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IDAHO PUBLIC
UTILITIES COMMISSION

DONOVAN E. WALKER
Lead Counsel
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August 10, 2011

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-11-16

***IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY
FOR APPROVAL OF AN ENERGY EFFICIENCY INCENTIVE AGREEMENT
BETWEEN IDAHO POWER COMPANY AND THE IDAHO OFFICE OF
ENERGY RESOURCES***

Dear Ms. Jewell:

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

Very truly yours,

Donovan E. Walker

DEW:csb
Enclosures

DONOVAN E. WALKER (ISB No. 5921)
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UTILITIES COMMISSION

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-11-16
APPROVAL OF AN ENERGY)
EFFICIENCY INCENTIVE AGREEMENT) APPLICATION
BETWEEN IDAHO POWER COMPANY)
AND THE IDAHO OFFICE OF ENERGY)
RESOURCES.)
_____)

Idaho Power Company ("Idaho Power" or "Company"), pursuant to RP 52 and Idaho Code §§ 61-501, -502, and -503, hereby applies to the Idaho Public Utilities Commission ("Commission") for approval of the Energy Efficiency Incentive Agreement ("Agreement") between Idaho Power Company and the Idaho Office of Energy Resources ("OER"), attached hereto as Attachment No. 1.

In support of this request, Idaho Power states as follows:

I. THE AGREEMENT

Idaho Power and OER entered into an Agreement dated July 21, 2011, to provide for a cooperative relationship to promote cost-effective energy efficiency

measures associated with OER's K-12 Energy Efficiency Project for public schools. OER currently implements a federally funded K-12 Energy Efficiency Project for public schools, and has federal funding available over the next twelve months. Idaho Power offers a number of energy efficiency programs to its customers, many of which involve monetary incentive payments and/or rebates for customer installed energy efficiency equipment and/or participation in various energy efficiency programs.

The purpose of the Agreement is to set forth some basic parameters that would provide for the accumulation and reinvestment of energy efficiency incentive payments from Idaho Power for qualified energy efficiency programs implemented by OER's K-12 Energy Efficiency Project for public schools. The intent is to maximize the use of available dollars from both the OER federal stimulus funding and Idaho Power's energy efficiency incentives in order to allow OER's energy efficiency initiatives with public schools in Idaho Power's service territory to continue to provide benefits past the availability of the federal funds. This arrangement will accomplish a higher level of energy efficiency than either party or program could achieve alone.

The Agreement provides that energy efficiency incentive payments from Idaho Power for OER qualified programs or installations will be accumulated into a dedicated fund. This fund will be earmarked and limited in use for additional cost-effective energy efficiency measures for K-12 public schools. OER will invest federally provided funds into energy efficiency projects for Idaho Power customers. OER will apply for and qualify their energy efficiency projects for possible participation in existing Idaho Power energy efficiency programs. Any energy efficiency incentive payments from Idaho Power for OER's qualified energy efficiency projects would be made in accordance with

Idaho Power's existing energy efficiency programs. The incentive payments will be paid into a dedicated fund held by Idaho Power. The intent is to keep the qualification and payment of Idaho Power incentives, as well as the directed re-investment of incentive money into additional energy efficiency measures, as close to identical as possible to Idaho Power's other customer-related incentive and energy efficiency programs. The incentive dollars paid by Idaho Power and held in the dedicated fund will be earmarked for use in additional cost-effective energy efficiency measures for Idaho Power customers identified by the K-12 Energy Efficiency Project, and limited to OER's continued implementation of cost-effective energy efficiency projects for Idaho Power's customers.

II. MODIFIED PROCEDURE

Idaho Power believes that a technical hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to present its testimony and support the Application in such hearing.

III. COMMUNICATIONS AND SERVICE OF PLEADINGS

Communications and service of pleadings, exhibits, orders, and other documents relating to this proceeding should be sent to the following:

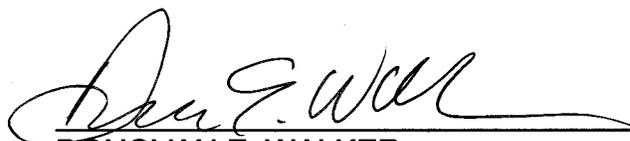
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IV. REQUEST FOR RELIEF

Idaho Power respectfully requests that the Commission issue an Order: (1) authorizing that this matter may be processed by Modified Procedure and (2) approving the Energy Efficiency Incentive Agreement between Idaho Power Company and the Idaho Office of Energy Resources.

Respectfully submitted at Boise, Idaho, this 10th day of August 2011.

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 10th day of August 2011 I served a true and correct copy of the within and foregoing APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

Office of Energy Resources
John Chatburn, Interim Administrator
Office of Energy Resources
304 North 8th Street, Suite 250
P.O. Box 83720
Boise, Idaho 83720-0199

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email jon.chatburn@oer.idaho.gov



Donovan E. Walker

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-11-16

IDAHO POWER COMPANY

ATTACHMENT NO. 1

**Energy Efficiency Incentives Agreement
Between Idaho Power Company and the
Idaho Office of Energy Resources**

THIS AGREEMENT ("Agreement") is entered into as of the 21st day of July, 2011, between IDAHO POWER COMPANY, hereinafter referred to as "IPC" and the Idaho Office of Energy Resources, hereinafter referred to as "OER". IPC and OER may also hereinafter be referred to individually as, "Party", or collectively as, "Parties".

1. Recitals:

IPC currently offers a number of energy efficiency programs to its customers, many of which involve monetary incentive payments and/or rebates for customer installed energy efficiency equipment and/or participation in various energy efficiency programs.

OER currently implements a federally funded K-12 Energy Efficiency Project for public schools. OER has approximately \$9.6 million to fund this program over the next 12 months.

The Parties desire to enter into an Agreement providing for a cooperative relationship that will maximize the use of available funding to promote and execute additional cost effective energy efficiency measures in public schools within IPC's service territory.

2. Purpose:

The intended purpose of this Agreement is to establish a relationship between IPC and OER and to set forth some basic parameters that would provide for the accumulation and reinvestment of energy efficiency incentive payments from IPC for qualified energy efficiency programs implemented by OER's K-12 Energy Efficiency Program for IPC customers with OER's federal stimulus funds. The intent is to maximize the available dollars from both the OER federal stimulus dollars and IPC's energy efficiency incentives in order to help OER's energy efficiency initiatives to continue to provide benefits past the availability of the stimulus funds. This agreement will accomplish a higher level of energy efficiency than either party could achieve with their respective programs alone.

3. IPC Incentive Payments:

OER will invest federally provided funds into energy efficiency projects for IPC's customers in IPC's service territory. OER will apply for, and qualify their energy efficiency projects for possible participation in existing IPC energy efficiency programs. Energy efficiency incentive payments from IPC for OER's qualified energy efficiency projects would be made in accordance with IPC's existing energy efficiency programs.

IPC will pay the incentive into a dedicated fund held by IPC. Because OER's federally provided funds would pay for 100% of the initial investment in the various energy efficiency projects, the incentive dollars paid by IPC shall be earmarked for use in additional cost effective energy efficiency measures for IPC customers identified by the K-12 Program. The intent is to keep the qualification and payment of IPC incentives, as well as the directed re-investment of incentive money into additional energy efficiency measures, as close to identical as possible to IPC's other customer related incentive and energy efficiency programs.

4. Authorized Use of Incentive Payments:

The use of monies from this dedicated fund would be earmarked for additional energy efficiency measures for the K-12 public schools sector, and limited to OER's continued implementation of cost-effective energy efficiency projects for IPC's customers. OER may also use up to ten percent of the monies from this dedicated fund to reimburse reasonable and prudent administration costs associated with the re-investment of the incentive payments into cost-effective energy efficiency programs.

5. Audit and Prudency:

The Parties agree that a complete accounting and sufficient records will be maintained and shared such that a subsequent prudency evaluation by the Parties or by Regulatory Authorities of the eligibility of the initial investment by OER, the incentive payment(s) made by IPC, and the subsequent use and re-investment of the incentive funds by OER may be conducted. The Parties agree to support requests for production of records, documents, and/or accountings made by the other Party or the appropriate Regulatory Authorities.

6. Authorization of the Agreement:

This Agreement is subject to the jurisdiction of those governmental and/or regulatory bodies having authority over either Party to this Agreement. If it is determined that this Agreement requires the express approval/acknowledgment of the Idaho Public Utilities Commission ("IPUC"), this Agreement shall not become finally effective until the IPUC's approval of all terms and provisions herein without change or condition. The Parties agree to support this Agreement, and the approval of the same, before the IPUC if required.

(Signature Page Immediately Follows)



IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective as of the day and year first herein above written.

IDAHO POWER COMPANY

IDAHO OFFICE OF ENERGY RESOURCES

Theresa Drake
Signature

[Handwritten Signature]
Signature

Theresa Drake
Printed Name of Signor

John Chatburn
Printed Name of Signor

Customer Relations and
Energy Efficiency Manager
Title of Signor

Interim Administrator
Title of Signor

July 25, 2011
Date

7/21/11
Date