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September 15, 2023

VIA ELECTRONIC FILING

puc.FilingCenter@puc.oregon.gov

Re: Oregon Tariff Advice No. 23-09
Schedule 84 – Customer Energy Production Net Metering

Attention Filing Center:

Pursuant to ORS 757.054 and 757.205, Idaho Power Company (“Idaho Power” or “Company”) transmits for filing to the Public Utility Commission of Oregon (“Commission”) the following proposed modifications to Schedule 84, Customer Energy Production Net Metering (“Schedule 84”), to become effective January 1, 2024:

First Revised Sheet No. 84-1 Cancelling Original Sheet No. 84-1

As set forth in the current version of Schedule 84, which has been in place since March of 2010, the Company offers net metering services to its customers in Oregon in accordance with tariffs, schedules, and other regulations in effect in its Idaho service area pursuant to ORS 757.300. In this filing, the Company is proposing to modify Schedule 84 to update the reference to its Idaho service area tariff schedules to include all applicable tariff schedules in Idaho that detail the provisions of service for on-site generation service offerings in Idaho. More specifically, in addition to referencing the Idaho Schedule 84, the proposed revisions cite to additional Idaho schedules: Schedule 6, Residential Service On-Site Generation (“Schedule 6”), Schedule 8, Small General On-Site Generation Service (“Schedule 8”), and Schedule 68, Interconnections to Customer Distributed Energy Resources (“Schedule 68”).

Background

On December 19, 2022, Idaho Power was ordered by the Idaho Public Utilities Commission (“IPUC”) to file a new case requesting to implement changes to the structure and design of its on-site generation program offering. In compliance with that directive, the Company initiated a case with the IPUC on May 1, 2023, seeking changes to the structure and design of its on-site generation offering (see the Application filed in IPUC Case No. IPC-E-23-14 (“Idaho Application”). If approved as filed, the matter would result in changes to the on-site generation offering, effective January 1, 2024, that include: (1) real-time net billing with an avoided cost-based financial credit rate for exported energy, (2) a methodology for determining annual updates to the Export Credit Rate, (3) a modified project eligibility cap for commercial, industrial, and irrigation (“CI&I”) customers, (4) related changes to the accounting for and transferability of excess net energy financial credits, and (5) updated tariff schedules necessary to administer the modified on-site generation offering.

Regulatory History

Idaho Power has a long history of supporting customer choice and has offered a net metering option for customers in its Oregon service area since 2005. As an Idaho headquartered utility serving fewer than 25,000 customers in Oregon, Idaho Power currently offers net metering services to its Oregon customers based on the tariff, schedules, and regulations in place in its Idaho service area. This is done pursuant to Oregon's net metering law, which provides in pertinent part: [A]n 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. Or. Rev. Stat. Ann. § 757.300(9).

In compliance with this provision, Idaho Power provides net metering to Oregon customers in accordance with IPUC approved tariff Schedule 84. Schedule 84 provides for net energy metering (commonly referred to as "Net Metering" or "NEM"), a compensation structure that allows for all inflows and outflows of energy from a customer-generator to be netted on a monthly basis. This compensation structure allows for kilowatt hour ("kWh") credits to be generated when the customer generator exports energy to the Company's system. Later, whether during that same billing period or future billing periods, the Company applies the kWh credits to offset usage at the customer's point of delivery. At the end of a billing period, the Company bills the customer-generator for "net consumption" and carries forward any kWh credits not used to offset consumption during the billing period.

In recent years, as more customers have availed themselves of on-site generation service from Idaho Power, it has become apparent that the NEM compensation structure does not accurately reflect the costs to serve customers that meet some of their own energy needs with on-site, customer-owned systems but still require services from Idaho Power including bi-directional use of the grid as well as energy any time they are not producing their own power or need more than they can produce. More specifically, the rates currently being charged to net metering customers do not appropriately reflect the benefits and costs of interconnecting customer-owned on-site generation to Idaho Power's system and this, in turn, has resulted in a situation susceptible to inequitable cost shifts between customers who choose to install on-site generation and those who do not.

The Company's efforts to modernize the existing NEM compensation structure and establish a more sustainable offering to on-site generation customers that is fair to all customers has resulted in a long series of customer-self generation dockets in front of the IPUC. A short summary of the IPUC cases and the relevant decision points are included in Attachment 1, Summary of Relevant IPUC Orders.

Impact to Oregon Customers

The changes the Company proposed in its Idaho Application, if approved, would impact existing Oregon on-site generation customers who are "non-legacy," as well as future customers interconnecting an on-site generation system. Attachment 1 includes references to the case

history that established legacy criteria. The table below shows a breakdown of current Oregon on-site generation systems, both active and pending, as well as those systems' legacy status.

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

In its Idaho Application, Idaho Power proposed modifications to the compensation structure applicable to non-legacy on-site generators that would modify the measurement interval applicable to quantifying exports and the compensation for excess net energy. Much like the current offering, the Company's proposal will allow for behind-the-meter consumption of all energy produced but provides for measurement and compensation for all exported energy. The proposed changes to its on-site generation offering are driven by the Company's desire to ensure that the rates paid for excess generation are fair and equitable to both generating and non-generating customers so that on-site customer generation can continue to play a role in its energy portfolio.

Importantly, regardless of changes, the Company's offering will continue to enable customers to fulfill the avowed purpose for installing on-site generation – to offset their usage and reduce or eliminate the volume of energy they consume. As such, Idaho Power believes that the service offering will continue to satisfy Or. Rev. Stat. Ann. § 757.300(9) such that the Company will continue to offer service to Oregon customers in accordance with Idaho Schedule 84 as revised.

Conclusion

To ensure transparency for its customers in Oregon, Idaho Power sent bill inserts to all Oregon customers in conjunction with its filing (Attachment 4 to the Idaho Application) as well as direct mailed letters to existing on-site generation customers informing them of the filing and how they could be impacted (Attachment 5 to the Idaho Application). The IPUC has established a case schedule that could allow for an order by the end of 2023; however, the Company notes the timing of an order issuance and effective date of any changes to the offering will be at the discretion of the IPUC.

The Company respectfully requests the Commission approve Schedule 84, effective January 1, 2024. Please contact Regulatory Consultant Grant Anderson at (208) 388-6498 or ganderson@idahopower.com if there are any questions about this filing.

Sincerely,



Connie Aschenbrenner

CA:sg
Enclosures

Attachment 1
Summary of Relevant Idaho Public Utilities Commission (“IPUC”) Orders

- IPC-E-17-13¹ (IPUC Order Nos. 34046, 34098, and 34147)
 - Established new customer classes for Idaho residential and small general service (“R&SGS”) customers interconnecting exporting on-site generation systems.
 - Instructed Idaho Power to file a study to determine the costs and benefits of on-site generation on its system.

- IPC-E-18-15² (IPUC Order Nos. 34509 and 34546)
 - Provided the backdrop for the parties to collaborate and reach a compromise on several critical elements to the Company's on-site generation offering, resulting in a settlement agreement that sought to modify the compensation structure applicable to R&SGS customers. While the Commission found that the parties had acted in good faith and pursuant to Commission Rules of Procedure, it rejected the settlement agreement because the process did not satisfy the requirements established in IPUC Case IPC-E-17-13.
 - Found it was “prudent and justifiable” to distinguish between existing R&SGS customers and new R&SGS customers as of the service date of its order (December 20, 2019), effectively “grandfathering” certain systems into the NEM compensation structure for a period of 25 years. The Company refers to these systems as “legacy”. Those customers who applied to interconnect their systems after the issuance of the order are referred to as “non-legacy”.
 - Provided guidance for what would constitute a “fair and credible” study that must be completed prior to implementing changes to the on-site generation compensation structure.

- IPC-E-20-26³ (IPUC Order Nos. 34854 and 34892)
 - Modified the metering configuration applicable to commercial, industrial, and irrigation (“CI&I”) systems.
 - Granted “grandfathering” treatment to CI&I customers who had applied to interconnect systems prior to the service date of its order (December 1, 2020). Consistent with its prior orders on “grandfathering,” the Commission granted a term of 25 years. The Company refers to these systems as “legacy.” Those customers who applied to interconnect their systems after the issuance of the order are referred to as “non-legacy.”

¹ *In the Matter of Idaho Power Company’s Application for Authority to Establish New Schedules for Residential and Small General Service Customers with On-Site Generation*, IPUC Case No. IPC-E-17-13. The full record can be found here: <https://puc.idaho.gov/Case/Details/3432>

² *In the Matter of the Application of Idaho Power Company to Study the Costs, Benefits, and Compensation of Net Excess Energy Supplied by Customer On-Site Generation*, IPUC Case No. IPC-E-18-15. The full record can be found here: <https://puc.idaho.gov/Case/Details/3602>

³ *In the Matter of Idaho Power Company’s Application for Authority to Modify Schedule 84’s Metering Requirement and to Grandfather Existing Customers with Two Meters*, IPUC Case No. IPC-E-20-26. The full record can be found here: <https://puc.idaho.gov/Case/Details/6523>

- IPC-E-20-30⁴ (Order No. 34955)
 - Established a new interconnection tariff schedule applicable to on-site generating customers, Schedule 68, Interconnections to Customer Distributed Energy Resources, which contains provisions and requirements for incorporating smart inverters.
 - Provided a non-export option for customer-generators who wish to interconnect a non-exporting system and remain on current rate schedule.

- IPC-E-21-21⁵ (Order No. 35284)
 - Initiated the multi-phase process for a comprehensive study of the costs and benefits of on-site generation and established the framework and scope for the study to be completed by Idaho Power.
 - Ordered the Company to complete the study in 2022 as soon as feasible; Idaho Power's Value of Distributed Energy Resources ("VODER") study ensued.

- IPC-E-22-22⁶ (Order No. 35631)
 - Found that Idaho Power's October 2022 VODER Study complied with the Commission's previous objectives and should serve as a basis for the Company's implementation recommendations.
 - Directed Idaho Power to request changes to its on-site generation customer offerings in a separate, implementation case by proposing specific methods or systems in support of changes to its on-site, self-generation tariffs.

⁴ *In the Matter of Idaho Power Company's Application to Establish Tariff Schedule 68 – Interconnections to Customer Distributed Energy Resources*, IPUC Case No. IPC-E-20-30. The full record can be found here: <https://puc.idaho.gov/Case/Details/6541>

⁵ *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. The full record can be found here: <https://puc.idaho.gov/Case/Details/6718>

⁶ *In the Matter of Idaho Power Company's Application to Complete the Study Review Phase of the Comprehensive Study of Costs and Benefits of On-Site Customer Generation & for Authority to Implement Changes to Schedules 6, 8, and 84*, Case No. IPC-E-22-22. The full record can be found here: <https://puc.idaho.gov/Case/Details/6879>

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 service area, the Company's Schedule 6, Schedule 68, and Schedule 84 set forth the provisions which govern its net metering service offering. Idaho tariff schedules are available on the Company's Web site at www.idahopower.com. (C)
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All Monthly Charges for Idaho Power supplied energy will continue to be defined in the Company's applicable Oregon tariff schedules. (N)
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