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VIA ELECTRONIC FILING

October 29, 2020

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301

Re: Docket No. UM 2005
Distribution System Planning (“DSP”) Draft Guidelines – Idaho Power Company’s
Comments

Attention Filing Center:

INTRODUCTION

Idaho Power Company (“Idaho Power” or “Company”) appreciates this opportunity to provide comments regarding the draft guidelines on Distribution System Planning (“DSP”) filed on October 1, 2020, in the Public Utility Commission of Oregon’s (“OPUC” or “Commission”) Docket UM 2005. The Company is grateful to Commission Staff and to the facilitator, GridWorks, for designing and executing an informative and participatory workshop series that informed the draft guidelines. In particular, Idaho Power would like to commend Staff for its efforts to convene these workshops and engage stakeholders virtually, in light of the COVID-19 pandemic.

Idaho Power is in full alignment with Staff on the five guiding principles that informed the draft guidelines—flexibility, practicality, efficiency, transparency, and inclusion. In particular, the Company is grateful to see the elevated priority of flexibility. The extensive workshop period and lessons learned from other utilities and subject matter experts made clear that distribution system plans must be allowed to evolve over time, adapt to changing conditions, and be designed with an individual utility’s particular system and customers in mind. There is no single distribution system plan that would make sense for all Oregon utilities. Considering the diversity of utilities in Oregon, Idaho Power would ask that these guidelines not result in a list of mandatory elements for distribution system planning but rather a menu of options from which a utility can build, in careful consultation with its customers and stakeholders.

Independent of this case, Idaho Power set an internal goal of incorporating distribution system planning into long-term resource planning in a way that adheres to the Company’s core principles of safe, affordable, reliable, and increasingly clean power. Idaho Power sees these draft guidelines as a useful framework for helping the Company achieve an already identified objective.

And, overall, Idaho Power believes that Staff's draft guidelines provide a thoughtful and detailed path forward. However, the Company has two primary concerns with the draft guidelines: (1) The initial timeline for completion of inaugural distribution system plans and (2) The proposed scope, which is extensive given the small size of Idaho Power's Oregon service territory. These concerns are echoed throughout Idaho Power's comments. Additionally, these comments identify several areas where the Company requests additional clarity.

COMMENTS

A. Process and Timing

Revised Guidelines for Commission Approval

Staff has presented very detailed requirements for the contents of utilities' initial distribution system plans in Appendix 1 of the draft guidelines. While the Company appreciates the efforts to provide clear direction for plan requirements, there are many instances where the draft guidelines necessitate additional clarity, as discussed in more detail in Section E. Idaho Power believes that Staff should postpone its submission of revised guidelines to allow for further discussion and clarity around the many details and requirements outlined in Appendix 1. Staff allowed for ample workshop time to hear from subject matter experts and to learn about distribution system planning. It seems reasonable that additional workshops would be offered for Staff to hear feedback and offer clarity about the components and scope of the guidelines. This additional time will ensure that the final guidelines presented for Commission approval reflect a shared understanding of requirements by all parties.

DSP Filing Cycle

Staff has proposed a two-year cycle for utilities to file their plans, beginning with the initial plan filing in Fall of 2021. Idaho Power has serious concerns with the short timeframe to prepare and file the initial Plan. The scope and data requirements of the Plan are significant. Idaho Power will need to implement new internal processes to produce Oregon-specific forecasts and data, as well as design and stand up a new stakeholder process, as required in the draft guidelines.

In the Process and Timing section of the Appendix, the draft guidelines allow for flexibility in filing timeline and state that distribution systems may be filed on "an alternative date [to October 2021] designated through Commission order." Rather than October 2021, Idaho Power considers October 2022 a reasonable timeframe for submitting its first plan. If a formal order is the only option for approval of a delayed timeline, Idaho Power will pursue that avenue. But the Company believes there is a simpler approach, which is to take the time to work through logistics, engage with customers and stakeholders, and allow for design of a company-specific plan in a meaningful way.

Additionally, the October 2021 deadline for filing distribution system plans conflicts with planned stakeholder engagement meetings. The Company is planning to convene the Western Treasure Valley Electrical Plan ("WTEVP") community advisory committee in the Fall of 2021 to update the WTEVP, which informs Idaho Power's distribution system activities. The Company believes this advisory committee will provide valuable insights that will inform the development of Idaho Power's distribution system plan.

Given the Company's relatively small Oregon service area, a two-year cycle for a plan of this magnitude is burdensome and not cost-efficient. With fewer than 20,000 customers, Idaho

Power's Oregon service area simply does not experience the level or rate of change of utilities in metropolitan areas. Idaho Power requests that its plan be updated on a four-year filing cycle so that stakeholder information and system data are meaningful.

B. DSP and the Integrated Resource Plan ("IRP")

The draft guidelines indicate a synchronization of a Company's distribution system plan and its IRP through shared inputs and forecasts, as well as long-term goals related to maximizing reliability and efficiency of the distribution system. The Company's requested extension for filing of its initial plan will allow adequate time to conduct the Plan and to determine the best way to synchronize DSP efforts with the Company's 2023 IRP.

Additionally, Idaho Power requests that the DSP guidelines allow utilities flexibility to incorporate distribution system planning efforts into long-term resource planning in a way that allows the Company to adhere to its core principles of safe, affordable, reliable, and increasingly clean power.

C. Planning Interactions and Streamlining

Throughout the UM 2005 process, Idaho Power has been a proponent of streamlining existing reporting requirements with the addition of distribution system plans. The Company appreciates Staff's examination of each of the current regulatory reporting requirements, described in Section 4 of the draft guidelines, and is generally aligned with the recommendations.

Idaho Power would like to clarify that it is exempt from the *Annual Net Metering Report* required pursuant to Oregon Administrative Rule ("OAR") 860-039-0070. Within the Division 39 Net Metering Rules, sub-section 860-039-0005(1) states that these rules do not apply to a public utility that meets the requirements of Oregon Revised Statutes ("ORS") 757.300(9). Idaho Power's Oregon service territory has less than 25,000 customers, thus exempting the Company.

D. Cost Recovery

Section 6 of the draft guidelines introduces the topic of cost recovery for utility and stakeholder costs, but details are left undefined. Idaho Power understands the state's long-term expectations for a modern distribution grid, but the Company has concerns about the magnitude of costs related to DSP that will ultimately be borne by Idaho Power's Oregon customers, resulting in upward pressure on rates.

Idaho Power's Oregon service area spans some of the most remote landscape across eastern Oregon, encompassing 4,744 square miles largely comprised of rural communities. As of year-end 2019, Idaho Power's Oregon service area consisted of 19,118 total customers, 13,543 of which are residential customers.

According to the United States Census Bureau,¹ the median household income (in 2018 dollars) for Ontario, Oregon is \$34,940,² compared to \$56,798 for Boise, Idaho, and \$65,740 for

¹<https://www.census.gov/quickfacts/fact/table/ontariocityoregon,boiseicityidaho,portlandcityoregon,US/PST0452>
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² Largest city in Idaho Power's Oregon service area.

Portland, Oregon. Furthermore, in a report released in May 2015,³ the Oregon Department of Human Services identified Malheur County as a “high poverty hotspot.” The report stated that Malheur County has three high poverty locations, two of which are located in and around Ontario and the other in Vale.

Additionally, the Cost Recovery section of the draft guidelines introduces the novel idea of “stakeholder costs” within the DSP, which could be interpreted as compensating stakeholders for their participation. It is important to note that stakeholders in Idaho Power’s IRP Advisory Council process and WTVEP Advisory Council process are not compensated for their participation and stakeholder involvement has been robust. If the Commission allows an extension to file the initial plan, as well as a four-year reporting cycle, Idaho Power can reduce the financial and time burden on stakeholders. For example, the Company envisions having DSP be a component of the WTVEP update.

Given the economic characteristics of the Company’s Oregon service area and the unknown costs to modernize the distribution grid, Idaho Power requests additional guidance from the Commission on cost recovery related to all aspects of DSP.

E. Scope of DSP Plans

The Scope section of Appendix 1 is extensive and detailed. Upon review of this section, Idaho Power was left with a number of questions. And because this section introduces the specific elements for inclusion in a company’s distribution system plan, Idaho Power requests an opportunity for greater discussion among stakeholders, as well as questions and answers from Staff, about the envisioned scope of DSP. Additionally, Idaho Power has concerns about what is expected of the Company with respect to DSP forecasting, data collection, and reporting. Specifically, the Company is unclear about whether elements in the DSP are expected to be gathered for only the Company’s Oregon service area. These concerns are echoed throughout the comments below.

Load, Distributed Energy Resources (DER), and Electric Vehicle (EV) Forecasting

Idaho Power currently includes forecasts of DER and EV adoption in its system-wide load forecast, which is then used as the basis for the IRP process. The Company has a number of questions and concerns about also conducting these forecasts specific to the distribution system. For clarity, Idaho Power requests more information about the proposed requirement to discuss the “locational granularity of the load forecast.”⁴ Similarly, the Company seeks clarity on the definition of forecasting DER and EV adoption “with a locational aspect.”⁵

If the “locational aspect” for Idaho Power is intended to constitute its service area in Oregon, the Company would argue that forecasting DER and EV adoption for the Company’s fewer than 20,000 customers in Oregon will not yield meaningful or actionable information. For example, the Company currently has a total of 29 EVs in its Oregon service area.⁶ Transportation electrification is essentially nonexistent in the eastern Oregon region, while DER adoption is nearly as limited. While the Company believes that progress is being made in terms of awareness

³ Oregon Department of Human Services Office of Forecasting, Research, & Analysis, “High Poverty Hotspots – Malheur County”.

⁴ Draft Guidelines, Appendix 1, p. 7.

⁵ Id.

⁶ <https://www.oregon.gov/deq/FilterDocs/CFP-electricvehicles.pdf>, p. 3.

and education about EVs and DERs, Idaho Power does not expect to see enough meaningful adoption to justify distribution-level forecasting of these technologies with any “granularity.” Rather, Idaho Power thinks the impact of these technologies are best forecasted on a system-wide level.

Hosting Capacity Analysis (“HCA”)

Idaho Power seeks additional clarity about a number of aspects of the HCA section. Generally, the Company asks for greater explanation of the purpose of and audience for HCA. The guidelines note that HCA has “become an important piece of DSP in Minnesota, New York, Hawaii, Nevada, and California”⁷ but does not articulate why or how HCA is valuable. Idaho Power is particularly interested in gaining an understanding of HCA objectives because the Company’s service area in Oregon is so notably dissimilar to the states of reference.

Specifically, the Company would appreciate more details and explanation around the following:

- Greater detail and request for specific timing on the requirement to “update areas with greater/faster DER adoption more frequently.”⁸
- More complete explanation of the requirement to “include distribution-level impacts to the substation and transmission system.”⁹
- Clarification about whether Idaho Power is expected to produce a Net Metering Map. As noted above, Idaho Power is exempt from reporting on net metering.
- Explanation of Staff’s meaning of “implementing HCAs for a planning-use case.”¹⁰

Community Engagement Plan

This section notes the objective of holding two stakeholder workshops on development of the distribution system plan. As explained earlier, Idaho Power would like the flexibility to conduct these conversations in conjunction with the WTVEP Advisory Council process. An awareness of the connections between stakeholder and community engagement in these two processes would result in efficiency gains for all parties involved. And because the advisory council is scheduled to convene in October 2021, the Company would again request a one-year extension to file its initial distribution system plan.

Idaho Power would also note that it has an existing, robust stakeholder involvement process, which it has already leveraged in Oregon with respect to the Jordan Valley microgrid project. The outcome of this project is discussed below.

Grid Needs Identification and Solution Identification

Idaho Power has concerns about the specific requirement to identify “at least two proposals for which non-wires solutions are used in the place of traditional utility infrastructure investment.”¹¹ First, the Company would appreciate understanding the reason that two projects

⁷ Draft Guidelines, Appendix 1, p. 8.

⁸ Draft Guidelines, Appendix 1, p. 9.

⁹ Id.

¹⁰ Draft Guidelines, Appendix 1, p. 10.

¹¹ Draft Guidelines, Appendix 1, p. 18.

must be identified. This number seems arbitrary and does not appear to consider Idaho Power's limited operations and customer base in Oregon.

Further, the Company would like to provide the example of the Jordan Valley microgrid project to illustrate two points: (1) the cost-effectiveness of projects can and does change, and (2) the conditions and needs of a particular location, along with cost, should determine the appropriate solution. In the case of a distribution system upgrade in the Jordan Valley, a non-wires solution of solar and storage was initially identified as most cost-effective. However, the addition of a few customer's irrigation loads increased demand in the area to the point that the size of the project's solar and battery elements would have needed to grow. In turn, the estimated project cost increased significantly. And, as a result, a traditional wired solution will now be pursued as it reflects the most cost-effective solution.

This Jordan Valley use case is important because it demonstrates that the Company will pursue a non-wires solution as long as it is the most cost-effective solution and maintains or enhances reliability. The Company believes that this story offers valuable lessons for both the "project development" and "grid needs identification" assessment requirements. The specific needs of the distribution system and the ability to serve customers reliably and affordably should determine the appropriate "solution," not the other way around.

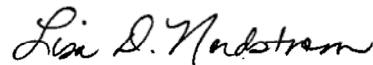
Finally, the Idaho Power would like the flexibility to define the term "larger projects"¹² between the itself and stakeholders to ensure it is appropriate considering the Company's limited presence and customer base in Oregon.

CONCLUSION

Idaho Power thanks the Commission for this opportunity to comment on the UM 2005 draft guidelines and appreciates the efforts by Staff to lay the groundwork for utilities' plans. In summary, Idaho Power is supportive of DSP but is requesting additional time to prepare its initial plan and also requests a longer plan filing cycle due to the Company's relatively small Oregon service area and the gradual nature of change within that area. Lastly, the Company would like to reiterate that the DSP guidelines should allow utilities maximum flexibility to develop distribution system plans suited to their needs and customers, and, in Idaho Power's case, the time to thoughtfully incorporate DSP into long-term resource planning.

If you have any questions about these Comments, please do not hesitate to contact me at (208) 388-5825 or Alison Williams in Regulatory Affairs at (202) 674-2447.

Very truly yours,



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