

ORDER NO. 25-085

ENTERED Mar 05 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1975(6)

In the Matter of

IDAHO POWER COMPANY,

Application for Reauthorization to Defer
Solar Photovoltaic Pilot Program Revenues
and Expenditures.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on March 4, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.¹

BY THE COMMISSION:



Alison Lackey
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.

¹ The attached memorandum includes an erroneous reference to CA6. This matter was included as item CA5 on the consent agenda for the March 4, 2024 regular public meeting.

ITEM NO. CA6

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 4, 2025**

REGULAR CONSENT EFFECTIVE DATE _____ N/A _____

DATE: February 10, 2025

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Scott Gibbens and Michelle Scala **SIGNED**

SUBJECT: IDAHO POWER:
(Docket No. UM 1975(6))
Request for authorization of deferred accounting of Solar Photovoltaic Pilot Program revenues and expenses.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Idaho Power Company's (Idaho Power or Company) requests to defer Solar Photovoltaic Pilot Program revenues and expenses for a 12-month period beginning October 1, 2024.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power's application to reauthorize deferred accounting of Solar Photovoltaic Pilot Program revenues and expenses to support Idaho Power's rates collected through its Tariff Schedule 93 – Solar Photovoltaic Pilot Program Rider (PV Program Rider), which collects revenues to offset expenditures associated with the Solar Photovoltaic Pilot Program (Pilot Program).

Applicable Law

In accordance with ORS 757.259, utilities may seek approval to defer amounts for later inclusion in rates to minimize the frequency of rate changes or to appropriately match customer benefits and costs. The Commission's final determination on the amount of deferrals allowable in the rates of the utility is subject to a finding by the Commission that the amount was prudently incurred by the utility.

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OAR 860-027-0300 is the Commission's rule governing the use of deferred accounting by energy and large telecommunications utilities and requires the utility to provide certain information in an application to defer, such as the reason for the deferral and the estimated amount of the deferral.

Analysis

Background

ORS 757.365 (2009), as amended by House Bill 3690 (2010), mandated the development of pilot programs for each electric company to demonstrate the use and effectiveness of volumetric incentive rates and payments for electricity delivered by solar photovoltaic energy systems. The legislation authorized the Commission to establish incentive rates for the pilot programs to enable the development of the most efficient solar photovoltaic systems. The Commission did so and also adopted cost recovery mechanisms so that utilities could recover costs of the program from ratepayers.

On September 19, 2024, Idaho Power submitted this application to defer costs related with solar photovoltaic programs.

Description of the Expenses

the Commission authorized Idaho Power "to recover 100 percent of its costs through a rider mechanism."¹ This deferral will capture the difference between the revenues received through the Solar PV Program Rider and the actual costs of the Pilot Program, thereby ensuring that Idaho Power recovers 100 percent of its costs.

Reason for Deferral

ORS 757.365(10) and OAR 860-084-0380 provide that all prudently incurred costs associated with the Pilot Program are recoverable in rates.

Proposed Accounting

According with the Company records revenues and expenses that would be subject to the deferral order in accordance with the Code of Federal Regulations to the Federal Energy Regulatory Commission Account 254 (Regulatory Liability).

Estimate of Amounts

The Company estimates net amounts deferred beginning October 1, 2024, through August 2025 to be approximately \$129,000.

¹ See, Order No. 10-198.

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Information Related to Future Amortization

- Earnings Review – The Commission will review earnings in accordance with ORS 757.259(5) at the time of amortization. Staff does not recommend an earnings test at time of amortization.
- Prudence Review – A prudence review will be conducted prior to amortization and should include a verification of the accounting methodology used to determine the final amortization balance.
- Sharing – Staff recommends no sharing mechanism.
- Rate Spread/Design – The deferred amortization amount is proposed to be spread on an equal cents percentage of customer base rate components, as specified in Schedule 93.
- Three Percent Test (ORS 757.259(6)) – The three percent test measures the annual overall average effect on customer rates resulting from deferral amortizations. The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year. Because Idaho Power is an electric utility, ORS 757.259(8) allows the Commission to consider up to a six percent limit.

Conclusion

Staff recommends the application be approved. The application meets the requirements of ORS 757.259 and OAR 860-027-0300 and is an appropriate use of the deferral statute.

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

PROPOSED COMMISSION MOTION:

Approve Idaho Power Company's (Idaho Power or Company) request to defer Solar Photovoltaic Pilot Program revenues and expenses for the 12-month period beginning October 1, 2024.