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IDAHO PUBLIC
UTILITIES COMMISSION

On behalf of NW Energy Coalition, Idaho Rivers United, and Advocates for the West

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) COMPANY'S APPLICATION FOR) AUTHORITY TO IMPLEMENT A) RESIDENTIAL AIR CONDITIONER) CYCLING PILOT PROGRAM AND) TARIFF SCHEDULE 81)	Case No. IPC-E-02-13 COMMENTS OF NW ENERGY COALITION, IDAHO RIVERS UNITED, AND ADVOCATES FOR THE WEST
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The NW Energy Coalition, Idaho Rivers United, and Advocates for the West hereby file these comments on Idaho Power's application to institute a residential air conditioner (AC) cycling program. ¹

We largely support the Company's proposed program as a more simple, direct, and manageable approach to load management than, for example, time-of-use metering. The proposed AC cycling program would allow the Company to directly control load during those situations where market or other conditions create high peak energy prices.

¹ The **NW Energy Coalition** is a multi-state association of energy efficiency, clean energy, environmental, and other public interest organizations engaged in promoting a clean, reliable, and economic energy future for the Pacific Northwest. **Idaho Rivers United** advocates for the protection and restoration of Idaho's rivers, including through increased utilization of energy efficiency measures and renewable energy. **Advocates for the West** is a new, nonprofit conservation law and policy organization based in Boise. Advocates represents and collaborates with local, state, regional, and national organizations in environmental and energy matters throughout Idaho and in neighboring states.

However, we request the Commission increase both the financial incentive offered to customers, and the total number of customers proposed for participation.

AC cycling programs are not a new concept in the utility industry, but rather have been implemented around the country for decades. We thus question the need for a “pilot” program in the first instance. NW Energy Coalition staff personally participated in programs that provided a \$7.00 financial incentive to participating customers – in the 1980’s. While recognizing that a higher incentive may marginally decrease the program’s cost-effectiveness, it also will result in broader program appeal.

It is worth emphasizing that the financial incentive offered to customers is a very small portion of total program costs. Of the \$410,000 annual program budget estimated by Idaho Power, only about \$3,000 would be spent on financial incentives to customers in the first year, and \$7,500 in the second year, assuming the program is implemented as proposed. An incentive of \$8 to \$10 would only marginally increase program costs, but would undoubtedly result in more enthusiastic customer response.

We also request the program be expanded to seek participation of 500 customers in year one, and an additional 1,000 customers by the end of the second year. This approach will increase program costs, but broader participation will likely increase cost-effectiveness, result in greater peak-shaving, and thus create financial benefits for all Idaho Power customers. We also note that Idaho Power has not fully allocated funds available under the Company’s DSM tariff rider, and thus an expanded program should fall within the Company’s DSM budget.

In sum, we request the Commission approve Idaho Power's program, with the modifications requested herein.

RESPECTFULLY SUBMITTED, this 21st day of February 2003.



William M. Eddie

On behalf of NW Energy Coalition, Idaho Rivers
United, and Advocates for the West.

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of February 2003, true and correct copies of the foregoing COMMENTS OF NW ENERGY COALITION ET AL. were delivered to the following persons via the method of service noted:

Via Hand-Delivery:

Commission Secretary
Idaho Public Utilities Commission
427 W. Washington St.
Boise, ID 83702-5983

Via U.S. Mail:

Monica Moen
Peter Pengilly
Idaho Power Company
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