

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 2339

In the Matter of

IDAHO POWER COMPANY,

Petition for Waiver of 860-039-0010 through  
860-039-0065 and 860-039-0080, Net  
Metering Rules.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

This order memorializes our decision, made and effective at our August 27, 2024 Regular Public Meeting, to adopt Staff's recommendation with the clarification that this includes a waiver of OAR 860-039-0045 with respect to the \$100 application fee for all net metering customers. The Staff Report with the recommendation is attached as Appendix A.

Made, entered, and effective Aug 28 2024.



**Megan W. Decker**  
Chair



**Letha Tawney**  
Commissioner



**Les Perkins**  
Commissioner



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.

ITEM NO. RA1

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: August 27, 2024**

**REGULAR**   X   **CONSENT**        **EFFECTIVE DATE**                      **N/A**

**DATE:** August 20, 2024

**TO:** Public Utility Commission

**FROM:** Charles Lockwood

**THROUGH:** Caroline Moore, Scott Gibbens, and Michelle Scala **SIGNED**

**SUBJECT:** IDAHO POWER COMPANY:  
(Docket No. UM 2339)  
Request for Wavier of Division 39 Net Metering Rules.

**STAFF RECOMMENDATION:**

Approve Idaho Power Company's (Idaho Power or Company) request for permanent waiver of targeted provisions found in OAR Chapter 860, Division 39 Net Metering Rules (Oregon Net Metering Rules), with the exception of 860-039-0050(2) and (5), effective August 29, 2024.

**DISCUSSION:**

Issue

Whether the Commission should approve Idaho Power's permanent waiver of given provisions found in Oregon Net Metering Rules, effective August 29, 2024, as modified and outlined by Staff.

Applicable Rule or Law

ORS 757.300 outlines net metering conditions for connecting and measuring energy, rules, and applications to out-of-state utilities.

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."

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ORS 757.300(6) allows the Commission to approve offerings for customer-generators that differ from the statutory definition of net metering when the cumulative generating capacity of net metering systems exceeds one-half of one percent of a utility's historic single-hour peak load.

OAR 757.300(9) provides criteria for a utility to follow the schedules and other regulations promulgated by the appropriate authority in the state where the electric utility's headquarters are located, rather than the Oregon statute.

OAR Chapter 860, Division 39 sets forth the Commission's administrative rules regarding net metering interconnections between utilities and customers. OAR 860-039-0005(1) provides that these rules do not apply to a public utility that meets the requirements of ORS 757.300(9). OAR 860-039-0005(2) provides that "[u]pon request or its own motion, the Commission may waive any of the Division 39 rule for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission."

## Analysis

### *Background*

On May 31, 2024, the Commission issued Order No. 24-157, which approved the Company's request to modify its Oregon net metering tariff in Schedule 84 to continue to align its Oregon on-site generation offering with its Idaho on-site generation offering, with modifications. As part of the Order, the Commission clarified that the Company's Schedule 84 was approved under ORS 757.300(6) rather than ORS 757.300(9). In effect, this meant that Idaho Power's on-site generation offering did not conform with an exemption from Oregon's net metering rules contained in OAR 860-039-0005(1). As part of Order No. 24-157, the Commission waived OAR 860-039-0010 through OAR 860-039-0080 for a period of 90 days to allow the Company to file a targeted waiver.<sup>1</sup>

On July 31, 2024, Idaho Power filed a request for a permanent waiver of certain Oregon Net Metering Rules.<sup>2</sup> The remainder of this Staff Report summarizes the provisions that the Company proposes to waive and makes recommendations for waiving certain provisions based on good cause shown.

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<sup>1</sup> See Order No. 24-157 at 1 (May 31, 2024).

<sup>2</sup> Docket No. UM 2339, Idaho Power Company's Petition for Waiver of Certain OAR 860 Division 39 Net Metering Rules in Compliance with Order No. 24-157 (UE 440) accessed at: [edocs.puc.state.or.us/efdocs/HAA/haa330440025.pdf](https://edocs.puc.state.or.us/efdocs/HAA/haa330440025.pdf).

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*Proposed Oregon Net Metering Rules to be Waived*

After completing a comprehensive review of the Oregon Net Metering Rules, Idaho Power requested the Commission waive the majority of Oregon's rules. These rules include:

- OAR 860-039-0010, Net Metering Kilowatt Limit;
- OAR 860-039-0015, Installation, Operation, Maintenance, and Testing of Net Metering Facilities;
- OAR 860-039-0020, Net Metering Facility Requirements;
- OAR 860-039-0025, Application for Net Metering Interconnection;
- OAR 860-039-0030, Tier 1 Net Metering Interconnection Review;
- OAR 860-039-0035, Tier 2 Net Metering Interconnection Review;
- OAR 860-039-0040, Tier 3 Net Metering Interconnection Review;
- OAR 860-039-0045, Net Metering Interconnection Fees and Costs;
- OAR 860-039-0050, Requirements After Approval of a Net Metering Interconnection;
- OAR 860-039-0055, Net Metering Billing;
- OAR 860-039-0060, Excess Energy from Net Metering Facilities;
- OAR 860-039-0065, Aggregation of Meters for Net Metering; and
- OAR 860-039-0080, Net Metering Insurance.

Idaho Power identified two provisions within the Oregon Net Metering Rules for which the Company does not seek a waiver provisions: OAR 860-039-0070, Public Utility Maps, Records and Reports; and OAR 860-039-0075, Public Utility Not to Limit Net Metering Systems.

*Staff Review of Provisions to be Waived*

Staff finds that there is good cause to waive many Oregon Net Metering Rules because it will result in considerable administrative simplicity and consistency of processes and methodologies between neighboring users of Idaho Power's system. In assessing good cause, Staff considered whether the alternative policy that Idaho Power currently uses in its Idaho jurisdiction reflects the intent of Oregon's rules or whether it would disproportionately burden Idaho Power customers seeking on-site generation in Oregon. Staff finds that many of the current Idaho rules uphold the integrity of utility operations, the safety of customer and utility equipment, and protect public safety. Providing Idaho Power with a waiver of these provisions will not compromise the underlying reasoning for specific interconnection, billing, and compensation requirements, and will work to provide customers with fair access to the ability to offset some or all their electricity needs with self-generation while not compromising system safety or reliability.

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*Provisions with Good Cause for a Waiver*

There are several key differences between Idaho and Oregon's rules. First, the Oregon Net Metering Rules cap on-site customer generation to 2 MW. While, in Idaho on-site customer generation is up to 3 MW. This is a minor difference and the cost shifting risks of having a higher cap are mitigated by the move to the export credit.

Second, the two programs differ slightly for the process of interconnection review. In Oregon, there are several tiers of interconnection review that include two levels of "fast-track" screens (Tier 1 and Tier 2), a supplemental review process, and a full study process (Tier 4). In Idaho, there is one "fast-track" screen (Feasibility Review) and one full study process (Feasibility Study). Upon reviewing the criteria for each review process, Staff believes that the outcome of either review systems will be reasonably comparable for a generator i.e., the same project would be fast tracked or require full study in either review process.

Lastly, the Oregon Net Metering Rules allow excess kWh credits to roll over month to month and on an annual basis unused credits are donated to the given utility's low-income assistance programs. For new customer-generators in Idaho, unused financial credits roll over month to month and do not expire at the end of the year. In both states, excess credits can be applied to other meters under the same account under certain circumstances. However, Idaho policy allows this on an annual basis, while Oregon Net Metering Rules allow on a monthly basis. Staff believes these are reasonably comparable policies and supports a waiver of Idaho's current programming in place.

Staff therefore feels the majority of provisions the Company seeks to waive are reasonable and the slight differences between Idaho Power's structure and the Oregon Net Metering Rules are minimal. In the following sections, Staff explains its concerns about waiving two of the rules.

*OAR 860-039-0045 Net Metering Interconnection Fees and Charges*

The Oregon Net Metering Rules address two types of interconnection-related fees. First, OAR 860-039-0045 establishes the application and study fees utilities may charge applicants for on-site generation. Second, OAR 860-039-0050 prohibits the utility from placing a charge on net metering customers for connecting to their distribution system.

Regarding application fees, OAR 860-039-0045 assigns different fees for different tiers and does not allow an application fee for Tier 1 projects. In Idaho, the Company's program has a flat \$100 fee to enter the application process and a \$1000 refundable deposit for projects that proceed after failing the "fast-track" screen and proceed to a Feasibility Study.

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Because Idaho does not use a tier system, it's infeasible to require the Company to use Oregon's application fee structure. Staff, however, believes applicants over 50 kW are guaranteed to pay more under the Oregon Net Metering rules and applicants that would pass the Tier 1 screen (under 25 kW) would pay less. Therefore, Staff suggests that the Commission should waive OAR 860-039-0045, but direct the Company not to charge an application fee for projects under 25 kW until they fail the Feasibility Screen and enter the Feasibility Review process.

Regarding the prohibition of a charge for connecting to the utility system, the Company's policies in Idaho allow the Company to charge customer generators a monthly maintenance charge for any Company-owned protective required to interconnect the customer. The tariff currently specifies a monthly fee of 0.59 percent times the cost of the protection equipment. Staff believes that OAR 860-039-0050 prohibits the Company from charging this fee. Staff does not support of a waiver of this rule because this is an ongoing, substantial fee that is not charged to other Oregon utility customers.

*OAR 860-039-0050 Requirements After Approval of a Net Metering Interconnection*  
Staff finds the waiver of this rule to be reasonable with the exception of OAR 860-039-0050(5), regarding a public utility's right to inspect after interconnection approval is granted, at reasonable hours, and with reasonable prior notice to the customer-generator.

The Idaho Interconnection Rules currently provide Idaho Power the right to periodically perform recertification inspections with notice as well as inspections without notice if the system is deemed to be out of compliance with applicable requirements. This directly conflicts with OAR 860-039-0050(5) which provides the customer-generator with reasonable notice before a public utility may come inspect.

Staff does not see the Idaho policy regarding inspection without notice to provide Oregon customers with comparable protections to those afforded by the Oregon Net Metering Rules. In Idaho Power's waiver request, the Company stated that out of 38 Oregon customers which had their system reinspected following approval, only one was notified without a 14-calendar day notification. This customer did not receive advance notification as the Company identified a possible issue with the system that it deemed warranted an inspection without the 14-day notice.

If the Company does not provide advance notice, the Company states it will knock on the customer's door upon arrival, and if the customer does not answer, the metering personnel will complete the inspection and leave behind a door hanger with further information regarding the inspection and contact information. The Company will then

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follow-up with written direct mail correspondence to the customer on how to remedy any issues discovered.

Given that the Company doesn't have a policy requiring advanced reasonable notice, and it appears that providing reasonable advanced notice will rarely if ever be a challenge, Staff does not find that there is good cause to waive this rule. The Company should therefore provide some form of advanced notice before arriving at the premises for an inspection.

### Conclusion

Staff finds that the Oregon Net Metering Rules and the applicable Idaho tariffs may differ; however, most of the policies Idaho Power currently has in its Idaho jurisdiction will not disproportionately burden those customers seeking on-site generation. The provisions the Company has requested to be waived are in line with Commission policy and direction and will provide Idaho Power's Oregon customers with comparable offerings to Oregon customers in Pacific Power and Portland General Electric's territories and are reasonable. Therefore, with the exception of OAR 860-039-0045 and OAR 860-039-0050(5), the Commission should approve Idaho Power's waiver request.

### **PROPOSED COMMISSION MOTION:**

Approve Idaho Power's request for permanent waiver of targeted provisions found in Oregon Net Metering Rules, with the exception of the prohibition of additional fees in 860-039-0050(2) and the advanced reasonable notice requirement of OAR 860-030-0050(5), effective August 29, 2024.

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