BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

)

)

)

)

)

)

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

CASE NO. IPC-E-12-29

ORDER NO. 32849

On April 2, 2013, the Commission issued Order No. 32776 temporarily suspending two demand response programs for 2013. In its Order, the Commission accepted a proposed settlement entered into by all parties that provided, among other things, that Idaho Power would not impose any "cycling" events on participating A/C Cool Credit and Irrigation Peak Rewards¹ customers during 2013. Order No. 32776 at 3-4. In its Order the Commission addressed several topics raised by customers. In particular, the Commission noted that it was intrigued by one

> customer comment about utilizing the A/C Cool and/or Peak Rewards programs this summer [i.e., 2013] in response to unforeseen emergencies. Although the Company does not believe it will need to use these programs in 2013, we doubt that it has perfect foresight. Conditions and circumstances may occur that could be helped by use of these programs. We direct the Company to consider whether these programs might be utilized to respond to system emergencies in 2013 and in the future.

Order No. 32776 at 8.

On April 16, 2013, Idaho Power filed a Petition for Clarification requesting the Commission clarify that part of its Order quoted above regarding the possibility of utilizing the two demand response programs for system emergencies in 2013. Idaho Power specifically requested the Commission "acknowledge that the Company has considered whether the A/C Cool Credit and Irrigation Peak Rewards programs could be utilized to respond to system emergencies, and that it is in the customers' best interest to fully suspend [these programs] for 2013 as reflected in the Settlement Stipulation. . . ." Petition at 6. After reviewing our prior Order and the Company's Petition, we find that clarification of Order No. 32776 is unwarranted.

¹ The A/C Cool program allows the utility to periodically "cycle" the central air conditioning units of participating residential customers during the summer months of June, July and August. The Peak Rewards program allows the utility to turn off the irrigation pumps of participating irrigation customers for a limited number of hours during the three summer months. Order No. 32776 at 1.

PETITION FOR CLARIFICATION

In its Petition for Clarification, the Company raises two issues. First, the Company asserts that it did evaluate the role of the two demand response programs in responding to system emergencies. "Idaho Power believes that demand response programs play a limited role in responding to system emergencies." Petition at \P 7. The Company notes that demand response programs are designed to minimize or delay the need for new supply-side resources by reducing peak loads for short periods of time. As indicated in its 2013 Integrated Resource Plan (IRP), the Company states that it has "adequate capacity on its system to meet peak-hour needs even under extreme weather and water conditions. . . ." *Id.* Moreover, the Company insists that it has a load curtailment system in place for system emergencies. Idaho Power also states that its FlexPeak demand response program was not suspended for 2013 and is available for reducing loads.²

Second, the Company asserts that it is not "a prudent use of customer money" to utilize the programs as "insurance" for system emergencies. *Id.* at ¶ 8. The Company maintains that it evaluated the use of the two demand response programs for system emergencies "and concluded that the costs to use the programs for emergencies would essentially be the same as keeping the programs fully operational." *Id.* It also states that utilizing the programs to respond to emergencies may cause confusion for customers who have been informed that there will no cycling events for 2013. *Id.* at ¶ 9. Idaho Power insists that utilizing the programs for emergencies would require a modification of the Settlement Stipulation, and "[s]ufficient time does not exist to revisit this issue [for this summer] ." *Id.* at ¶ 10. Finally, the Company indicates that the temporary suspension of the demand response program (resulting in a customer savings of \$10.1 million) "has greater value to customers than the limited system emergency benefit offered by the A/C Cool Credit and Irrigation Peak Rewards demand response programs." *Id.* at ¶ 12.

DISCUSSION

Having reviewed our prior Order and the Company's Petition for Clarification, we find that clarification is unnecessary. As set out above, our prior Order directed Idaho Power "to consider whether [the A/C Cool and Peak Rewards] programs might be utilized to respond to system emergencies in 2013 and in the future." Order No. 32776 at 8 (emphasis added). In

 $^{^{2}}$ In Order No. 32805 the Commission approved an amendment to the existing contract between Idaho Power and EnerNOC to reduce the weekly demand reduction capacity from 35 MW per week for participating industrial customers to a range of 20 MW to 35 MW per week.

other words, our Order simply directed the Company to examine whether these two programs might be utilized to respond to system emergencies. As set out in its Petition, the Company has evaluated utilizing these programs and concluded that it has adequate capacity to meet system emergencies and it is "in the customers' best interest to fully suspend [these programs] for 2013. . . ." Petition at 6. Having completed its analysis, we find the Company has satisfied the Commission's directive.

ORDER

IT IS THEREFORE ORDERED that Idaho Power Company's Petition for Clarification of Order No. 32776 is denied.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this $1/7^{h}$ day of July 2013.

PAUL KJELLANDER, PRESIDENT

COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Jean D. Jewell (/ Commission Secretary

bls/O:IPC-E-12-29_dh5