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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
APPLIATION OF IDAHO POWER)
COMPANY FOR THE APPROVAL OF)
AN ENERGY EFFICIENCY INCENTIVE)
AGREEEMENT BETWEEN IDAHO)
POWER COMPANY AND THE IDAHO)
OFFICE OF ENERGY RESOURCES)

CASE NO. IPC-E-11-16

COMES NOW, the Idaho Conservation League (“ICL”) in support of this application. The Idaho Office of Energy Resources (“OER”) k-12 Energy Efficiency Project is a great success for Idaho and its school children. As a member of the oversight board for this project, ICL participated in its design and implementation. After conducting a thorough energy audit of schools around the state OER wisely choose to distribute the available funds broadly by focusing on upgrading the lighting in school buildings. As part of these energy audit OER contractors uncovered many examples of inadequate and poorly operating heating, cooling and ventilation systems. Not only were these HVAC systems needlessly costing schools money in wasted energy, they led to poor air quality in our children’s classrooms. Going forward Idaho must find a means to rectify these know problems. ICL believes this agreement is a good start.

ICL’s support for this application is premised on the following interpretation of the proposal. As OER invests in efficiency upgrades at schools, they may become eligible for incentive payments under Idaho Power programs. OER will deposit any incentives collected in a dedicated account and earmarked for additional projects at public schools within Idaho Power’s

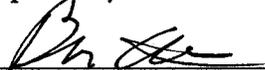
service territory. Idaho Power will hold the account and will not collect any carrying charge or administrative fee for doing so. Other than the 10% administrative fee collected by OER, they will invest all the federal funds and any incentive amounts in efficiency upgrades at public schools served by Idaho Power. The only change ICL suggests is to cap OER's administrative fee at some reasonable amount, such as \$100,000 per year.

ICL does not believe this proposed structure presents any problems of free ridership. The initial investment of federal funds is causing efficiency projects to happen that would not have otherwise. We know this because of the drastic cuts to school budgets recently. Any incentive payments triggered by the initial investment will be dedicated to additional efficiency projects at schools above and beyond those projects funded by the initial investment of federal funds. Again, because of tight school budgets, it is highly likely that additional efficiency projects will not occur without some level of funding support. Thus, the structure of this agreement is causing more energy efficiency to occur than would happen in the absences of the incentive payments.

This is a proper use of Idaho Power energy efficiency incentives. The k-12 energy efficiency program includes a robust pre and post measurement of the cost effectiveness of each project. Based on this analysis ratepayers and regulators can be confident the incentive payments will be used for cost effective, and thus prudent, investments in energy efficiency. Also, since this spending will occur in 2011 or later, all stakeholders will have the opportunity to ensure the prudence of any investments in future proceedings.

DATED this 20th day of September 2011.

Respectfully submitted,



Benjamin J. Otto
Idaho Conservation League