

ORDER NO. 23-080

ENTERED Mar 10 2023

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2259

In the Matter of

IDAHO POWER COMPANY,

Application for Deferral of Costs Associated
with House Bill 2475 Intervenor Funding
Agreements.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on March 7, 2023, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Nolan Moser
Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

**PUBLIC UTILITY COMMISSION OF OREGON
CONFIDENTIAL STAFF REPORT
PUBLIC MEETING DATE: March 7, 2023**

REGULAR _____ CONSENT X EFFECTIVE DATE _____ N/A _____

DATE: February 23, 2023

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Bryan Conway, Marc Hellman, and Matt Muldoon **SIGNED**

SUBJECT: IDAHO POWER:
(Docket No. UM 2259)
Company's Application for Deferred Accounting of Costs Associated with House Bill 2475 Intervenor Funding Agreements.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Idaho Power Company's (Idaho Power, IPC, or Company) Application for Deferred Accounting of Costs Associated with House Bill 2475 Intervenor Funding Agreements for the 12-month period beginning November 9, 2022.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power's Application for Deferred Accounting of Costs Associated with House Bill 2475 Intervenor Funding Agreements.

Applicable Law

ORS 757.259(3) and OAR 860-027-0300 allow the deferral of expenses provided as financial assistance under an agreement entered into under ORS 757.072 for later incorporation in rates. 2021's House Bill (HB) 2475 amends ORS 757.072 to expand the types of organizations eligible to be parties to financial assistance agreements to include organizations that represent the interests of low-income residential customers or environmental justice communities.

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OAR 860-027-0300 specifies the required contents of an application for deferred accounting, including a description of the expense or revenue for which deferral is requested, the basis for the request, the accounts proposed for recording the amounts to be deferred, an estimate of the amounts to be recorded in the deferred account, and a copy of the notice of the application for deferred accounting.

Analysis

Background

On September 25, 2021, HB 2475 was signed into law, effective January 1, 2022. HB 2475 has two components, the first addresses issues associated with energy burden and permits utilities and the Commission to take action to relieve energy burden for certain classes of customers, and the second is to provide for intervenor funding for two distinct groups of advocates, those representing environmental justice communities and low-income communities.

In Order No. 22-043, in Docket UM 2211, the Commission approved an Interim Funding Agreement to be used to provide immediate support for eligible organizations under HB 2475. In Order No. 23-033, the Commission approved an Intervenor Funding Agreement for HB 2475.

The Company's deferral request in this case applies to intervenor funding amounts under both the HB 2475 Interim Funding Agreement and the HB 2475 Intervenor Funding Agreement.

Idaho Power seeks authorization for this deferral effective as of the date of this Application.

Reasons for Deferral

ORS 757.072 now authorizes the Commission to approve an agreement for intervenor funding between an energy utility and an organization that represents environmental justice communities or low-income communities. ORS 757.259(3) provides that:

Upon request of the public utility, the commission by order shall allow deferral of amounts provided as financial assistance under an agreement entered into under ORS 757.072 for later incorporation in rates.

Description of Expenses

HB 2475 amends ORS 757.072 to place a \$500,000 cap on the amount of funds that can be provided to the new categories of intervenors annually, across all utilities, of which \$25,000 is allocable to Idaho Power.

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Therefore, the maximum amount deferred during each year will be \$25,000. Idaho Power represents that it will defer expenses incurred under both the Interim Funding Agreement and the more recently approved HB 2475 Funding Agreement.

Proposed Accounting

Idaho Power will record amounts that would be subject to the deferral order in accordance with the Code of Federal Regulations to Federal Energy Regulatory Commission (FERC) Account 182.3 – Regulatory Assets.

Information Related to Future Amortization

- Earnings Review – None recommended to be applied.
- Prudence Review – A prudence review will be performed prior to amortization.
- Sharing – Not applicable.
- Three Percent Test – The three percent test is not applicable to amortization of this type of deferral.

Conclusion

The Company's application meets the requirements of ORS 757.259(3) for deferred accounting, and the reason for the deferral—costs related intervenor-funding expenses resulting from HB 2475 for the 12-month period beginning November 9, 2022.

Therefore, Staff recommends the Commission approve Idaho Power's application.

The Company has reviewed this memo and agrees with its contents.

PROPOSED COMMISSION MOTION:

Approve Idaho Power's application for authorization to defer the costs associated with intervenor funding expenses resulting from HB 2475 for the 12-month period beginning November 9, 2022.

IPC UM 2259 HB 2475 Deferral