DECISION MEMORANDUM

TO: **COMMISSIONER KJELLANDER**
COMMISSIONER RAPER
COMMISSION ANDERSON
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: **BENTLEY ERDWURM**

DATE: **JANUARY 20, 2017**

RE: **MODIFICATIONS TO IDAHO POWER'S SCHEDULE 82, FLEX PEAK PROGRAM**

BACKGROUND

On December 16, 2016, Idaho Power Company filed a Tariff Advice with the Commission to revise Schedule 82, Flex Peak Program. This voluntary demand response program offers industrial and large commercial customers an opportunity to reduce their electrical loads for short periods during the summer. By reducing demand on days when the system could be capacity constrained, the program reduces generation and transmission requirements for serving customers. Program participants are offered incentive payments in exchange for participation. Based on Idaho Power's experience managing the program and participant feedback, Idaho Power now proposes several modifications to Schedule 82. As discussed below, Staff believes Idaho Power's proposed modifications will help clarify terms and conditions of the Flex Peak Program, and will offer additional options to program participants.

STAFF ANALYSIS

First, Idaho Power proposes to clarify tariff language describing how metered data is currently aggregated for single participants with multiple participating sites. Currently, metered data from multiple sites is aggregated based on data for individual site performance. The revision more clearly describes this current practice, and is intended to help avoid confusion regarding the Aggregated Option. Staff supports this revision to clarify the Aggregated Option.

Second, Idaho Power proposes to add text messaging as a notification option. Participants are currently notified of a Program Event by telephone and email. Some participants have requested that notification also be made through text messaging. Given that telephone and email notification will continue, the addition of text messaging increases the probability that participants will receive timely notifications of Program Events. Staff supports this revision to add text messaging to the Program Event Notification Options.

Third, Idaho Power proposes to modify the process by which participants notify the Company of changes in their Nominated kW. There are two steps in the current process. First, participants contact Idaho Power's Program Administrator by telephone or e-mail to request a change in their Nominated kW. Idaho Power then requires participants to submit a nomination change request form in order to track the change. The current two-step process may generate confusion because a participant could view the initial telephone or e-mail contact as sufficient notification and fail to submit the required nomination change request form. Idaho Power proposes to modify Schedule 82 to indicate that participants only need to submit the nomination change request form for changes in Nominated kW. Staff supports this revision because it simplifies the nomination change process. This could help avoid misunderstandings and disputes about the Nominated kW.

Fourth, Idaho Power proposes to add a payment option allowing customers to receive the incentive payment as a bill credit. Currently, incentive payments are made by check. Under the Company's proposal, participants may choose either the check or the bill credit option. Staff supports this revision to add another payment option, particularly given the bill credit option could be less administratively burdensome than sending a payment by check.

Fifth, Idaho Power proposes a revision to Schedule 82 providing for automatic re-enrollment into the program each year. Currently, customers must submit a program application at the beginning of each season to participate in the program. The proposed modification avoids the need for participants to complete a new program application each year. According to the Company, this revision has been requested by several participants. Given that the program has a high retention rate with participants choosing to reenroll, Staff believes the proposed revision will save time and effort for the Company and most participants. Staff recommends approval of this revision.

Idaho Power discussed its proposed changes with the Energy Efficiency Advisory Group (EEAG) prior to filing the Tariff Advice with the Commission. According to the Company, the EEAG did not oppose the proposed program modifications. The EEAG is a forum that allows Idaho Power customers, regulatory staff and other interested stakeholders to offer advice to Idaho Power in formulating, implementing and evaluating energy efficiency and demand response programs. Additionally, Idaho Power has indicated that they will notify each participant regarding any revisions approved by the Commission prior to the 2017 program season.

STAFF RECOMMENDATION

Staff believes that approval of the Company's proposed modifications to Schedule 82 will help clarify terms and conditions of the Flex Peak Program, and will offer additional options to program participants. Thus, Staff recommends Commission approval of the proposed modifications to Schedule 82, Flex Peak Program.

COMMISSION DECISION

Does the Commission wish to approve Idaho Power's proposed modifications to Schedule 82, Flex Peak Program to be effective February 1, 2017?

Bentley Erdwurm

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