PA and LIF not covered by participants, costs for modification of Idaho Power’s Information Technology (“IT”)/billing systems, professional and consultant fees, costs related to regulatory compliance, and any other costs the Company may incur to develop the Community Solar Program.

¹ Order No. 19-392 at 2-3 (Nov. 8, 2019) issued in docket UM 1930 set the general participant administrative fee for the PA/LIF at \$0.85/kW/month -- a level assuming full participation in the program’s initial capacity tier (~160 MW). The Commission additionally set an initial capacity tier (interim offering) at 50 percent of total capacity in Portland General Electric’s and PacifiCorp’s service areas and 100 percent of capacity for Idaho Power, totaling 82.15 MW. This interim offering represents the “capacity transition level.” A letter sent to the utilities from OPUC Staff on April 1, 2020 clarified that the costs incurred before the full interim offering of Community Solar capacity is subscribed and costs related to billing are considered “start-up” costs.

B. Reason for Deferral

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

C. Proposed Accounting

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

D. Estimate of Amounts

Idaho Power estimates that its costs for Community Solar start-up will be \$20,000 and outside legal expenses will be \$5,000 for the next 12 months. Because of the uncertainty associated with Community Solar, the Company cannot accurately predict the date at which the program will reach the capacity transition level,³ and is therefore unable to estimate the magnitude of PA/LIF costs over the next 12 months. Idaho Power requests that, in accordance with Order No. 05-1070, it be allowed to accrue interest on the

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

³ Per Order 19-392, it is the capacity-based transition point where the start-up period ends and costs thereafter are considered ongoing costs.

unamortized balance at a rate equal to its authorized weighted average cost of capital most recently approved by the Commission.⁴

E. Notice

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

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

A. Entries in the Deferred Account to Date

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

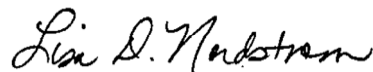
B. Reason for Continuation of Deferred Accounting

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

IV. CONCLUSION

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

DATED: February 26, 2021



LISA D. NORDSTROM
Attorney for Idaho Power Company

⁴ Order No. 12-055 at 2-3 (Feb. 23, 2012) issued in docket UE 233.

CERTIFICATE OF SERVICE

I hereby certify that on 26th day of February, 2021, I served a true and correct copy of the foregoing document on all parties in Docket Nos. UM 1795 and UE 233 by e-mail to said person(s) as indicated below.

UM 1795 Service List

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UE 233 Service List

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Stephanie Buckner, Executive Assistant

UM 1795(4)

Attachment A

To

**Application for Deferral of Start-Up Expenses Associated
with the Community Solar Program**

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1795(4)

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 26, 2021, 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 \$20,000 and outside legal expenses will be \$5,000 for the next 12 months. However, the Company is unable to estimate the amount of continued funding for the PA/LIF over the next 12 months.

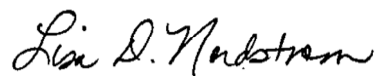
Approval of Idaho Power’s Application will not authorize a change in Idaho Power’s rates but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

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

Lisa D. Nordstrom
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1221 West Idaho Street
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Boise, ID 83707
lnordstrom@idahopower.com
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Any person who wishes to submit written comments to the Commission on Idaho Power's Application must do so no later than March 26, 2021.

DATED: February 26, 2021



Lisa D. Nordstrom
Attorney for Idaho Power Company

UM 1795(4)

CONFIDENTIAL Attachment B

To

**Application for Deferral of Start-Up Expenses Associated
with the Community Solar Program**