



RECEIVED

2009 JUN 12 AM 10: 07

IDAHO PUBLIC  
UTILITIES COMMISSION

**DONOVAN E. WALKER**  
Corporate Counsel

June 12, 2009

**VIA HAND DELIVERY**

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
P.O. Box 83720  
Boise, Idaho 83720-0074

Re: Case No. IPC-E-09-12  
**COMMERCIAL AIR CONDITIONER CYCLING PILOT PROGRAM**

Dear Ms. Jewell:

Enclosed for filing please find an original and seven (7) copies of the Idaho Power Company's Reply Comments in the above matter.

Very truly yours,

Donovan E. Walker

DEW:csb  
Enclosures

DONOVAN E. WALKER (ISB No. 5921)  
BARTON L. KLINE (ISB No. 1526)  
Idaho Power Company  
1221 West Idaho Street  
P.O. Box 70  
Boise, Idaho 83707  
Telephone: 208-388-5317  
Facsimile: 208-388-6936  
[dwalker@idahopower.com](mailto:dwalker@idahopower.com)  
[bkline@idahopower.com](mailto:bkline@idahopower.com)

RECEIVED  
2009 JUN 12 AM 10:08  
IDAHO PUBLIC  
UTILITIES COMMISSION

Attorneys for Idaho Power Company

Street Address for Express Mail:  
1221 West Idaho Street  
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR ) CASE NO. IPC-E-09-12  
AUTORHITY TO IMPLEMENT A )  
COMMERCIAL AIR CONDITIONER ) IDAHO POWER COMPANY'S  
CYCLING PILOT PROGRAM. ) REPLY COMMENTS  
\_\_\_\_\_ )

Idaho Power Company ("Idaho Power" or "Company") respectfully submits the following Reply Comments in response to the Comments filed by the Commission Staff ("Staff") on June 9, 2009.

The Company proposed this pilot program because of the urging and support it received from its Energy Efficiency Advisory Group ("EEAG"), of which Staff is a participant. Additionally, there are no demand response programs currently available for small commercial customers (served under Schedule 7 and Schedule 9 Secondary, under 200 kilowatt ("kW") in demand), and the Company has had customer requests for an air conditioner ("A/C") cycling program from this customer group.

As stated in both the Company's Application and in Staff's Comments, the program is not cost-effective using the estimated energy savings of 1.12 kW, which is the average residential load reduction in the residential A/C Cool Credit program. Staff points out that the Company has previously estimated for the EEAG that the potential energy savings from a small commercial A/C cycling program would likely be in a range between .88 kW and 1.54 kW per unit. The Company estimates that an average load reduction of at least 2 kW, at a 50 percent cycling rate, is needed for the program to be cost-effective. As reported in the Application, the Company's inquiries with other utilities and organizations that operate small commercial A/C cycling programs resulted in widely varying reports about both the success of the programs and the quantity of peak demand reduction that they were able to achieve. The average demand reduction reported informally to Idaho Power by other utilities and organizations, and subsequently provided to Staff through Staff's telephone calls to the Company, ranged from about 1 kW to a high of about 9 kW per customer. Some utilities reported demand reduction savings in terms of per ton of cooling and these results have a range of 0.25 kW to 0.51 kW per ton. According to the Northwest Energy Efficiency Alliance ("NEEA"), typical A/C unit sizes for small commercial facilities in the Pacific Northwest range from 5 to 15 tons.

As stated in the Application, because of the uncertainty of the actual, achievable load reduction, and in order to obtain verifiable field data attributable to the program in Idaho Power's service territory, Idaho Power proposed to operate the program as a pilot for two A/C seasons. By operating its own pilot program, the Company can determine if any customer segments will deliver cost-effective peak demand reduction, can test

customer option preferences, and can obtain real operational data about its own system. If actual demand reductions are 2 kW or more, a viable customer segment is identified, and pilot participants are satisfied, the Company could possibly continue to implement a program. If the pilot shows that cost-effective demand reductions are not possible, the program can end with the pilot.

Staff obviously feels that money should not be spent to operate a pilot program to make this determination. Should the Commission disagree and authorize the Company to move forward with the pilot program, the Company asks the Commission's authorization that the pilot program be funded by the Energy Efficiency Rider funds.

DATED at Boise, Idaho, this 12<sup>th</sup> day of June 2009.

A handwritten signature in black ink, appearing to read "Donovan E. Walker", written over a horizontal line.

DONOVAN E. WALKER  
Attorney for Idaho Power Company

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 12<sup>th</sup> day of June 2009 I served a true and correct copy of IDAHO POWER COMPANY'S REPLY COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

### Commission Staff

Neil Price  
Deputy Attorney General  
Idaho Public Utilities Commission  
472 West Washington  
P.O. Box 83720  
Boise, Idaho 83720-0074

Hand Delivered  
 U.S. Mail  
 Overnight Mail  
 FAX  
 Email [Neil.Price@puc.idaho.gov](mailto:Neil.Price@puc.idaho.gov)



---

Donovan E. Walker