

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 ITS ENERGY EFFICIENCY)	
INCENTIVE AGREEMENT WITH THE)	
IDAHO OFFICE OF ENERGY RESOURCES)	ORDER NO. 32368
)	

On August 10, 2011, Idaho Power Company applied to the Idaho Public Utilities Commission for an Order approving the Company's July 21, 2011 Energy Efficiency Incentive Agreement with the Idaho Office of Energy Resources ("OER"). On August 31, 2011, the Commission issued a Notice of Application and Notice of Modified Procedure. *See* Order No. 32342. Staff, the Idaho Conservation League (ICL), and OER filed comments.

The Commission, having reviewed the Company's Application and Agreement, the comments, and the other matters of record, makes the following findings and conclusions and enters its Order approving the Agreement, effective July 21, 2011.

FINDINGS OF FACT

Idaho Power and OER entered the Agreement effective July 21, 2011, subject to Commission approval. The Agreement states that OER has approximately \$9.6 million in federal stimulus funding available for its public school, K-12 Energy Efficiency Project (the "K-12 Project") over the next 12 months. Idaho Power, on the other hand, offers demand side management (DSM) energy efficiency programs that include incentive payments to customers who install qualifying energy efficiency measures. The Agreement sets parameters allowing for the accumulation and reinvestment of Idaho Power's incentive payments for qualified energy efficiency projects implemented by OER's K-12 Project. The Agreement will allow the parties to maximize OER's federal stimulus funds and Idaho Power's energy efficiency incentives and enable OER's efficiency initiatives to benefit Idaho Power's public school customers when stimulus funds are no longer available.

The Agreement contemplates that OER will invest federal stimulus funds into energy efficiency projects for Idaho Power's public school customers. Idaho Power then will determine whether the projects qualify for incentive payments under three Company DSM energy efficiency programs: the Custom Efficiency, Easy Upgrades, and Building Efficiency programs.

The Company will treat OER like any other entity that might apply for incentives from these programs, and it will evaluate whether an OER-funded project qualifies for incentive payments according to each DSM program's existing rules.

Under the Agreement, Idaho Power will pay its incentives for efficiency measures installed through OER's K-12 Project into a dedicated fund. These funds will be earmarked for use in additional cost-effective energy efficiency measures for Company customers identified by the OER K-12 Project. OER may use up to 10% of these funds to reimburse its reasonable and prudent administration costs associated with the reinvestment of incentive payments into cost-effective energy efficiency programs.

The parties expect the Agreement will enable them to accomplish a higher level of energy efficiency than either party could achieve with its respective programs alone.

We believe leveraging incentive dollars for this purpose represents an opportunity to pursue additional energy efficiency projects within Idaho's school buildings. This approach allows OER to utilize recently completed scoping audits to seamlessly continue efforts to implement cost-effective energy efficiency measures. Ultimately, we see this decision resulting in a reduction of energy consumption that will benefit all customers within Idaho Power's service territory.

Based on the above, the Commission finds that the Agreement is just and reasonable and in the public interest.

CONCLUSIONS OF LAW

The Commission has jurisdiction over Idaho Power Company, an electric utility, and the issues presented in this case pursuant to Idaho Code, Title 61, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*


ORDER

IT IS HEREBY ORDERED that the Idaho Power's Application is granted. The Commission approves the Agreement. As the Agreement was not effective until July 21, 2011, it applies only to projects implemented on or after that date. When the Company evaluates whether an OER-funded project qualifies for a DSM program incentive payment, the Company must use the same criteria it would use to evaluate any other entity's project.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7)

days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th day of September 2011.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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