ITEM NO. RA2

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 12, 2023

REGULAR __X__ **CONSENT** ____ **EFFECTIVE DATE** **January 1, 2024**

DATE: December 7, 2023

TO: Public Utility Commission

FROM: Curtis Dlouhy

THROUGH: Caroline Moore and Scott Gibbens **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. ADV 1539/Advice No. 23-09)
Request to modify Schedule 84 Net Metering tariff.

STAFF RECOMMENDATION:

Permanently suspend Idaho Power Company's (Idaho Power, IPC, or Company) update to Schedule 84. Clarify that Oregon net metering customers are taking service under Oregon Schedule 84, which points only to Idaho Schedule 84.

DISCUSSION:

Issue

Whether the Commission should approve Advice No. 23-09, Idaho Power's request to update its Schedule 84 (Customer Energy Production Net Metering) to include references to the Company's Idaho Schedule 6 and Schedule 68.

Applicable Law

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

Energy utilities must file tariffs for services provided to retail customers pursuant to ORS 757.205 and 757.210. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210.

ORS 757.300 outlines net metering conditions for connecting and measuring energy, rules, and applications to out of state utilities. ORS 757.300(1)(c) defines net metering as “measuring the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator and fed back to the electric utility over the applicable billing period.”

ORS 757.300(2)(c) states that an electric utility that offers residential and commercial electric service “may not charge a customer-generator a fee or charge that would increase the customer-generator’s minimum monthly charge to an amount greater than that of other customers in the same rate class as the customer-generator.”

ORS 757.300(6) states that the Commission “may not limit the cumulative generating capacity of solar, wind, geothermal, renewable marine, fuel cell and microhydroelectric net metering systems to less than one-half of one percent of a utility’s, cooperative’s or district’s historic single-hour peak load. After a cumulative limit of one-half of one percent has been reached, the obligation of a public utility, municipal electric utility, electric cooperative or people’s utility district to offer net metering to a new customer-generator may be limited by the commission or governing body in order to balance the interests of retail customers.”

ORS 757.300(9) states:

> Notwithstanding subsections (2) to (8) of this section, an electric utility serving fewer than 25,000 customers in Oregon that has its headquarters located in another state and offers net metering services or a substantial equivalent offset against retail sales in that state shall be deemed to be in compliance with this section if the electric utility offers net metering 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.

Analysis

Background
On September 15, 2023, Idaho Power filed ADV 1539 to update the language contained in its Oregon Schedule 84. Schedule 84 states that Idaho Power offers net metering to Oregon customers consistent with its program for Idaho customers in compliance with ORS 757.300(9) and that for its Idaho Service Territory, the Company’s Schedule 84 sets forth the provisions which govern its net meter service offering. This update to the Company’s Oregon tariff was prompted by Idaho Power’s process to update its net

metering program offering to its Idaho customers to incorporate an export credit rate (ECR) for customer sited energy exports that varies with both seasons and time of day.

Following the Company's filing, Staff facilitated two workshops and one round of written comment. Staff received written comment from Senator Lynn Findley and Representative Marks Owen, Clint Benson, Oregon Solar + Storage Industries Association (OSSIA), OSSIA member companies, Idaho Power, and received public comment from 46 individual citizens both inside and outside of Idaho Power's service territory.

The remainder of this Staff report outlines the pending changes to the net metering program in Idaho, identifies the legal and policy considerations for applying the Idaho program changes to Oregon customers, identifies concerns with the language, customer outreach, and timing of the proposed Oregon tariff changes, and recommends that the Commission permanently suspend the filing because the proposed changes to Idaho Power's Idaho net metering program do not satisfy the criteria for an exemption under ORS 757.300(9).

Changes to the Net Metering Program in Idaho
Staff notes that the proposed changes in this docket and the Company's use of ORS 757.300(9) rely almost entirely on ongoing net metering reform work that is occurring outside of the Commission's jurisdiction in Docket No. IPC-E-23-14. Given that, Staff feels that it is important to briefly summarize the regulatory process in Idaho leading up to the opening of IPC-E-23-14. While the Company details other Idaho PUC orders and proceedings in its ADV 1539 application, Staff only highlights those that are most relevant to this docket.

In Idaho Commission Order No. 34046 in Docket IPC-E-17-13, the IPUC granted Idaho Power's request to create separate schedules for residential and small general service customers with on-site generation—Idaho Schedule 6 and Idaho Schedule 8 respectively.[1] The order also closed Schedule 84—which was previously open to all Idaho residential and small general service customers—to all new Idaho residential and small general service customers. Critically, even as these new schedules were created, Oregon Schedule 84 has continued to point exclusively to Idaho Schedule 84.

In Docket IPC-E-18-15, the Company and Idaho parties reached a settlement on several elements of the Company's on-site generation offering including a new compensation framework that would value energy exports differently than the existing retail rate. Despite finding that the parties worked in good faith, the IPUC ultimately rejected this settlement in Order No. 34509 and instead ordered that the Company do a

[1] See Idaho PUC Order No. 34046 here.

comprehensive study of the costs and benefits of net metering before coming forward with any future proposals. The IPUC also ordered that any on-site generation customers taking service as of the order date (December 20, 2019) continue to operate under the existing net metering framework.[2] Existing on-site generation customers are referred to as "legacy" customers while any customers that connect on-site generation equipment to the system after Order No 34509—dated December 20, 2019—are subject to any changes to the on-site generation compensation structure. This second group of customers are commonly referred to as "non-legacy" customers.

Docket IPC-E-21-21 initiated a multi-phase process to study the costs and benefits of on-site generation. Order No. 35284 in this docket ordered the Company to complete this study as soon as feasible in 2022.[3] The study—known as the Value of Distributed Energy Resources (VODER)—was completed and found to be in compliance with previous Idaho PUC objectives in Order No. 35631.[4] Among other things, the VODER developed an avoided cost methodology to determine an ECR that varies both by season and time of day based on avoided energy, capacity, transmission and distribution, line losses, and integration costs. The Company then uses this methodology as the basis for its proposed update to its ECR in Docket No. IPC-E-23-14, which is still open in the Idaho PUC.

Docket No. IPC-E-23-14 was opened at the Idaho PUC on May 1, 2023, to consider changes to the compensation structure for on-site generation customers that take service under Idaho Schedules 6 and 8, as well as other changes to Schedule 84. The docket has gone through many rounds of testimony by the Company, comments by Idaho PUC Staff, stakeholders, and members of the public, and updates to the proposed compensation structure in response to the comments.

The Company's initial proposal relied heavily on the avoided cost methodology developed in the VODER to establish on-peak and off-peak periods and prices during these periods. In its original application, the Company defined the on-peak period as 3:00 p.m.–11:00 p.m. from June 15 through September 15 excluding Sundays and holidays. During these times, on-site generation customers exporting energy to the Company's system would receive a bill credit of 20.42 cents per kWh. All other times, a customer would receive a bill credit of 4.91 cents per kWh. On average, the Company expected that this would result in, an on-site generation customer receiving an annualized ECR of 5.96 cents per kWh.[5] This amount would be updated annually

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[2] See Idaho PUC Order No. 34509 here.
[3] See Idaho PUC Order No. 35284 here.
[4] See Idaho PUC Order No. 35631 here.
[5] See the Company's Initial Application in IPC-E-23-14 here.

based on rolling averages of data that feed into the Company's avoided cost calculations.

Following feedback from IPUC Staff and stakeholders, the Company updated their proposed ECR structure and rates in their final comments filed on November 16, 2023. Following recommendations from IPUC Staff, the Company now proposes to have a separate rate for the summer on-peak, summer off-peak, and non-summer periods, and redefines the summer period to be June 1 through September 30. These changes result in an increase in the annualized average ECR from 5.96 cents per kWh to 6.18 cents per kWh. A summary of the changes between the Company's filed and revised ECR is contained below in Table 1.

Table 1[6]

Company Filed and Revised ECR

	Season/Time	Filed	Revised
Export Profile			
Volume (kWh per kW)	Annual	1,465	1,465
Capacity Contribution (%)	Annual	8.76%	10.12%
Export Credit Rate by Component (cents/kWh)			
Energy	Summer On-Peak	8.59 ¢	5.65 ¢
Including integration and losses	Summer Off-Peak	4.91 ¢	5.65 ¢
	Non-Summer	4.91 ¢	4.84 ¢
	*Annual**	*5.16 ¢*	*5.16 ¢*
Generation Capacity	Summer On-Peak	11.59 ¢	10.61 ¢
	Summer Off-Peak	0.00 ¢	0.00 ¢
	*Annual**	*0.79 ¢*	*1.01 ¢*
Transmission & Distribution Capacity	Summer On-Peak	0.25 ¢	0.18 ¢
	Summer Off-Peak	0.00 ¢	0.00 ¢
	*Annual**	*$ 0.02*	*0.02 ¢*
Total	**Summer On-Peak**	**20.42 ¢**	**16.43 ¢**
	Summer Off-Peak	**4.91 ¢**	**5.65 ¢**
	Non-Summer	**4.91 ¢**	**4.84 ¢**
	*Annual**	*5.96 ¢*	*6.18 ¢*

**Annual values provided for informational purposes only and reflect seasonal weighting for 12 months ending December 2022.*

Note: The revised Summer season is defined as June 1 - September 30; the filed Summer season was defined as June 15 - September 15. Revised and filed Summer On-Peak hours defined as 3pm - 11pm, Monday - Saturday, excluding holidays, and all other hours defined as Off-Peak.

[6] Reproduced from Page 10 of the Company's Final Comments in IPC-E-23-14 here.

While IPUC Staff and the Company appear to be in alignment with the most recent proposal, there is still notable opposition from some other parties and members of the public. Perhaps unsurprisingly, members of the public that submitted comments are almost universally opposed to the update to the ECR, which would effectively cut the average ECR to non-legacy customers. Vote Solar called into question the methodology and data used to determine an ECR. The organization ultimately recommends that the ECR should remain equivalent to the retail rate, but also provides suggestions that it believes improves fairness and transparency to the ECR, including suggestions that relate to the role of storage, the ECR update process, and locking in the ECR for a newly interconnected customer for at least 10 years.[7] Clean Energy Opportunities for Idaho (CEO) largely supported recommendations by Idaho PUC Staff;[8] many of these recommendations were adopted in the Company's final comments. Idaho Irrigation Pumpers Association (IIPA) largely believe that the Company's proposal reflected IIPA's input during the VODER study process, but requested that a separate ECR be created for irrigators and provided some methodological feedback, such as using forecasted energy costs rather than historical.[9] The Idaho Conservation Leage (ICL) generally agreed with the proposals discussed, but requested that a transition period between the existing NEM system and the new ECR be established and that IIPA's proposal for an irrigator-specific ECR be rejected.[10] The City of Boise's comments also echo those proposed by other stakeholders, including creating a transition period for non-legacy customers, increasing the project eligibility cap, and ensuring that any ECR updates comprehensively value exported energy.[11]

As of writing this memo, the Idaho PUC has yet to issue an order in IPC-E-23-14. Like ADV 1539, the proposed changes have an effective date of January 1, 2024. The Company stated that it is unsure when the IPUC will issue a final order in a workshop with OPUC Staff and stakeholders on November 20, 2023.

Current and Proposed Role of Oregon Schedule 84

The current version of Oregon Schedule 84 was last updated in 2010 and redirects the reader to ORS 757.300 and its Idaho Schedule 84. The entire text of the current tariff is contained below in Figure 1. This has been unchanged even though the Company revised its Idaho on-site generation offering to include three new additional tariffs since 2018, namely Schedules 6, 8, and 68.

[7] See Vote Solar's Reply Comments filed on November 2, 2023, in IPC-E-23-14 here.
[8] See CEO's Reply Comments filed on November 2, 2023, in IPC-E-23-14 here.
[9] See IIPA's Comments filed on October 12, 2023, in IPC-E-23-14 here.
[10] See ICL's Reply Comments filed on November 2, 2023, in IPC-E-23-14 here.
[11] See City of Boise City's Reply Comments filed on November 2, 2023, in IPC-E-23-14 here.

Figure 1

IDAHO POWER COMPANY

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MAR 01 2010
PUC
Utility Program

P.U.C. ORE. NO. E-27 ORIGINAL SHEET NO. 84-1

SCHEDULE 84
CUSTOMER ENERGY
PRODUCTION NET METERING

In compliance with ORS 757.300, the Company offers net metering services to its customers in Oregon in accordance with tariffs, schedules and other regulations which are in effect in its Idaho service territory. For its Idaho service territory, the Company's Schedule 84 sets forth the provisions which govern its net metering service offering. Idaho Schedule 84 is available on the Company's Web site at www.idahopower.com.

The Company's proposed update in ADV 1539 would add language that points to Idaho Schedules 6 and 68 as well as clarifying that any monthly charges for Oregon on-site generation customers would remain consistent with relevant Oregon tariffs. Figure 2 contains the entire text of the Company's proposed update to Oregon Schedule 84.

Figure 2

SCHEDULE 84
CUSTOMER ENERGY
PRODUCTION NET METERING

In compliance with ORS 757.300, the Company offers net metering services to its customers in Oregon in
accordance with tariff, schedules and other regulations which are in effect in its Idaho service area. For its Idaho (C)
service area, the Company's Schedule 6, Schedule 68, and Schedule 84 set forth the provisions which govern its (C)
net metering service offering. Idaho tariff schedules are available on the Company's Web site at (C)
www.idahopower.com.

All Monthly Charges for Idaho Power supplied energy will continue to be defined in the Company's applicable (N)
Oregon tariff schedules. (N)

In both the existing tariff and the proposed update, Idaho Power refers to ORS 757.300(9), which provides, "[n]otwithstanding subsections (2) to (8) of this section, an electric utility serving fewer than 25,000 customers in Oregon that has its headquarters located in another state and offers net metering services or a substantial equivalent offset against retail sales in that state shall be deemed to be in compliance with this section if the electric utility offers net metering 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." If the Commission allows Idaho Power's revisions to Schedule 84 to become effective, the Company will impose the ECR as determined in the Idaho PUC onto its Oregon on-site generation customers.

Status of Net Metering for the Company's Oregon Customers
The Company includes a summary of its current Oregon customers with on-site generation in its application. Table 2 contains a summary of these customers. For reference, the Company had just under 20,000 total Oregon customers as of the filing of UE 425 in October of this year.

Table 2

Oregon Active and Pending Exporting Systems as of August 31, 2023

	Legacy	Non-Legacy	Total
Residential	49	148	**197**
Small General	4	--	**4**
Large General	7	4	**11**
Irrigation	12	8	**20**
Total Oregon	**72**	**160**	**232**

Idaho Power asserts that any changes to the ECR would only apply to non-legacy customers in Oregon. Staff will further discuss how the Company determined the classification of legacy and non-legacy customers later in this memo.

According to the Company's most recent IRP filing, the Company has approximately three MW of net metering capacity in its Oregon service territory. Based on the Company's FERC Form 1 filing, the Company's historical single hour peak Oregon load is approximately 145 MW,[12] meaning that the Company's net metering capacity exceeds the 0.5 percent threshold outlined in ORS 757.300(6).

Summary of the Company's Outreach to Oregon Customers
Given Oregon Schedule 84's reliance on Idaho tariffs, Staff investigated the degree to which the Company conducted outreach to Oregon customers and stakeholders throughout its efforts to update its Idaho on-site generation tariffs. Staff issued data requests asking the Company to provide bill inserts sent to the Oregon on-site generation customers. The Company further described this outreach during the November 20 stakeholder workshop. The Company provided various bill inserts to its Oregon customers informing them that changes to the on-site generation compensation structure were being considered. Staff finds that the outreach done to Oregon customers was equivalent to Idaho customers and gave sufficient notice that changes to the on-site generation program should be expected. However, Staff also finds 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.

[12] Idaho Power's FERC Form 1, PDF Page 249.

Comments in ADV 1539
Staff requested that comments from stakeholders and the public on this docket be submitted by November 30, 2023. Two Oregon legislators, OSSIA, a coalition of citizens, a coalition of OSSIA members, the Company, and over 40 members of the public submitted comments on the docket.

Oregon Senator Lynn Findley and Representative Mark Owens submitted comments opposing the change, saying that under their understanding the tariff would effectively cut the export credit rate to Oregon on-site generation customers and triple the basic charge.[13] Staff feels it important to clarify that the basic charge is not a subject of this docket, as the Company clearly outlines in the language of Figure 2.

One public commenter from Ontario states that they feel the retroactive nature of some of the proposed changes are unfair and was disappointed that there was only a small window of time for workshops and public input.[14] Another coalition of Oregon citizens both inside and outside of Idaho Power's service territory state that they believe that the proposed changes are detrimental to Oregon and Eastern Oregonians.[15]

Members of OSSIA echo concerns of the compressed timeline of the filing and oppose the change, believing it to run counter to state and federal renewable energy initiatives and that it would be unfair to their customers.[16] OSSIA calls into question the validity of Idaho Power's VODER study and characterizes the Company's proposed program as a "net billing" program, which they believe to neither be net metering nor a substantial equivalent to net metering.[17]

Idaho Power states in its comments that it is merely updating its Oregon Schedule 84 tariff to update references to its Idaho on-site generation offering. The Company also states that its Oregon customers were given notice of the proposed changes in Idaho and directed to participate in the IPUC process as early as March 13, 2023, and that the Oregon Commission Staff was given notice in August of 2023.[18]

Staff Analysis of Legal and Policy Considerations
Staff began its analysis by first considering current service under Oregon Schedule 84 and the legal framework for the proposed changes to the tariff.

[13] Sen. Lynn Findley's and Rep Mark Owens' Comments filed on November 15, 2023.
[14] Clint Benson's Comments filed on November 30, 2023.
[15] Citizens' Comments filed on November 30, 2023.
[16] OSSIA Members' Comments filed on November 30, 2023.
[17] OSSIA's Comments filed on November 30, 2023.
[18] Idaho Power's Comments filed on November 30, 2023.

Contrary to Idaho Power's description of the current classification of Oregon customers, all existing Oregon net metering customers are currently taking service under the Oregon and Idaho Schedule 84. Idaho Schedule 84 clearly states that it is closed to new Idaho residential customers as of June 1, 2018, but makes no mention of Oregon customers. The criteria of Schedule 84 allow for a customer to qualify if they take service under Idaho Schedule 1, which is Idaho's standard residential tariff. Idaho Schedule 84 still contains language that is typical of a traditional net metering offering:

- A customer can sell any excess generation from its onsite generation back to the Company at the retail rate.
- The customer's monthly bill is the difference between electricity consumed and generated over the billing period, but a customer cannot consume a "negative" amount of electricity over a billing period.
- Any excess generation from one billing period can roll over into an ensuing billing period to offset a future bill.

Because IPUC did not change Oregon Schedule 84 to refer to new net metering schedules in Idaho, all Oregon customers should still be taking service pursuant to Idaho Schedule 84. In effect, this means that any Oregon customers Idaho Power describes as "non-legacy" customers taking service under Idaho Schedule 6 are actually Schedule 84 customers and appropriately characterized as "Legacy" customers.

Idaho Power's proposed changes to its Oregon net metering program are permissible if the proposed program would satisfy the exemption in ORS 757.300(9) as "net metering services or a substantial equivalent offset to retail sales." Staff interprets the "net metering services" referred to in ORS 757.300(9) to mean the net metering services described in ORS 757.300. Under ORS 757.300, "net metering" means" measuring the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator and fed back to the electric utility over the applicable billing period." ORS 757.300(3) specifies that all of a customer's usage and generation over a monthly billing period are offset for purposes of billing, and a customer is charged for the net usage or credited for excess generation. The consequence of these specific provisions is that under ORS 757.300 (1)-(3), net metering customers receive credit for all generation offset by consumption over the monthly billing period at the retail rate.

The services that would be provided under Idaho Power's proposed changes are not "net metering services" as described under ORS 757.300. Idaho Power will bill customers for consumption that is not directly offset by generation rather than only billing for net consumption netted over a monthly period and customers will not be credited at the retail rate for all generation offset by usage over the course of a month.

Accordingly, whether Idaho Power's proposed changes to Oregon Schedule 84 satisfy the exemption in ORS 757.300(9) turns on whether the program proposed in Idaho is a "substantial equivalent." Staff concludes the program is not a substantial equivalent. Substantial equivalent is used in many legal applications and in each, means something that is the same as the original in all material aspects. For example, in patent law, substantial equivalent is described as follows:

> [T]he substantial equivalence of a thing, in the sense of the patent law, is the same as the thing itself; so that if two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same, even though they differ in name, form, or shape.[19]

Idaho Power's proposed net metering program does not work substantially the same way because all of a customer's generation that is netted by consumption over the monthly billing period will not be credited at the retail rate. The proposed net metering program does not accomplish substantially the same result in that the value of generation to the net metering customer will be less under the Idaho program.

Arguably, the program ultimately adopted in Idaho may have different characteristics than what is proposed, and it is possible the program that is ultimately adopted may be more like ORS 757.300 net metering services. Staff inquired as to whether Idaho Power would be willing to withdraw its tariff until after the IPUC proceeding is complete. Idaho Power is not willing. Staff does not recommend suspending the filing in this case and waiting for the Idaho case to be complete because ultimately, the period over which a tariff may be suspended is limited by statute. Instead, the better outcome is to permanently suspend this filing. If the program ultimately adopted by the IPUC is more similar to net metering services under ORS 757.300, Idaho Power would have the opportunity to refile its tariff under ORS 757.300(9).

Furthermore, Staff notes that if this filing is permanently suspended, Idaho Power would have the opportunity to file a new net metering program under ORS 757.300(6). ORS 757.300(6) states that the Commission "may not limit the cumulative generating

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[19] *Union Paper-Bag Mach. Co. v. Murphy*, 97 U.S. 120, 125 (1877), citing Curtis, Patents (4th ed.), sect. 310. *See also*, *FOCA v. Homecare Health Service, Inc.,* 845 F.2d 108 (5th Cir. 1988) ("Substantially equivalent employment is employment that "affords virtually identical promotional opportunities, compensation, job responsibilities, working conditions, and status as *the position from which the Title VII claimant has been discriminatorily terminated."); Ybarra v. Sumner*, 678 F. Supp. 1480 (D. Nevada 1988) ("[A] state law claim must be virtually interchangeable with the federal claim in order to qualify as its substantial equivalent.").

capacity of solar, wind, geothermal, renewable marine, fuel cell and microhydroelectric net metering systems to less than one-half of one percent of a utility's * * * historic single-hour peak load." However, "[a]fter a cumulative limit of one-half of one percent has been reached, the obligation of a public utility * * * to offer net metering to a new customer-generator may be limited by the commission or governing body in order to balance the interests of retail customers." The statute requires the Commission to consider environmental and other public policy concerns when reaching a decision under ORS 757.300(6) after notice and opportunity for comment.

The Company has approximately 3.2 MW of net metering capacity and experienced a single-hour peak load of 144.68 MW on June 30, 2021, meaning that it has exceeded the half of a percent threshold and may limit or modify its net metering offering.[20] Staff acknowledges that there is a threshold question of whether Idaho Power is eligible to request limitations to its net metering obligations under ORS 757.300(6) given that its current net metering program is the Idaho program rather than net metering offered under ORS 757.300(1)-(8). Staff also notes that under ORS 757.300(6), the Commission may limit a utility's obligation to provide net metering to balance the interests of rate payers after considering environmental and other public policy considerations.

Staff Conclusion and Recommendation
Staff believes Idaho Power's currently proposed net metering program does not satisfy the criteria for the exemption in ORS 757.300(9). Accordingly, Staff recommends the Commission permanently suspend the filed tariff. If the net metering program ultimately adopted in Idaho more closely matches net metering in Oregon, Idaho Power would have the opportunity to file a new tariff in Oregon seeking the ORS 757.300(9) exemption. Additionally, the benchmark of 0.5 percent of Idaho Power's historic single-hour peak load appears to have been met, which arguably offers Idaho Power another avenue to seek approval of an alternative net metering program.

Although Staff's recommendation is to permanently suspend the tariff filed in this docket, Staff would like to briefly discuss the merits of the Company's most recent proposal in IPC-E-23-14 under consideration at the IPUC. While the exact details of an optimal ECR methodology may vary between utilities, Staff finds that the methodology developed by IPC and IPUC Staff is a reasonable framework that represents the time-varying nature of the system benefits provided by on-site generation that can update as the Company's system changes. Staff respects the work that has been done in Idaho and acknowledges that the Company has the ability to tie its Oregon net metering program to its Idaho offering if other shortcomings are addressed.

[20] Idaho Power's FERC Form 1, PDF Page 249.

Staff also recommends the Commission clarify that the Company's Oregon customers currently taking service under Oregon Schedule 84 are taking service as described in Idaho Schedule 84. Although changes were made in Idaho to divide net metering customers into "legacy" and "non-legacy" customers, those changes were not implemented in Oregon. To the extent Idaho Power has divided Oregon customers into "legacy" and "non-legacy" customers, this is inconsistent with the filed tariff.

Economic Impact of Suspending Updates to Oregon Schedule 84

On-site generation is funded through revenue generated from the Company's retail rates. While much of the discussion has focused on the economic impacts to current owners of residential on-site generation, suspending updates to Oregon Schedule 84 may have impacts to the Company's Oregon customer that do not take service through Schedule 84 through delaying an on-site generation reform that would in effect lower the ECR. Staff conducted a back of the envelope analysis of the costs imposed to Oregon customers if indeed the Commission chooses to suspend and investigate this docket.

Staff views the maximum economic impact to come from suspending and investigating this docket and ultimately adopting the Company's proposal. Therefore, the highest total economic impact would be a function of the added costs of the current, more expensive program compared to the new ECR when applied to all Oregon customers that currently have on-site generation. Based on analysis conducted by the Idaho PUC Staff, the proposed ECR would raise the average bill for residential net metering customers by approximately $9.[21] According to the Company's application in ADV 1539, the Company has 148 non-legacy residential customers, 4 non-legacy large general service customers, and 8 non-legacy irrigation customers. For the sake of this exercise, Staff assumes that large general service customers would see their bills raised four times as much as a residential customer and irrigation customers would see their bills raised by eight times as much. Under these assumptions, this results in a total increase in monthly revenue requirement of $2,052 per month. If this were spread across the Company's 19,896 Oregon customers as of the filing of UE 425 on a per-customer basis, this would raise the average customer's bill by a mere 11 cents.

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[21] SKM_C36823101217030.pdf (idaho.gov) Page 28.

Conclusion

Staff finds that the Company's proposed updates do not align with the provisions of ORS 757.300(9) and recommends that the Commission permanently suspend the Company's proposed updates to Oregon Schedule 84.

PROPOSED COMMISSION MOTION:

Permanently suspend Company's proposed update to Schedule 84. Clarify that Oregon net metering customers are taking service under Oregon Schedule 84, which points only to Idaho Schedule 84.

IPC ADV 1539, Advice 23-09