November 9, 2021

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

Re: Tariff Advice No. 21-10
Revisions to Schedule 98, Residential and Small Farm Energy Credit

Attention Filing Center:

Pursuant to Oregon Revised Statutes 757.205 and 757.210, and Oregon Administrative Rule 860-022-0025, Idaho Power Company (“Idaho Power” or “Company”) herewith transmits for filing Tariff Advice No. 21-10 containing proposed revisions to the Company’s Schedule 98, Residential and Small Farm Energy Credit (“Schedule 98”). The purpose of this filing is to change the Bonneville Power Administration (“BPA”) Residential and Small Farm Energy Credit (“BPA Credit”) contained in Schedule 98 to 0.4755 cents per kilowatt-hour (“kWh”) from 0.5485 cents per kWh for Schedules 1 and 5, and to 0.3509 cents per kWh from 0.2210 cents per kWh for Schedules 7, 9, 15, and 24, for the period January 1, 2022 through December 31, 2023.

With this filing, Idaho Power has included Schedule 98 containing the proposed revisions and respectfully requests the Public Utility Commission of Oregon (“Commission”) approve this advice with an effective date of January 1, 2022.

Background

Under the terms and conditions of the Pacific Northwest Electric Power Planning and Conservation Act (“NW Power Act”), BPA has established a Residential Exchange Program (“REP”) to pass through benefits from the federal Columbia River power system directly to qualifying residential and small farm customers of participating Pacific Northwest utilities. The REP was suspended in 2007 due to a ruling by the United States Ninth Circuit Court of Appeals. In 2011, Idaho Power, BPA, and others (“the Parties”) signed a Residential Exchange Program Settlement Agreement (“Settlement Agreement”) (BPA Contract No. 11PB-12322) whereby Idaho Power would resume receiving monthly benefits beginning October 1, 2011. The Settlement Agreement settled the Parties’ rights and obligations for
the REP provided for by the NW Power Act and fixed the total amount of benefits to be paid to participating utilities from 2011 through 2028.

Although the Settlement Agreement established fixed annual benefits in total for BPA fiscal years 2012 through 2028, these benefits are allocated to the utilities based upon each utility’s Average System Cost (“ASC”) in comparison to BPA’s Priority Firm Exchange Rate (“PF Exchange Rate”), and upon a two-year average of the utility’s historical eligible loads. A utility’s ASC and the resulting benefits are determined through an ASC filing and review process administered by BPA and conducted every two years.

Idaho Power’s benefit levels are subject to change every two years. The benefit levels may change as a result of changes in the Company’s ASC as determined by BPA and changes in levels of eligible residential and small farm load. Thus, a change in the ASC and/or eligible load can change the value of the benefits that flow to residential and small farm customers.

**Fiscal Year 2020-2021 ASC Filing**

As a result of the ASC review conducted for BPA’s Fiscal Years (“FY”) 2020 and 2021, Idaho Power’s Idaho and Oregon residential and small farm customers were eligible to receive $22,292,129 of annual benefits for the two-year period beginning October 1, 2019.

On November 15, 2019, Idaho Power filed Tariff Advice No. 19-12 with the Commission, seeking to increase the rates on Schedule 98 effective January 1, 2020, whereby Oregon residential and small farm customers would receive a credit on their power bills for the period January 1, 2020, through December 31, 2021. That tariff advice was approved by the Commission on December 17, 2019.

**Fiscal Year 2022-2023 ASC Filing**

On July 1, 2020, Idaho Power filed its Appendix 1 with BPA to begin the FY 2022-2023 ASC review process. Appendix 1 is an Excel spreadsheet model completed by the participating utility and used by BPA to determine a utility’s ASC and the resulting benefits for the upcoming two-year exchange period (in this case, October 1, 2021, through September 30, 2023). The ASC review process consisted of discovery, comments, and concluded in July of 2021 when BPA released its final ASC report.

Idaho Power’s final ASC for the FY 2022-2023 exchange period is $58.17 per megawatt-hour (“MWh”). Because Idaho Power’s exchange period ASC exceeds BPA’s PF Exchange Rate (currently $55.26 per MWh) by $2.91 per MWh, the Company’s Idaho and Oregon residential and small farm customers are eligible to receive $19,954,079 annually for the FY 2022-2023 exchange period, a decrease of $2,338,049 per year from the FY 2020-2021 exchange period.
Idaho Power will continue to pass through the benefit amount on a cents-per-kWh basis to all qualifying electric energy delivered to Oregon customers taking service under Schedules 1, 5, 7, 9, 15, and 24. The calculation of the new BPA Credit rate for qualifying customers, based on the new benefit amount determined by the FY 2022-2023 ASC proceeding, can be found on the confidential spreadsheet sent separately via encrypted email.

During the calculation of the FY 2022-2023 credit rate, the Company discovered that the non-residential (Schedule 7, 9, 15, and 24) customer rate had been understated for the FY 2020-2021 period. This was due to formula inconsistencies when calculating the true-up value for non-residential customers. The Company has updated the formulas in the credit rate calculation to appropriately identify the true-up value, and the FY 2022-2023 non-residential credit rate’s true-up value factors in the account balance caused by the previously understated rate. This ensures that non-residential customers receive the appropriate benefit going forward. The non-residential true-up value is the main driver causing the credit rate for non-residential customers to increase from 0.2210 cents per kWh to 0.3509 cents per kWh when the residential (Schedule 1 and 5) customer credit rate decreases from 0.5485 cents per kWh to 0.4755 cents per kWh given the overall benefit amount is decreasing between exchange periods.

Benefits at the new credit rate will be passed through on a monthly basis for qualifying residential and small farm usage commencing January 1, 2022. However, benefits for qualifying irrigation will continue to be accrued monthly and passed through to irrigation customers each December, concurrent with the Company’s annual kWh and property tax rebate program. The irrigation benefits distributed each December will correspond to a prior 12-month period ending on September 30. For example, irrigation benefits distributed in December 2021 are based on usage from October 2020 through September 2021. Monthly benefits for irrigation customers are limited, for any single customer, to their actual metered energy or 222,000 kWh, whichever is less.

Idaho Power respectfully requests that the Commission approve the revised Schedule 98 effective January 1, 2022, which will adjust the BPA Credit rate for approximately 16,500 Oregon residential and small farm customers for the period January 1, 2022, through December 31, 2023.

If you have any questions regarding this filing, please contact Regulatory Analyst Zack Thompson, at (208) 388-2982.

Sincerely,

Connie Aschenbrenner

CA:sg
Enclosures
SCHEDULE 98
RESIDENTIAL AND SMALL FARM
ENERGY CREDIT

APPLICABILITY

This schedule is applicable to the Qualifying Electric Energy, as defined below, delivered to Customers taking service under Schedules 1, 5, 7, 9, 15, or 24.

The Residential and Small Farm Energy Credit (“Credit”) is the result of the Settlement Agreement between the Company and the Bonneville Power Administration (“BPA”) Contract No. 11PB-12322. The Settlement Agreement provides for the determination of benefits during the period October 1, 2011, through September 30, 2028. This schedule shall expire when the benefits derived from the Settlement Agreement have been credited to Customers as provided for under this schedule.

QUALIFYING ELECTRIC ENERGY

RESIDENTIAL

All kilowatt-hours (kWh) of metered energy, delivered during the Billing Period, to residential Customers taking service under Schedules 1 and 5, and all kWh of metered residential electric use delivered to Customers taking service under Schedules 7, 9, or 15, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements, will be considered Residential Qualifying Electric Energy under this schedule. For customers taking service under Schedules 1 and 5, the credit will be limited to either the residential customer’s actual metered energy or 1,000 kWh, whichever is less.

SMALL FARM

All kWh of metered energy, delivered during the Billing Period, to eligible small farm Customers taking service under Schedule 7 or 9, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements will be considered Small Farm Qualifying Electric Energy under this schedule.

IRRIGATION

All kWh of metered energy delivered during the Billing Period to eligible irrigation Customers taking service under Schedule 24, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements, limited to either the irrigation Customer’s actual metered energy or 222,000 kWh, whichever is less, will be considered Irrigation Qualifying Electric Energy under this schedule. Determination of Irrigation Qualifying Electric Energy under this schedule will be identified at the Customer level.

CREDIT ADJUSTMENT

An energy credit rate will be determined on an annual basis by dividing the sum of the total fiscal year Credit, derived from the Settlement Agreement, plus a true up from the prior year Credit, if applicable, by the sum of the calendar year projected Qualifying Electric Energy as described above. The current energy credit rate is:

Schedules 1 and 5: 0.4755 cents per kWh
Schedules 7, 9, 15, and 24: 0.3509 cents per kWh

For residential and small farm Customers, the credit adjustment will be reflected on the Customers’ monthly bills. For irrigation Customers, the credit adjustment will be issued in December of each year.