

Benjamin J. Otto (ISB No. 8292)
710 N 6th Street
Boise, ID 83701
Ph: (208) 345-6933 x 12
Fax: (208) 344-0344
botto@idahoconservation.org

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for the Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
APPLICATION OF THE IDAHO)
POWER COMPANY FOR AUTHORITY)
TO TEMPORARILY SUSPEND IT'S A/C)
COOL CREDIT AND IRRIGATION)
PEAK REWARDS DEMAND)
RESPONSE PROGRAMS)

CASE NO. IPC-E-12-29
COMMENTS OF THE IDAHO
CONSERVATION LEAGUE

The Idaho Conservation League (ICL) recommends the Commission approve the Stipulation. Over the last decade, demand response programs have become sizable resources -- more than 30,000 Idahoans participate in the A/C Cool Credit program alone. Collectively, the programs provide over 350 MW of capacity to mitigate peak demands. After a decade of development and millions of dollars invested, ensuring the long-term viability of this resource serves the public interest. While stakeholders examine the programs over the next year, allowing Idaho Power to incur reasonable maintenance expenses will help ensure the programs remain viable. The Stipulation protects customers by ensuring "recovery of reasonable infrastructure costs will be addressed as part of the Commission's prudence review process."¹ And customers benefit by reducing the incentive costs below current base levels in the Power Cost Adjustment -- for example, A/C Cool Credit PCA impact will drop from \$769,000 to about \$90 - \$105,000.² Because it protects the public interest while establishing a process to ensure the long-term viability of the demand response programs, ICL recommends the Commission approve the Stipulation.

A critical part of ensuring the long-term viability of the A/C Cool Credit program is maintaining customer participation levels. For this program, participation matters since each

¹ Stipulation at ¶ 9, page 4.

² See Exhibit 1, IPC Response to Staff Request # 19. The \$90,000 - \$105,000 is an estimate of the continuity payment of \$3 per customer times 30,000 --and 35,000 customers.

home provides a small amount of demand reduction.³ ICL supports providing \$3 continuity payment to encourage customers to remain in the program. This payment is a tangible showing Idaho Power intends to maintain the program, acknowledges customer participation, and keeps participants engaged with the program during the up coming year. Idaho Power anticipates spending about \$650,000 to maintain the system during the suspension period.⁴ An additional \$100,000 in continuity payments is a reasonable expense to encourage customer participation.

ICL looks forward to reviewing the pricing and operations of the demand response programs during the second phase of this proceeding. As these programs mature, the operations and incentive levels must adapt to maximize the value for Idaho Power and customers. During 2012, impact evaluations of the A/C Cool Credit program show that matching cycling rates to air temperature can produce more energy savings making the programs more cost.⁵ Phase two provides a forum to review these types of changes to operations and adjust incentive structures appropriately. By approving the Stipulation, the Commission can help maintain current program capacity and establish a forum to maximize customers' investment in demand response programs.

DATED, the 11th day of March 2013,

Respectfully submitted,



Benjamin J. Otto
Idaho Conservation League

³ See Exhibit 1, Idaho Power Response to Staff Request # 31. (Showing Max kW Reduction per unit ranging from 0.25 to 1.09.)

⁴ Direct Testimony of Theresa Drake at 14.

⁵ See Exhibit 1, Idaho Power Response to Staff Request # 31.

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Exhibit 1

Idaho Power Company Response to Staff Request # 19 and #31

RESPONSE TO REQUEST NO. 19: The Company's current base rates include a "normalized" level of demand response incentive recovery of \$1 1.3 million from which deviations will be tracked through the 2013-2014 Power Cost Adjustment ("PCA"). The Company has not yet forecast the level of demand response incentive payments that will be included in the 2013-2014 PCA filing that will be made on April 15, 2013. The program breakout for the normalized recovery in base rates is:

AC Cool Credit:	\$769,647.48
Flex Peak Management:	\$1,993,222.50
<u>Irrigation Peak:</u>	<u>\$8,489,395.50</u>
Total:	\$11,252,265.48

The response to this Request was prepared by Scott Wright, Regulatory Analyst II, Idaho Power Company, in consultation with Lisa D. Nordstrom, Lead Counsel, Idaho Power Company.

RESPONSE TO REQUEST NO. 31:

Date	% Cycling	Boise Metro Temp	Twin Falls Pocatello Temp	Data source	Max kW Reduction / unit
June 21, 2012	65%	95°	89°	AMI	0.5
July 02, 2012	100% (1 hr)	95°	89°	AMI	0.25
July 11, 2012	60%	99°	94°	AMI	0.33
July 12, 2012	60%	106°	99°	AMI	1.09
July 19, 2012	65%	104°	95°	AMI	0.95
July 25, 2012	50%	97°	95°	AMI	0.37
July 31, 2012	70%	97°	94°	AMI	0.89
August 13, 2012	50%	97°	93°	AMI	0.4
August 16, 2012	75%	93°	92°	AMI	0.8
August 20, 2012	65%	94°	85°	AMI	0.57
August 22, 2012	100% (1 hr)	90°	87°	AMI	0.85

It should be noted, the average load reduction across events for 2012 does not represent the potential peak load reduction. In 2012, Idaho Power contracted with PEGI to conduct research associated with the load reduction for the A/C Cool Credit program. Under the plan developed by PEGI, Idaho Power experimented with various cycling strategies at various temperature bins and specifically did not cycle on some days to be used as control days. The entire study conducted by PEGI will be included in Idaho Power's Demand-Side Management 2012 Annual Report, Supplement 2: Evaluation filed with the Commission on March 15, 2013. Because the data source for the table above was AMI hourly load data, the kilowatt ("kW") reduction per unit column is based on hourly data.

The response to this Request was prepared under the supervision of Theresa Drake, Customer Relations and Energy Efficiency Manager, Idaho Power Company, in consultation with Lisa D. Nordstrom, Lead Counsel, Idaho Power Company.

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of March 2013, I delivered true and correct copies of the foregoing COMMENTS to the following persons via the method of service noted:

Hand delivery:

Jean Jewell
Commission Secretary (Original and seven copies provided)
Idaho Public Utilities Commission
427 W. Washington St.
Boise, ID 83702-5983

Electronic Mail:

Lisa D. Nordstrom
Courtney Waites
Tim Tatum
Idaho Power Company
P.O. Box 70
Boise, ID 83707
lnordstrom@idahopower.com
dockets@idahopower.com
cwaites@idahopower.com
ttatum@idahopower.com

Eric Olsen
Racine, Olsen, Nye, Budge & Bailey,
Chartered
P.O. Box 1391
Pocatello, ID 83204
elo@racinelaw.net

Anthony Yankel
29814 Lake Road
Bay Village, OH 44140
tony@yankel.net

Ken Miller
Clean Energy Program Director
Snake River Alliance
Box 1731
Boise, ID 83701
kmiller@snakeriveralliance.org


Benjamin J. Otto