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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR A) CASE NO. IPC-E-11-05
PRUDENCY DETERMINATION OF)
ENERGY EFFICIENCY RIDER FUNDS)
SPENT IN 2010.)
_____)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

DARLENE NEMNICH

1 Q. Please state your name and business address.

2 A. My name is Darlene Nemnich. My business
3 address is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Idaho Power Company ("Idaho
6 Power" or "Company") as a Senior Regulatory Analyst.

7 Q. Please describe your educational background.

8 A. In May of 1979, I received a Bachelor of Arts
9 degree in Business Administration with emphases in Finance
10 and Economics from the College of Idaho in Caldwell, Idaho.
11 In addition, I have attended the electric utility
12 ratemaking course offered through New Mexico State
13 University's Center for Public Utilities as well as various
14 other ratemaking courses sponsored by the Edison Electric
15 Institute.

16 Q. Please describe your work experience with
17 Idaho Power.

18 A. In 1982, I was hired as an analyst in the
19 Resource Planning Department. My primary duties were the
20 calculation of avoided costs for cogeneration and small
21 power production contracts and the calculation of costs of
22 future generation resource options. In 1989, I moved to
23 the Energy Services Department where I performed economic,
24 financial and statistical analyses to determine the cost-

1 effectiveness of demand-side management ("DSM") programs.
2 I stayed in that general area designing, implementing, and
3 evaluating programs until 2000, when I was promoted to
4 Energy Efficiency Coordinator. In that capacity, I
5 coordinated the Company's effort to grow customer programs
6 and education in energy efficiency promotion. I was
7 responsible for complying with regulatory and financial
8 requirements in the area of energy efficiency. In 2003, I
9 was promoted to Energy Efficiency Leader where I managed
10 the Company's DSM effort, including strategic planning,
11 design and development of programs, regulatory compliance,
12 and overall management of the department. In 2006, I left
13 the Company to pursue personal opportunities. In April
14 2008, I returned to the Company to my current position as a
15 Senior Regulatory Analyst in the Regulatory Affairs
16 Department. My duties as Senior Regulatory Analyst include
17 the development of alternative pricing structures, analysis
18 of the impact on customers of rate design changes, and the
19 administration of the Company's tariffs.

20 Q. What is the purpose of your testimony in this
21 matter?

22 A. The purpose of my testimony is to present the
23 Company's request for a prudency determination of
24 \$42,479,692 of the Idaho Energy Efficiency Rider ("Rider")

1 funding spent in 2010 acquiring demand-side resources. My
2 testimony will provide a background of recent prudence
3 cases, review 2010 DSM performance, cost-effectiveness and
4 evaluation, and summarize how this filing satisfies the
5 Memorandum of Understanding for Prudence Determination of
6 DSM Expenditures filed in Case No. IPC-E-09-09 ("DSM MOU").

7 Q. Are you sponsoring any exhibits?

8 A. Yes. I am sponsoring the following exhibits:
9 Exhibit No. 1, Idaho Energy Efficiency Rider Expenditures
10 for 2010, Exhibit No. 2, 2010 Cost-Effectiveness Summary by
11 Program, and Exhibit No. 3, Evaluation Plan.

12 **I. BACKGROUND**

13 Q. Does Idaho Power consider energy efficiency
14 and demand response an important part of meeting the future
15 energy needs of its customers?

16 A. Yes. Cost-effective DSM resources are Idaho
17 Power's resource of choice -- both from a cost standpoint
18 and from an environmental perspective. The cleanest, most
19 efficient resource is one a utility does not have to build.
20 Cost-effective DSM resources are the resources of choice by
21 virtually all stakeholders.

22 Q. What are Idaho Power's objectives in relation
23 to its DSM programs?

1 A. Idaho Power's two main objectives for DSM
2 programs are to prudently acquire all cost-effective energy
3 efficiency and demand response resources to meet its
4 electrical system's energy and demand needs and to provide
5 customers with programs and information to help them manage
6 their energy usage.

7 Q. Please provide a brief history of recent
8 prudency cases.

9 A. This filing marks the third time that Idaho
10 Power has requested a prudency determination on Rider
11 expenditures since the Rider was established in 2002. The
12 first filing for a prudency determination on Rider
13 expenditures occurred in June 2008 as part of the 2008
14 general rate case, IPC-E-08-10. Idaho Power requested that
15 the Idaho Public Utilities Commission ("Commission") find
16 that its 2002-2007 expenditures of approximately \$29
17 million were prudently incurred. The Commission deferred a
18 determination until additional program information could be
19 provided. In February 2009 Idaho Power filed Case No. IPC-
20 E-09-09. The Commission issued Order Nos. 30740 and 31039
21 and found the \$29 million in expenditures prudent. As part
22 of Case No. IPC-E-09-09, Commission Staff ("Staff") and
23 Idaho Power worked together to establish an agreed-upon set
24 of terms for future reporting and evaluating of DSM

1 expenditures and programs. The other investor-owned
2 electric utilities in the state of Idaho also participated
3 in the formulation of this agreement. By January 2010, the
4 Staff, Idaho Power, Avista Corporation, and Rocky Mountain
5 Power signed the DSM MOU. This DSM MOU provides an agreed-
6 upon set of guidelines for evaluation and reporting of DSM
7 performance with the purpose of facilitating an objective
8 and transparent Staff and Commission assessment of Idaho
9 Power's DSM efforts.

10 In March 2010, concurrent with the filing of the
11 *Demand-Side Management 2009 Annual Report* ("DSM 2009 Annual
12 Report"), Idaho Power filed its second request for prudence
13 determination of Rider funds when it filed Case No. IPC-E-
14 10-09 for the 2008 and 2009 DSM expenditures of \$50.7
15 million. Given that the DSM MOU was not approved by all
16 signatories until January 2010, Idaho Power, to the extent
17 possible, followed the guidelines set forth in the DSM MOU
18 in the March 2010 filing. Idaho Power provided two
19 supplements to the DSM 2009 Annual Report in an effort to
20 satisfy the guidelines set forth in the DSM MOU. These
21 were Supplement 1: Cost-Effectiveness and Supplement 2:
22 Evaluation. On November 16, 2010, the Commission issued
23 Order No. 32113 and found the 2008 and 2009 DSM
24 expenditures were prudently incurred. In that same order,

1 the Commission provided further direction on how to improve
2 overall DSM efforts in the future.

3 **II. 2010 DSM PERFORMANCE**

4 Q. What is the amount of 2010 expenditures from
5 the Rider that the Company is requesting be found prudently
6 incurred?

7 A. In the delivery of energy efficiency, demand
8 response, and market transformation programs as well as
9 education and administrative costs, Idaho Power spent
10 \$42,479,692 of Rider funds on demand-side resource
11 acquisition in 2010. With this filing, Idaho Power
12 requests the Commission issue an order finding that these
13 funds were prudently incurred. Exhibit No. 1 shows a
14 breakout of these expenditures by program and sector.
15 Seventy-three percent of this amount was spent on
16 incentives, 18 percent on purchased services, six percent
17 on labor/administration, and three percent on materials and
18 other expenses.

19 Q. Please provide an overview of last year's
20 Idaho Power DSM effort.

21 A. In 2010, Idaho Power offered customers sixteen
22 energy efficiency programs and three demand response
23 programs, participated in market transformation programs
24 through the Northwest Energy Efficiency Alliance ("NEEA"),

1 and offered several ongoing education initiatives. These
 2 are listed in the table below:

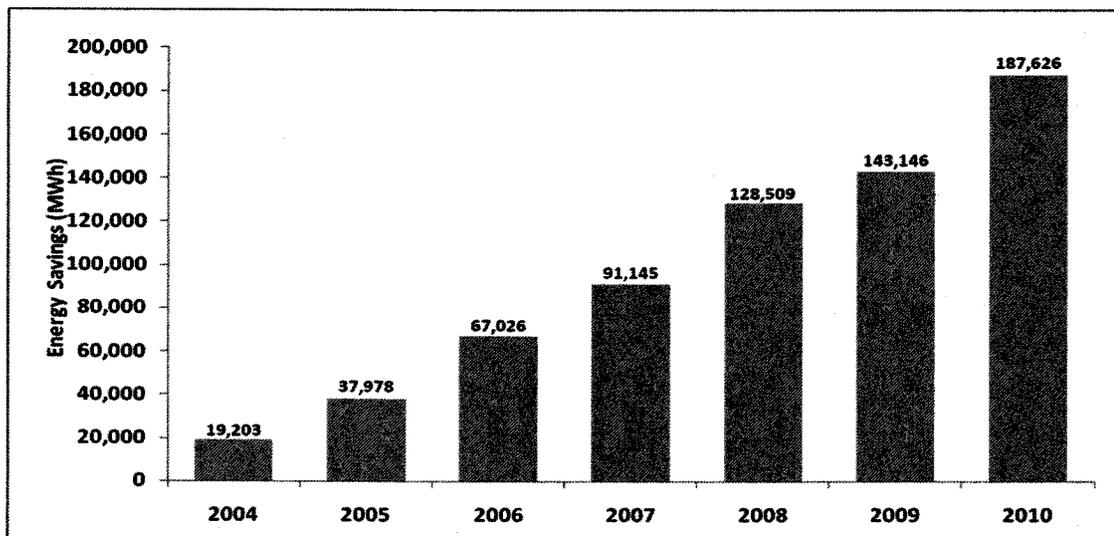
| Program by Sector | Operational Type |
|--|-------------------------------|
| Residential | |
| A/C Cool Credit | Demand Response |
| Ductless Heat Pump Pilot | Energy Efficiency |
| Energy Efficient Lighting | Energy Efficiency |
| Energy House Calls | Energy Efficiency |
| ENERGY STAR® Homes Northwest | Energy Efficiency |
| Heating & Cooling Efficiency Program | Energy Efficiency |
| Home Improvement Program | Energy Efficiency |
| Home Products Program | Energy Efficiency |
| Oregon Residential Weatherization | Energy Efficiency |
| Rebate Advantage | Energy Efficiency |
| Residential Energy Efficiency Education Initiative | Other Programs and Activities |
| See Ya Later Refrigerator | Energy Efficiency |
| Weatherization Assistance for Qualified Customers | Energy Efficiency |
| Weatherization Solutions for Eligible Customers | Energy Efficiency |
| Commercial/Industrial | |
| Building Efficiency | Energy Efficiency |
| Commercial Education Initiative | Other Programs and Activities |
| Easy Upgrades | Energy Efficiency |
| FlexPeak Management | Demand Response |
| Holiday Lighting Program | Energy Efficiency |
| Oregon Commercial Audits | Energy Efficiency |
| Custom Efficiency | Energy Efficiency |
| Irrigation | |
| Irrigation Efficiency Rewards | Energy Efficiency |
| Irrigation Peak Rewards | Demand Response |
| All Sectors | |
| Northwest Energy Efficiency Alliance | Market Transformation |

3 The above table illustrates the broad availability of
 4 programs offered to Idaho Power customers in energy
 5 efficiency, demand response, and education.

1 Q. What savings were achieved in 2010 with these
2 programs?

3 A. Idaho Power achieved 187,626 megawatt-hours
4 ("MWh") in energy efficiency savings in 2010, which is a 31
5 percent increase over the 2009 savings. As a result of
6 Idaho Power's demand response programs, demand reduction
7 increased by 54 percent over 2009 levels, with a total load
8 reduction of 336 megawatts ("MW") in 2010. These 2010
9 savings and reduction values represent the most recent
10 year's achievement in a string of increasing results. From
11 2004 to 2010 the annual energy efficiency savings for Idaho
12 Power programs increased almost nine fold and for the same
13 time period the annual demand response reduction increased
14 over 55 times from 2004 levels. The following tables
15 illustrate this impressive accomplishment.

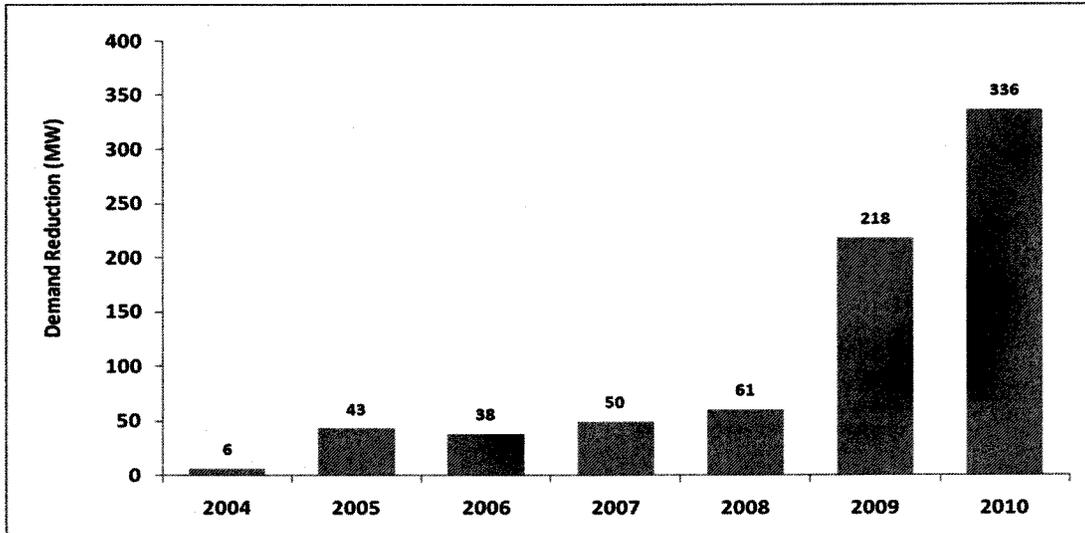
16 **Table 1: Idaho Power Energy Efficiency Savings**



17

1

Table 2: Idaho Power Demand Response Savings



2

3 Attachment No. 1 to the Application, the *Demand-Side*
4 *Management 2010 Annual Report* ("DSM 2010 Annual Report"),
5 provides details for each program, including a description,
6 2010 performance and activities, cost-effectiveness,
7 customer satisfaction, and evaluations. In addition, the
8 DSM 2010 Annual Report provides Idaho Power's DSM
9 strategies for 2011.

10 Q. Please describe the opportunities for external
11 parties to provide input and guidance to Idaho Power's DSM
12 efforts.

13 A. In 2002, Idaho Power created the Energy
14 Efficiency Advisory Group for the express purpose of
15 providing a forum to gather ideas and suggestions from
16 customers and special interest representatives on
17 formulating and implementing DSM programs. Members include

1 customer representatives from residential, irrigation,
2 commercial, and industrial sectors, as well as
3 representatives for senior citizens, low-income
4 individuals, environmental organizations, state agencies,
5 public utility commissions, and Idaho Power. In 2010, the
6 fourteen members met with Idaho Power three times in order
7 to provide their input. In addition, Idaho Power has
8 enhanced its relationships with trade allies, trade
9 organizations, and regional groups.

10 **III. 2010 PROGRAM COST-EFFECTIVENESS OVERVIEW**

11 Q. What is Idaho Power's overall goal when it
12 comes to DSM cost-effectiveness tests?

13 A. Idaho Power's goal is to have all mature
14 programs meet benefit/cost ratios greater than 1.0 for the
15 total resource cost test ("TRC"), utility cost test ("UC"),
16 and the participant cost test ("PCT"). Each of the tests
17 provides information about the impacts of DSM programs from
18 distinct perspectives. The TRC looks at benefits and costs
19 from the perspective of all utility customers (participants
20 and non-participants) in the utility service area, the UC
21 calculates costs and benefits from Idaho Power's
22 perspective, and the PCT looks at the average participating
23 customer's costs and benefits. Because of the value in

1 comparing demand-side resources to supply-side resources,
2 Idaho Power has placed emphasis on the TRC and UC tests.

3 For its cost-effective methodology, Idaho Power
4 relies on the Electric Power Research Institute's *End Use*
5 *Technical Assessment Guide*, the *California Standard*
6 *Practice Manual*, and the National Action Plan for Energy
7 *Efficiency's Understanding Cost-Effectiveness of Energy*
8 *Efficiency Programs: Best Practices, Technical Methods, and*
9 *Emerging Issues for Policy-Makers*. The cost-effective test
10 methodologies and assumptions are described in more detail
11 in the first pages of *Supplement 1: Cost-Effectiveness of*
12 the DSM 2010 Annual Report ("Supplement 1") that is
13 contained in Attachment No. 1 to the Application.

14 Q. What were the results of the 2010 cost-
15 effective analyses?

16 A. Exhibit No. 2, *2010 Cost-Effectiveness Summary*
17 *by Program*, shows the results of the TRC, UC, and PCT tests
18 for each energy efficiency or demand reduction program
19 funded by the Rider. These results show that all programs
20 had benefit/cost ratios greater than 1.0 for these three
21 tests for 2010 DSM costs and benefits. The PCT is not
22 calculated for any demand response program or where there
23 is no direct customer costs and is indicated as N/A in the
24 exhibit table. The details of these calculations are in

1 Supplement 1. For energy efficiency programs, Idaho Power
2 also provides calculations of the TRC and UC tests using
3 costs and benefits from the inception of the program to
4 current year. These calculations are shown in the program
5 description sections and in Appendix 4 of the DSM 2010
6 Annual Report. The cost-effectiveness calculations for
7 demand response programs represent 20-year life
8 calculations for A/C Cool Credit and Irrigation Peak
9 Rewards and 10-year life calculations for FlexPeak
10 Management.

11 Q. Did Idaho Power also look at program cost-
12 effectiveness from the Ratepayer Impact Measure ("RIM")
13 perspective as requested by the Staff in Attachment No. 1
14 of the DSM MOU?

15 A. Yes. Idaho Power has included in its
16 calculations a fourth cost-effective perspective, the
17 impact on the ratepayer. The RIM test measures the impact
18 on customers' bills or rates due to changes in utility
19 revenues and operating costs caused by an energy efficiency
20 program. According to the National Action Plan for Energy
21 *Efficiency's Understanding Cost-Effectiveness of Energy*
22 *Efficiency Programs: Best Practices, Technical Methods, and*
23 *Emerging Issues for Policy-Makers*, this test is typically a
24 secondary test used to evaluate relative impacts on rates.

1 It should be noted that Staff, in Attachment No. 1 to the
2 DSM MOU, while stating an expectation that programs should
3 pass the TOU, UC, and PCT tests (and if not provide an
4 explanation), there was no stated expectation that programs
5 must pass the RIM test.

6 Q. What were the results when Idaho Power
7 calculated the RIM tests on its programs?

8 A. When Idaho Power made these calculations,
9 programs had a range of benefit/cost ratios for the RIM
10 test with the lowest at 0.72 and the highest at 2.11.
11 Results for each program and the specific calculations can
12 be found in Supplement 1.

13 Q. Did Idaho Power calculate cost-effectiveness
14 tests for each measure within each program?

15 A. Yes. For over 340 measures, Idaho Power
16 evaluated the benefits and costs from both the TRC and the
17 UC perspective. Of the total number of measures analyzed,
18 there were 17 that did not pass either one or both of the
19 tests. Please note that Idaho Power does not perform cost-
20 effectiveness calculations by measure where there is
21 significant interaction between measures. The results of
22 these calculations along with measure assumption details
23 and source documentation can be found in Supplement 1.

1 Q. How does Idaho Power address measures that are
2 not cost-effective based on one or more tests?

3 A. The cost and benefit values used in the
4 various analyses are based on markets, technologies, and
5 cost estimates which can change over time. When a measure
6 is determined not to be cost-effective at a specific point
7 in time, Idaho Power first evaluates whether the inputs
8 used in the calculations are still correct, then determines
9 if measure parameters can be modified to make the measure
10 cost-effective or whether the measure should be eliminated.
11 For example, when calculating cost-effectiveness for the
12 motor rewind measures, it was determined that 15 horsepower
13 ("hp") and 20 hp motor rewind measures were not cost-
14 effective, so they were eliminated from the list of
15 measures and only motors between 25 hp and 5,000 hp were
16 eligible. Because Idaho Power just recently finished its
17 annual cost-effectiveness determination for each measure
18 and program, the Company will next examine these measures
19 and make program modifications where necessary.

20 Q. What modifications did Idaho Power make in
21 2010 based on the cost-effective calculations reported in
22 last year's prudency filing?

23 A. Due to a transformed market in mini-LED
24 holiday lights and reduced cost-effectiveness of measures,

1 Idaho Power discontinued the Holiday Lighting program after
2 the 2010 holiday season. In addition, during 2010, Idaho
3 Power conducted a significant review of measures in the
4 Easy Upgrades program. This resulted in several measures
5 being removed from the program or modified for the 2011
6 program year due to a lack of cost-effectiveness.

7 Q. Does Idaho Power use a net-to-gross (NTG)
8 ratio in its cost-effectiveness calculations?

9 A. Yes. As explained in more detail in
10 Supplement 1, for most programs and measures, Idaho Power
11 uses NTG ratios from the Demand-Side Management Potential
12 Study or from the California Public Utilities Commission
13 Database for Energy Efficiency Resources ("DEER"). This
14 NTG adjustment is shown for each program and measure in
15 Supplement 1. For some programs, the NTG ratio is included
16 in the savings value based on previous third-party
17 evaluations.

18 **IV. 2010 EVALUATION ACTIVITY OVERVIEW**

19 Q. Please discuss the Company's approach to
20 program evaluation.

21 A. In order to ensure the ongoing cost-
22 effectiveness of programs through validation of energy
23 savings and demand reduction, and to guide the efficient
24 management of its programs, the Company relies on

1 evaluations by third-party contractors, internal analyses,
2 and regional and national studies. Idaho Power uses
3 industry-standard protocols for its internal and external
4 evaluation efforts. The resources for these protocols and
5 standards include the *National Action Plan for Energy*
6 *Efficiency—Model Energy Efficiency Program Impact*
7 *Evaluation Guide*, the *California Evaluation Framework*, the
8 *International Performance Measurement and Verification*
9 *Protocol*, *Database for Energy Efficiency Resources*, and the
10 Regional Technical Forum's evaluation protocols. Process
11 and impact evaluations are typically on a three-year cycle
12 for each program; however, the timing of specific program
13 evaluations are based on considerations regarding program
14 needs and other contributing factors. The Company actively
15 participates in regional groups that evaluate new
16 technologies and advancements. The DSM MOU further
17 reflects how Idaho Power intends to manage, plan, evaluate,
18 and report its DSM activities.

19 Q. Please provide an overview of the evaluation
20 activities that took place in 2010.

21 A. In addition to the annual cost-effective
22 analyses that the Company conducts for each program at the
23 beginning of the year, in 2010, Idaho Power completed nine
24 process evaluations on all of its commercial, industrial,

1 and irrigation energy efficiency programs, as well as four
2 of its residential energy efficiency programs. These
3 evaluations were conducted by third-party independent
4 evaluation firms. The results from these evaluations were
5 not final until early 2011. Idaho Power is currently
6 reviewing the results of these evaluations and beginning to
7 incorporate recommendations where appropriate. These
8 evaluations are included in their entirety in the
9 *Supplement 2: Evaluation of the DSM 2010 Annual Report*
10 ("Supplement 2"), which is included in Attachment No. 1 of
11 the Application.

12 In addition to these process evaluations, Idaho
13 Power conducted three research studies and eleven surveys
14 to gauge customer satisfaction. These studies, along with
15 market effects evaluations conducted by NEEA (provided in
16 the CD included in Attachment No. 1 to the Application) are
17 included in Supplement 2.

18 In 2010 Idaho Power implemented a new program
19 database that will enhance tracking of measure
20 implementation and quality assurance. This comprehensive
21 database will more effectively store savings results,
22 measure information, and will allow for more efficient
23 application and incentive processing for customers.

1 Q. Please provide a review of the internal
2 evaluation work done by Idaho Power on demand response
3 operations in 2010.

4 A. Idaho Power employees worked on two projects
5 pertaining to how the Company will operate its demand
6 response programs. The first project looked at how to
7 optimize the daily dispatch of the demand response programs
8 in order to achieve the greatest possible demand reduction
9 over the longest time period while at the same time using
10 all three programs during the highest peak time. The
11 result was a dispatch schedule that took into account the
12 near-term load forecast, the weather forecast, generation
13 availability, and magnitude of the expected peak. The
14 second demand response project looked at how to determine
15 the optimum amount of demand response resource that Idaho
16 Power can and should plan for in the long-term within the
17 Integrated Resource Planning process.

18 Q. Has Idaho Power been able to evaluate customer
19 satisfaction with the program offerings?

20 A. Yes. Idaho Power utilizes several different
21 survey instruments to gauge customer satisfaction. Since
22 1995, the Company has conducted a quarterly customer
23 satisfaction survey through a third-party proprietary
24 research vendor. The Company added five questions on this

1 survey to determine how satisfied customers are with the
2 energy efficiency programs. From 2003 to 2010, customers'
3 positive perceptions of Idaho Power's energy efficiency
4 efforts have increased from 39 percent to 57 percent, an
5 overall increase of 46 percent. Of those surveyed who
6 participated in at least one program, 95 percent are "very"
7 or "somewhat" satisfied with the program. The Company also
8 implements surveys for individual programs to gather
9 information on suggestions for improvement or satisfaction
10 of energy efficiency services offered.

11 Q. In Order No. 31080 in Case No. IPC-E-10-04,
12 the Commission directed Idaho Power to assess the NEEA
13 relationship on a going-forward basis. Where is Idaho Power
14 in its assessment of NEEA's costs and benefits?

15 A. On May 12, 2010, in Order No. 31080, Idaho
16 Power was granted authority to fund the Company's continued
17 participation in NEEA. Since that time, the Company has
18 been actively participating in several NEEA committees and
19 events. Idaho Power has been closely working with NEEA on
20 new quarterly reporting metrics that will be used for the
21 current 2010 through 2014 agreement. Idaho Power expects
22 that this process will provide clearer and more timely
23 costs and savings values in the future.

1 Q. Does Idaho Power have an evaluation plan for
2 2011?

3 A. Yes. The *2010-2012 Evaluation Plan* is
4 attached as Exhibit No. 3 and is also included in
5 Supplement 2. As explained earlier, the emphasis in 2010
6 was on conducting process evaluations. Process evaluations
7 typically assess the program delivery mechanisms in order
8 to identify constraints and potential improvements. The
9 primary focus in 2011 is on conducting impact evaluations.
10 Impact evaluations assist in the determination of energy
11 and demand impacts that can be directly attributed to a
12 program.

13 **V. SATISFACTION OF DSM MOU GUIDELINES**

14 Q. Does this filing satisfy the reporting
15 obligation for DSM activity as set forth in the DSM MOU?

16 A. Yes. Idaho Power has followed the template,
17 table of contents, highlights, and program specific
18 sections as recommended in the DSM MOU. This information
19 can be found in the main document of the DSM 2010 Annual
20 Report. In Supplement 1, Idaho Power has provided the
21 cost-effectiveness detail for programs and measures and
22 Supplement 2 supplies the evaluation information requested
23 in the DSM MOU.

1 Q. Last year's prudency filing was the first
2 using the DSM MOU as a guideline. Has Idaho Power enhanced
3 the DSM 2010 Annual Report in order to provide more detail
4 to address Staff's requests?

5 A. Yes. This year Appendix 5 was added to the
6 DSM 2010 Annual Report, which shows program savings
7 estimates and costs separated into Idaho and Oregon
8 jurisdictions and funding source. A new table was added to
9 Supplement 1 titled "*2010 DSM Detailed Expenses by Program*"
10 which shows the Company's DSM expenses by expense category
11 and jurisdiction. Additionally, as mentioned earlier,
12 Idaho Power included calculations of the RIM test for each
13 program.

14 Q. Does this conclude your testimony?

15 A. Yes, it does.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-11-05

IDAHO POWER COMPANY

NEMNICH, DI
TESTIMONY

EXHIBIT NO. 1

Idaho Power Company
Idaho Energy Efficiency Rider Expenditures (Dollars)

| Sector/Program | 2010 |
|--|----------------------|
| Energy Efficiency/Demand Response | |
| Residential | |
| A/C Cool Credit | \$ 1,854,979 |
| Ductless Heat Pump | \$ 181,969 |
| Energy Efficient Lighting | \$ 2,442,931 |
| Energy House Calls | \$ 724,895 |
| ENERGY STAR® Homes | \$ 369,344 |
| Heating & Cooling Efficiency Program | \$ 314,963 |
| Home Improvement Program ^(b) | \$ 944,716 |
| Home Products Program | \$ 813,171 |
| Rebate Advantage | \$ 34,283 |
| See Ya Later Refrigerator | \$ 548,872 |
| Weatherization Solutions for Eligible Customers | \$ 216,202 |
| Commercial/Industrial | \$ - |
| Building Efficiency | \$ 1,466,179 |
| Easy Upgrades | \$ 3,862,653 |
| FlexPeak Management | \$ 1,807,527 |
| Holiday Lighting | \$ 45,816 |
| Custom Efficiency | \$ 8,046,168 |
| Irrigation | \$ - |
| Irrigation Efficiency Rewards | \$ 2,059,676 |
| Irrigation Peak Rewards | \$ 13,096,946 |
| Energy Efficiency/Demand Response Total | \$ 38,831,290 |
| Market Transformation | |
| Northwest Energy Efficiency Alliance (NEEA) | \$ 2,271,656 |
| Market Transformation Total | \$ 2,271,656 |
| Other Programs and Activities | |
| Residential | |
| Residential Energy Efficiency Education Initiative | \$ 211,695 |
| Commercial | |
| Commercial Education Initiative | \$ 65,327 |
| Other | |
| Energy Efficiency Direct Program Overhead | \$ 100,087 |
| Local Energy Efficiency Funds | \$ 238 |
| Other Programs and Activities Total | \$ 377,347 |
| Indirect Program Expenses | |
| Residential Overhead | \$ 132,082 |
| Commercial/Industrial/Irrigation Overhead | \$ 143,140 |
| Energy Efficiency Accounting and Analysis | \$ 698,907 |
| Energy Efficiency Advisory Group | \$ 2,651 |
| Special Accounting Entries | \$ 22,619 |
| Indirect Program Expenses Total | \$ 999,399 |
| Grand Total | \$ 42,479,692 |

BEFORE THE
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CASE NO. IPC-E-11-05

IDAHO POWER COMPANY

NEMNICH, DI
TESTIMONY

EXHIBIT NO. 2

**Idaho Power Company
2010 Cost-Effectiveness Summary Program**

| Program | Benefit/Cost Tests | | |
|---|--------------------|---------------------------|------------------------|
| | Utility Cost (UC) | Total Resource Cost (TRC) | Participant Cost (PCT) |
| A/C Cool Credit | 1.11 | 1.11 | N/A* |
| FlexPeak Management | 1.14 | 1.14 | N/A* |
| Irrigation Peak Rewards | 1.43 | 1.37 | N/A* |
| Ductless Heat pump Pilot | 2.25 | 1.10 | 1.14 |
| Energy Efficient Lighting | 4.14 | 2.60 | 3.28 |
| Energy House Calls | 1.46 | 1.46 | N/A* |
| ENERGY STAR® Homes Northwest | 2.44 | 1.75 | 2.31 |
| Heating & Cooling Efficiency Program | 3.95 | 1.40 | 1.20 |
| Home Improvement Program | 9.64 | 4.85 | 2.55 |
| Home Products Program | 1.48 | 1.25 | 1.97 |
| Rebate Advantage | 4.47 | 2.90 | 3.78 |
| See ya later, refrigerator® | 1.67 | 1.67 | N/A* |
| Weatherization Assistance for Qualified Customers | 3.27 | 1.66 | N/A* |
| Weatherization Solutions for Eligible Customers | 1.58 | 1.58 | N/A* |
| Building Efficiency | 4.85 | 2.48 | 1.80 |
| Custom Efficiency | 4.71 | 2.84 | 1.56 |
| Easy Upgrades | 6.04 | 3.47 | 2.48 |
| Holiday Lighting | 2.43 | 1.83 | 2.13 |
| Irrigation Efficiency | 3.75 | 1.52 | 1.15 |

* PCT test not calculated on demand response programs and program where there are no participant

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NEMNICH, DI
TESTIMONY

EXHIBIT NO. 3

