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IDAHO PUBLIC UTILITIES COMMISSION

**JULIA A. HILTON**  
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February 18, 2014

**VIA HAND DELIVERY**

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
Boise, Idaho 83702

Re: Case No. IPC-E-13-08 – Compliance Filing  
Energy Efficiency Advisory Group (“EEAG”) Report

Dear Ms. Jewell:

In Order No. 32953, the Idaho Public Utilities Commission ordered Idaho Power Company (“Company”) to file a report regarding the Company’s perspective on the EEAG’s purpose and value, whether or not it is working, recent improvements to EEAG, and how it may be improved going forward. Therefore, enclosed for filing are an original and seven (7) copies of a report containing the Company’s perspective on EEAG.

If you have any questions regarding the content of this filing, please direct them to Theresa Drake at 388-6445 or [tdrake@idahopower.com](mailto:tdrake@idahopower.com).

Very truly yours,

Julia A. Hilton

JAH:kkt  
Enclosures  
cc: Service List (w/encl.)

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 18<sup>th</sup> day of February 2014 I served a true and correct copy of IDAHO POWER COMPANY'S REPORT ON THE ENERGY EFFICIENCY ADVISORY GROUP upon the following named parties by the method indicated below, and addressed to the following:

### **Commission Staff**

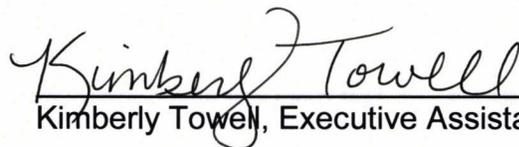
Karl T. Klein  
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### **Idaho Conservation League**

Benjamin J. Otto  
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Kimberly Towell, Executive Assistant

**IDAHO POWER COMPANY**  
**REPORT ON THE ENERGY EFFICIENCY ADVISORY GROUP**  
**FEBRUARY 18, 2014**

**INTRODUCTION**

Idaho Power Company (“Idaho Power” or “Company”) respectfully submits its Report on the Energy Efficiency Advisory Group (“EEAG”) in compliance with the Idaho Public Utilities Commission (“Commission”) Order No. 32953 issued on December 20, 2013, in Case No. IPC-E-13-08.<sup>1</sup> On page 11 of this Order, the Commission directed Idaho Power to:

file a report with the Commission explaining the Company’s perspective on the EEAG’s purpose and value, whether or not the EEAG is working, and how the EEAG could be improved. The Company shall file this report within 60 days of the date of this Order.

Consistent with the Commission’s directive, this Report includes:

- A short discussion on the history of the EEAG and the guidance provided to Idaho Power from the Commission on the role of the EEAG
- Idaho Power’s perspective on the purpose and value of the EEAG
- A review of how Idaho Power perceives the EEAG is working
- A description of recent and future improvements to the EEAG process

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<sup>1</sup> This Commission directive may have been prompted, at least in part, by the Commission’s understanding of the timing of discussions with the EEAG regarding the implications of the results of Idaho Power’s Load and Resource Balance. See Order No. 32953 at 10 (“it took five or six months to share that information with the EEAG.”). This misunderstanding stems from an error in Idaho Power’s Reply Comments filed in Case No. IPC-E-13-08. In its Reply Comments at 13, Idaho Power erroneously stated that the Load and Resource Balance was finalized “in June just prior” to the November 30<sup>th</sup> IRPAC meeting. The Load and Resource Balance was not finalized in June. It was finalized days before the November 30<sup>th</sup> IRPAC meeting; the Load Forecast was finalized in June, which is then used to create the Load and Resource Balance. Idaho Power regrets that its mistake inaccurately represented the timing of its communication with the EEAG in its Reply Comments. Please refer to Case No. IPC-E-12-29 Drake DI at page 3, lines 5-14 where Idaho Power correctly reported the timing of the completion of the Load and Resource Balance.

## **HISTORY AND GUIDANCE**

Idaho Power formed the EEAG in 2002 in response to Commission Order No. 28894 which stated on page 7, “the Commission orders Idaho Power to form the Energy Efficiency Advisory Group and establish a plan for implementing long-term DSM programs.” Idaho Power organized its first EEAG meeting on April 30, 2002, and has worked with an active and engaged Energy Efficiency Advisory Group since. Idaho Power has consistently met with the EEAG to gather advice and perspectives from its members.

The Commission has expressed its desire for the EEAG to have an important role as an advisory body in various orders spanning the last 11 years. The Commission envisioned that the EEAG would “recommend new DSM measures, enhance existing DSM programs, prioritize implementation of appropriate programs and evaluate each program’s effectiveness.” Order No. 28894 at 7.

In Order No. 28993 at 3, the Commission stated its intent that the recommendations that resulted from the EEAG meetings would establish a plan for implementing Idaho Power’s long-term DSM programs. The Commission further clarified the EEAG’s role in Order No. 28927 where the Commission stated its vision of the advisory group’s role as being advisory in nature and in reviewing proposals and making recommendations to Idaho Power rather than implementing programs. Order No. 28927 at 2-3.

Currently, the EEAG consists of 14 members<sup>2</sup> from Idaho Power’s service area and the Pacific Northwest. Members represent a cross section of customers from the residential, industrial, commercial, and irrigation sectors, as well as staff members of the

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<sup>2</sup> See EEAG member list included as Attachment A to this Report.

public utility commissions of Idaho and Oregon, individuals representing senior citizens, limited-income customers, environmental organizations, technical entities, state agencies, and Idaho Power.

Historically, the EEAG has met three to five times per year. The EEAG met five times in 2012. Three regularly scheduled in-person meetings were held throughout the year. Additionally, two special meetings were convened via a web-based conference on December 5th and a telephonic conference on December 14th to: (1) share the results of the recently completed Load and Resource Balance analysis, (2) discuss the implications of that analysis for Idaho Power's demand response programs, and (3) obtain the EEAG's input on Idaho Power's proposal to file a request with the Idaho Commission and the Public Utility Commission of Oregon for authority to temporarily suspend two of its three demand response programs. In those meetings, Idaho Power also provided a presentation on the Energy Efficiency Potential Study by Idaho Power's third-party contractor, and provided an update on the Company's relationship with the Northwest Energy Efficiency Alliance and the Center for Advanced Energy Studies Energy Efficiency Research Institute.

In 2013, the EEAG held four in-person meetings throughout the year.<sup>3</sup> Idaho Power recorded minutes at each of those meetings that are available on the Company's website.<sup>4</sup>

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<sup>3</sup> In addition to the regularly scheduled EEAG meetings during 2013, five demand response workshops were held during July through August with stakeholders. The EEAG was invited to participate in these workshops. Nearly half of the EEAG members or their organizations participated in the demand response workshops.

<sup>4</sup> Agendas and minutes for 2012 and 2013 EEAG meetings can be found in Attachment B to this Report. They can also be found at: <https://www.idahopower.com/EnergyEfficiency/reports.cfm>

## **IDAHO POWER'S PERSPECTIVE ON THE PURPOSE AND VALUE OF THE EEAG**

Idaho Power believes that the purpose of the EEAG is to provide guidance and advice to the Company on its energy efficiency and demand response efforts. The value of the EEAG lies in the diversity of perspectives and expertise of the members, which help shape future programs and decisions. Through the EEAG meetings and discussions, the Company gains valuable insights that may not have otherwise been considered in the absence of the advisory group, and the Company finds value in ideas in addition to its own.

Idaho Power recognizes the significant time and effort the EEAG members contribute to the stakeholder input process and appreciates the commitment and expertise of its EEAG members. Since the EEAG was formed, its members have significantly contributed towards the development of Idaho Power's energy efficiency and demand response portfolios.

The EEAG has and does provide advice and perspectives that have influenced the design of specific DSM programs and helped Idaho Power deliver better long-term DSM programs to its customers. For instance, in 2008 prior to implementing a refrigerator recycling program, Idaho Power and the EEAG discussed two program management options for conducting the program. One option for the program included a third-party contractor who would be responsible for the removal and disposal of the old refrigerator. Some EEAG members felt that might be challenging and prohibitive for customers to participate in the program without having the Company or the contractor remove and dispose of the old refrigerators. The pros and cons of the two options were discussed with the EEAG. The EEAG favored the option that included third-party removal of the old refrigerators because they thought that would attract higher

participation levels.<sup>5</sup> As a result of this input, the See ya later, refrigerator® program became one of Idaho Power's most successful program offerings to residential customers.

The EEAG members have provided meaningful advice when considering new DSM measures for new or existing programs. For example, in 2005, when Idaho Power was designing the Building Efficiency program, the EEAG suggested including project commissioning as a new measure<sup>6</sup> to ensure measures operated in the manner they were designed to after they were installed. In 2009, the EEAG recommended the addition of a green motor rewind option as a measure to be offered under the Irrigation Efficiency Rewards program. The Company subsequently added these recommended DSM measures.<sup>7</sup>

Because of the depth of knowledge and spectrum of technical expertise that exists among the EEAG members, the group has made insightful recommendations for the enhancement of new and existing DSM programs. For example, in 2006, the EEAG recommended working with local heating, ventilation, and air-conditioning ("HVAC") consultants to utilize their HVAC technical expertise in the design of the new Heating and Cooling Efficiency program. In addition, Idaho Power implemented the EEAG's suggestion to provide a sales incentive for contractors to promote the program with the goal of increasing participation.<sup>8</sup>

Another example of the positive influence of the EEAG was in 2009 when the Company proposed to the EEAG that the Irrigation Efficiency Rewards program be modified to ensure that incentives are provided only to program participants that have

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<sup>5</sup> Demand-Side Management 2008 Annual Report, page 64

<sup>6</sup> Demand-Side Management 2005 Annual Report, page 48.

<sup>7</sup> Demand-Side Management 2009 Annual Report, page 92.

<sup>8</sup> Demand-Side Management 2007 Annual Report, page 42.

installed the qualified measure within the last year. Since the programs' inception, the Company had used a fixed date to require purchase of equipment under the menu option of the program. In the October, 2009 EEAG meeting the members supported this change to the eligibility requirements for these measures.<sup>9</sup>

Over the years, the EEAG has helped Idaho Power to prioritize implementation of programs. For example, at the November 6, 2012, EEAG meeting, Idaho Power presented and discussed four residential initiatives: Home Energy Audits, Shade Tree Pilot program, Student Energy Efficiency Kits, and a Solar Thermal Hot Water measure. After active discussion with the EEAG, all initiatives except the Solar Thermal Hot Water measure received positive feedback and support and were ultimately implemented.<sup>10</sup> The discussion included concerns about the Solar Thermal Hot Water measure with few vendors involved, the difficulty of implementing a measure with a high federal tax credit, and the cost-effectiveness of the measure from the participants' perspective.

EEAG members have helped with the evaluation of program effectiveness. For example, the EEAG helped to establish the utilization of a Seasonal Energy Efficiency Ratio ("SEER") level of 13 as the baseline efficiency level against which program performance could be measured in the early stages for the Heating and Cooling program in 2007.<sup>11</sup> This benchmark was important to have a consistent baseline from which to accurately measure savings. This is an example of the value provided by EEAG members with knowledge in energy codes and evaluation techniques.

In 2012 and 2013, Idaho Power arranged for six third-party consultants to present information to the EEAG on research and evaluation they conducted under

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<sup>9</sup> Demand-Side Management 2009 Annual Report, page 94.

<sup>10</sup> Demand-Side Management 2012 Annual Report, page 11.

<sup>11</sup> Demand-Side Management 2007 Annual Report, page 42.

contract with Idaho Power. This research and evaluation informs important components of program effectiveness, and sharing this information with the EEAG helps increase its members' knowledge about how Idaho Power's third-party consultants conducted their work. A better informed EEAG helps Idaho Power in its DSM efforts. The presentations included:

- Energy Efficiency Potential Study – EnerNOC Utility Services presented December 5, 2012
- Energy Efficiency Programs Non-Participant Customer Survey – Hansa Consulting presented May 23, 2013
- Evaluation of Sprinkler Irrigation System Components in Southern Idaho – Biological and Agricultural Engineering Department, University of Idaho presented May 23, 2013
- Irrigation Efficiency Reward Impact Evaluation – ADM Associates presented February 6, 2014
- Weatherization Assistance for Qualified Customers and Weatherization Solutions for Eligible Customers Process Evaluation – Johnson Consulting Group presented February 6, 2014

In the fall of 2013, Idaho Power presented to the EEAG the DSM Alternative Costs from the 2013 Integrated Resource Plan (“IRP”) and initiated a robust discussion regarding the impact that these costs have on the cost-effectiveness of the programs. The Company received valuable input from the EEAG members on various metrics within the cost-effectiveness analysis that could be modified and still adhere to the

Memorandum of Understanding with Commission Staff and the other investor-owned utilities in Idaho.<sup>12</sup>

The EEAG has helped inform plans for potential changes to existing programs. Recently, Idaho Power participated in regional discussions regarding the Standards for General Service Fluorescent Lamps protocol that became effective July 14, 2012. Due to the extensive T-12 lamp inventory and the continued production of T-12 lamps that meet the exception clause of the new protocol, Idaho Power felt that it should continue offering T-12 to T-8 incentives throughout 2013. Idaho Power sought EEAG advice on extending the incentives at the July 19, 2012, EEAG meeting. Members were unanimously supportive of continuing to offer incentives for T-12 retrofit projects.<sup>13</sup>

The EEAG's contributions are meaningful and useful in advancing DSM to Idaho Power's customers by providing additional perspectives and technical knowledge to Idaho Power's implementation of DSM programs.

### **IDAHO POWER'S PERSPECTIVE ON HOW THE EEAG IS WORKING**

Idaho Power believes that the EEAG is providing value and is working effectively. Since 2002 and the commencement of the EEAG, Idaho Power's DSM efforts have grown substantially. In the early years, creating new programs was a primary focus. In 2002, the Idaho Power energy efficiency programs delivered 3,866 megawatt-hours ("MWh") in savings. With the addition of new programs and growth in customer participation, ten years later customer participation in Idaho Power programs delivered over 150,000 MWh in annual savings. This accounts for more than 1 million MWh of annual energy savings, enough to power about 85,000 average homes in Idaho Power's

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<sup>12</sup> Case No. IPC-E-09-09.

<sup>13</sup> Demand-Side Management 2012 Annual Report, page 92

service area. The EEAG's influence in DSM program portfolio design is evident in this tremendous result.

As programs have matured over time and conditions such as lower natural gas prices and the ebb and flow of the economy have changed, so too have the topic discussions in EEAG. Advances in building codes and energy efficiency technologies and new inputs to cost-effectiveness have provided opportunities for spirited discussion during EEAG meetings. The EEAG's involvement and input continues to be beneficial to help Idaho Power meet its goal of continuous improvement in its DSM program offerings and customer satisfaction by providing additional perspectives and expertise.

The Company believes that recent changes made to the EEAG process, which will be discussed in the next section of this Report, have improved the overall effectiveness of the EEAG. The Company has attempted to address issues concerning the structure and content of the EEAG meetings and to initiate processes to facilitate more effective member input. Idaho Power believes that it utilizes its EEAG effectively; however, further changes could improve the EEAG's effectiveness (discussed below in the "Recent and Future Improvements" section).

While Idaho Power endeavors to involve the EEAG in a meaningful way, the Company must also work within certain constraints when providing the EEAG with information. Idaho Power understands that the EEAG members would, at times, like to have more information provided to them than Idaho Power is able to share. However, the EEAG meetings are often attended by vendors or other members of the public. Some of the information that EEAG members would like to discuss is confidential (for business or securities law reasons) or competitive (for antitrust law reasons). These issues may prevent full disclosure of certain information by the Company to the EEAG

in a public forum. However, in some instances, the Company and the EEAG have worked through the confidentiality issue by calling special meetings with the EEAG and asking the attendees to agree to keep discussions confidential, as was the case with the December 2012 EEAG meetings to seek stakeholder input and discuss Idaho Power's proposal to file requests to temporarily suspend two of its three demand response programs.

### **RECENT AND FUTURE IMPROVEMENTS TO THE EEAG**

In response to suggestions from the EEAG members and past Commission direction, the Company made changes to address criticisms of how it operates its EEAG meetings. Idaho Power and the EEAG subsequently made several modifications to the operation of the EEAG in the last two years that the Company views as improvements. These modifications began during the July 2012 EEAG meeting where EEAG members and Idaho Power staff engaged in an interactive session to review the structure and content of the EEAG meetings so that Idaho Power could gain a thorough understanding of the EEAG members' opinions. During this meeting, the EEAG members were asked specific questions about what they found of value and liked about the EEAG meetings and what they would prefer to see changed about the process. The input received from the EEAG centered around two general areas: how to improve the structure of the meetings and how to improve the content of the meetings. The specific suggestions can be found in Attachment C to this Report.

Based on the above-mentioned efforts, Idaho Power and the EEAG have made several changes to the way the EEAG operates and the Company believes that these changes are producing results. The EEAG members have recognized that Idaho Power

is providing more information on current and future issues, such as how to use DSM alternative costs in program cost-effectiveness calculations.

Idaho Power utilized many of these processes and practices in the successful effort during the summer of 2013 to redesign its demand response programs. Idaho Power believes stakeholder participants in that process – many of which were EEAG members – were universally pleased with the process and outcomes.

In addition to the significant progress that has been completed to date, Idaho Power believes that the recent changes made to the EEAG process will continue to bring improvements in the future. Idaho Power and the EEAG are currently considering a future improvement as discussed more fully below.

As part of Idaho Power's efforts to continually improve the EEAG, and based on informal comments received from Staff regarding its preference for the format of Avista's energy efficiency advisory group meetings, Idaho Power DSM representatives attended and observed one of Avista's EEAG meetings<sup>14</sup>. At that meeting Idaho Power gained first-hand insight of Avista's meeting format and observed alternatives that may prove to be beneficial for Idaho Power's EEAG meeting format.

One of the observations made at the Avista meeting that may be beneficial is the use of a professional facilitator. Idaho Power believes that a professional facilitator may be helpful to solicit comments from members, ensure that a consistent and unified position or opinion from stakeholders represented by multiple participants is being captured, serve as a neutral third-party when controversial issues are discussed, and keep the meeting topics and discussions within the scope of the EEAG's charter and on track without inhibiting discussion. When Idaho Power shared this observation, EEAG

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<sup>14</sup> The Company greatly appreciates Avista's accommodation to have Idaho Power as a meeting guest.

members had a variety of opinions, some supportive and some not, towards using a professional facilitator and the Company continues to keep this option open.

## **CONCLUSION**

The EEAG provides value to Idaho Power by providing guidance and advice, and bringing different perspectives to the Company regarding its energy efficiency and demand response efforts. Idaho Power believes the EEAG is working and the Company is utilizing the EEAG in the manner in which the Commission envisioned. Idaho Power appreciates the time and effort contributed over the past 11 years by its EEAG members. The Company values the contributions the EEAG has provided in the development of its successful DSM portfolio and recognizes that its DSM results are better because of its EEAG's participation and perspectives. Idaho Power welcomes suggestions about how to make this public process more effective and endeavors to incorporate meaningful changes.

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-13-08**

**IDAHO POWER COMPANY  
REPORT ON THE  
ENERGY EFFICIENCY ADVISORY GROUP**

**ATTACHMENT A**

# EEAG MEMBERSHIP LIST

As of February 18, 2014

| <b>Representation</b> | <b>Organization</b>                         | <b>Member Name</b> |
|-----------------------|---|--------------------|
| Regulator             | Public Utility Commission of Oregon         | Brittany Andrus    |
| Special Interest      | Idaho Governor's Office of Energy Resources | John Chatburn      |
| Residential           | City of Boise, Public Works                 | Catherine Chertudi |
| Regulator             | Idaho Public Utilities Commission           | Stacey Donohue     |
| Special Interest      | Northwest Power & Conservation Council      | Tom Eckman         |
| Irrigation            | Idaho Irrigation Pumpers Association        | Sid Erwin          |
| Commercial            | CSHQA                                       | Kent Harway        |
| Special Interest      | NW Energy Coalition                         | Nancy Hirsh        |
| Idaho Power           | Customer Relations & Energy Efficiency      | Quentin Nesbitt    |
| Special Interest      | Idaho Conservation League                   | Ben Otto           |
| Special Interest      | South Central Community Action Program      | Ken Robinette      |
| Industrial            | J.R. Simplot Company                        | Don Sturtevant     |
| Idaho Power           | Regulatory                                  | Tami White         |
| Special Interest      | AARP Idaho                                  | Lynn Young         |

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-13-08**

**IDAHO POWER COMPANY  
REPORT ON THE  
ENERGY EFFICIENCY ADVISORY GROUP**

**ATTACHMENT B**

**Energy Efficiency Advisory Group  
February 22, 2012  
Agenda**

- |       |   |
|-------|---|
| 9:30  | Welcome, Review October Minutes                                   |
| 9:35  | 2011 Preliminary Results – Pete Pengilly                          |
| 9:45  | 2011 Programs Review / 2012 Preview – Todd Schultz, Celeste Becia |
| 11:10 | Break   |
| 11:20 | A/C Cool Credit – Celeste Becia                                   |
| 12:00 | Lunch   |
| 1:00  | Account Manager/Energy Tools – Denise Humphreys                   |
| 1:30  | Economizer Study – Celeste Becia                                  |
| 2:15  | Timely Topics – Celeste Becia and Todd Schultz                    |
| 3:00  | Adjourn   |

**Energy Efficiency Advisory Group (EEAG)**  
**Minutes dated February 22<sup>nd</sup>, 2012**

**Present:**

|  |  |
|--|--|
| Catherine Chertudi–City of Boise, Public Works Dept. | Celeste Becia*–Idaho Power                     |
| Ken Robinette–South Central Comm. Action Partnership | Lynn Young–AARP                                |
| Stacey Donohue–Idaho Public Utilities Commission     | Sue Seifert–Office of Energy Resources         |
| Tom Eckman–Northwest Power & Conservation Council    | Sid Erwin–Idaho Irrigation Pumpers Association |
| Tami White–Idaho Power                               | Kent Hanway–CSHQA                              |

**Not Present:**

Don Sturtevant–Simplot  
Ben Otto–Idaho Conservation League  
Nancy Hirsh–Northwest Energy Coalition

**Guests and Presenters\*:**

|  |   |
|--|---|
| Pete Pengilly*–Idaho Power                     | Cory Read–Idaho Power                             |
| Kathy Yi–Idaho Power                           | Theresa Drake–Idaho Power                         |
| Shelley Martin–Idaho Power                     | Andrea Simmons–Idaho Power                        |
| Warren Kline–Idaho Power                       | Denise Humphreys*–Idaho Power                     |
| Gary Grayson–Idaho Power                       | Todd Schultz*–Idaho Power                         |
| Sheree Willhite–Idaho Power                    | Todd Greenwell–Idaho Power                        |
| Darlene Nemnich–Idaho Power                    | Nikki Karpavich–Idaho Public Utilities Commission |
| Donn English–Idaho Public Utilities Commission | Ken Miller–Snake River Alliance                   |
| Billie McWinn–Idaho Power                      | Randy Thorn–Idaho Power                           |
| David Davis–Idaho Power                        | Chellie Jensen–Idaho Power                        |
| Liz Paul–Idaho Rivers United                   | Anne Wadsworth – Idaho Power                      |
| Chris Pollow – Idaho Power                     |   |

**Recording Secretary:**

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

**Meeting Convened at 9:35**

Celeste started the meeting by introducing new member, Tami White. She will be replacing Mike Youngblood as the Idaho Power representative from Regulatory Affairs. Tami introduced herself and gave a brief background of her position at Idaho Power. All other members and guests introduced themselves. The minutes were reviewed.

**9:42-Preliminary Results-Pete Pengilly**

Appendix 1 shows a high level status of all Energy Efficiency funding accounts. The Idaho rider had a deficit balance of \$17.5 million at the beginning of 2011. The Idaho Public Utilities Commission (IPUC) allowed Idaho Power to transfer 10 million dollars, which was deemed prudent, from the rider into the Power Cost Adjustment (PCA). This account earns accrued interest of 1%.

The Oregon rider started out with 1.8 million dollar deficit balance and ended with 3.5 million dollar deficit balance.

Order number 32245 from the IPUC allows Idaho Power to capitalize the Custom Efficiency Incentive payments. This is a regulatory asset account that will eventually be incorporated into base rates. Idaho Power's contract with the Northwest Energy Efficiency Alliance (NEEA) is a \$3.1 million dollar commitment per year. It is paid quarterly based on actual and forecasted amounts.

One member asked why there is a difference in obligation amount vs. actual paid amount for last year. Why did Idaho Power only pay \$2.4 million. Pete stated that \$3.1 million is the obligated amount but Idaho Power paid based on NEEA's actual amount spent and invoiced.

Appendix 2- The Custom Efficiency line shows funds that have been spent, but have not been recovered in rates. Due to an accounting error in 2011 an amount that should have been applied to the Oregon Rider was applied to the Idaho Rider; therefore the Idaho Rider column was understated. This was fixed early in 2012. During a previous meeting, Nancy Hirsh asked that all funding sources be included in this appendix.

One member asked if these numbers still subject to change or are they final.

Pete stated that the numbers are always subject to change but these are solid numbers.

During the DSM History presentation there was some discussion around slide #4 (Expenditures by Category) and what was included in purchased services. Anne responded that vendor payments such as Honeywell and M2M Communications are included in purchased services. One member asked how much was spent on evaluations. Pete stated that \$380,000 was spent and those are in "other expenses."

#### **10:00-Commercial Review and Preview-Todd Schultz**

Todd stated that 2011 was a challenging and successful year. It was a year of validation as well. The Custom Efficiency program had an Impact evaluation which validated the work done so far in this program.

The numbers for the Building Efficiency program are preliminary. The number of commercial and industrial new construction and remodels decreased from 70 projects in 2010 to 63 in 2011. Idaho Power is taking part in the 2030 Challenge with American Institute of Architects (AIA) which started last September. The target energy savings for 2012 has decreased from 2011 due to the economy and new building codes. One member asked about multi-family incentives and if this was something the company is looking into. Todd stated that with multi-family units, cost effectiveness is usually the deciding factor, but does offer incentives for common spaces. It's possible that it will be revisited in the future. One member asked if the target numbers come from the Integrated Resource Plan (IRP). Todd stated that these numbers come from various areas such as analysis and the program managers.

The Easy Upgrades program had a 12% total project increase from the previous year. The lighting tool was upgraded to include new measures. The amount of pre and post inspections performed has increased. The program manager Shelley Martin has incorporated training sessions in the trade ally workshops. This program participated in a Comprehensive Lighting Project with NEEA. The original target was to have 25 projects, but 7 or 8 projects have been identified. This project was much more challenging because it was not just a simple lighting replacement, but a more comprehensive approach to lighting design in the building 2013. With regard to the T-12 lighting phase out, Idaho Power will continue paying incentives for the rest of this year. The company is looking to work with regional partners on a plan for 2013. One member asked if the school projects via the Office of Energy Resources (OER) have come in or are we still waiting on those. Todd stated that as of now, no incentives have been paid, but that we should start to see them come thru in the next several weeks.

The Custom Efficiency target for 2012 is lower than 2011. Due to changes in the lighting tool, some of the projects that typically would have gone thru Custom program have now been processed thru the Easy Upgrade program. An impact evaluation was conducted on this program which reviewed 75 projects and completed 35 site inspections. The energy savings realization rate came in at 94%.

Projects for the Irrigation Efficiency Rewards program increased 17% from 2010. This growth can be attributed in part to an increase in workshops and conferences that were held. A participant survey was done on this program and of the 379 respondents, 95% of participants were very or somewhat satisfied with the program and 62% said that the incentive helped motivate their decision to participate. One member asked when Idaho Power would be getting the University of Idaho study. Todd stated that we should receive it by the end of 2012.

No events were called last summer for the Irrigation Peak Rewards program. There were some major changes in the incentive structure in 2011 but no changes are scheduled for this program in 2012. There were 2,342 participating service points in 2011. A process evaluation was done in 2011. A participant survey was done on this program and 85% of participants surveyed were very satisfied with the program. Most of the respondents (89%) said that they would be very likely to participate in the program if there were 1-2 events included in the fixed bill credit. One member asked if there is still room for growth in this program. Todd replied that there is still room for growth, especially with smaller systems. Demand Response can be a very complex program and company analysts are always looking at it.

In 2011, there were 54 customers enrolled in the FlexPeak Management Program. There were 14 events called in 2011. The achieved season average demand reduction was 11% more than the committed amount. The IPUC said Idaho Power should look at calling more events than what is currently called for this program. This is not an automated process. Customers have to do something to reduce their usage, such as turn off a pump. The CHQ building is enrolled in this program and has participated in 14 events. All customers who participate in the FlexPeak program receive software that helps track their load reduction. A customer survey was conducted and 78% of those surveyed stated that they were very likely to participate again. Idaho Power partners with EnerNOC and is in the third year of a five year contract.

There are no verifiable savings with the Commercial Education program, but it gets us engaged with customers. Idaho Power would welcome member comments on trainings and how they could be more effective. One member asked what the biggest program challenge will be in 2012. Todd stated that the T-12 issue is definitely going to be a challenge along with the lack of low hanging fruit in the custom/industrial programs.

#### **10:35 2011- Residential Review-Celeste Becia**

All the numbers that are presented are close, but there might be some changes before the Demand Side Management Annual report comes out in March. There was a small dip in energy savings in the residential programs for 2011. Some of that can be attributed to the write down of CFL bulb savings by the Regional Technical forum. One member wanted clarification of what is the Regional Technical Forum (RTF) is. Celeste stated that it is a forum that analyzes energy savings in the market. One member stated that the reason for the write-down in CFL bulb savings is the issue of storing bulbs. Customer will buy multiple bulbs, changing out some and storing the rest. The write-down isn't zero forever, the savings are just delayed for a period of time He would like to see utilities look at this issue when doing their evaluations.

The A/C Cool Credit program currently has 37,000 participants. The A/C Cool Credit program is the most recognized of Idaho Power's DSM programs, and may provide a bridge to participating in other programs. The goal is to reach 40,000 participants. There have been dropouts due to people moving and some for dissatisfaction. Idaho Power had a promotion that gave customers an additional incentive when they signed up for the program. Idaho Power offered customers the option of donating their sign-up incentive to the food banks in Idaho and Oregon or receiving a gift card. Thirty-three percent selected the Food Bank Option. There have been issues with switches and AMI but that will be covered in a later presentation.

In the Boise City Home Audit program, 650 audits have been completed. CFL's were the largest measure installed during the audits. The average number of CFL's installed per home were 15. There was about \$90,000 left over from the original audit. Those American Recovery & Reinvestment Act (ARRA) funds cannot be given back to the government, so these additional funds will go towards an evaluation and auditing an additional 100-200 homes. Idaho Power is working with a few of the same contractors involved in the initial audits. The Integrated Design Lab (IDL) will be doing evaluations on the measures installed in the homes; this will give them an opportunity to work with the residential sector. One member asked about the end date of the grant. Celeste stated that it will conclude at the end of September.

The Ductless Heat Pump Pilot will be receiving the final data analysis from the regional study at the end of March. There are plans to add this as a measure to the Heating and Cooling Efficiency program, pending the outcome of savings results. Last year many applications came in during January of 2011 to take advantage of the tax credit that expired in December 2010. Idaho Power will discontinue the contract with Fluid Marketing Strategies and begin managing this program wholly in-house starting in April. The challenge will be in communicating the higher standards that are required by Idaho Power's Heating & Cooling Efficiency program versus the regional DHP standards. There is also the issue of customers being able to buy heat pumps online or at your local big box hardware stores, but the challenge is that most contractors will not install them unless the product is purchased from them. One member stated that there might be a sub trade popping up since it doesn't require years of journeyman training to install ductless heat pumps.

It was a great year of workshops and partnerships for Residential Energy Efficiency Education. The City of Hailey received some sub grants from ARRA funds to incent people to put in new heating systems in their homes. Free standing inserts in the newspaper will start publishing twice a year. The first insert winter insert was delivered to over 100,000 newspaper subscribers.

The target for Energy Efficient lighting is lower for 2012. Lighting is less of a driver in residential applications and 100 watt incandescent bulbs will be phased out.

The Energy House Calls program has experienced high volume in the last couple of years. We anticipate that in the next couple years this program will have run its course. In anticipation of that, we've moved the administration of this program in house which gives more flexibility and money savings for when the program starts winding down. There is some sort of repair on about 90% of homes that went through the program.

Incentives for non-electrically heated homes will no longer be part of the Home Improvement program at the end of February. It has been determined that there isn't significant cooling savings for gas heated homes. Later in 2012 windows and wall and floor insulation measures will be added.

There will not be a lot of changes to the Home Products program for 2012. The light fixtures, light kits and ceiling fan measures will be taken out of the program. At least one light fixture will be moved to the retailer buy downs along with the CFL's.

The Heating and Cooling Efficiency program did not see the same participation rate as the Ductless Heat Pump pilot. This is more than likely due to the fact that it is a more expensive upgrade for customers.

Out of the 15 homes audited in the Oregon Weatherization program, 8 homes had insulation done. The Weatherization program has more measures along with some financing available, as opposed to the limited measures for the Home Improvement Program which is currently only offered in Idaho. Idaho Power would like to offer both options in Oregon so that customers have a choice.

The See ya later refrigerator® program experienced a great year and met all goals. There is a very high customer satisfaction rate for this program. A customer survey was included in the process evaluation and 98% of

customers surveyed were somewhat or very satisfied with the overall process from start to finish. An impact evaluation is scheduled for 2012 on this program.

283 homes participated in the Weatherization Assistance for Qualified Customers program (WAQC) with most of these homes being in Idaho. The Community Action Partnership Association of Idaho (CAPAI) asked for additional funding but this was not approved. There will be upcoming workshops with CAPAI, the IPUC staff, Investor Owned Utilities (IOU) and other interested parties. This is not a rider funded program. One member asked if there is an evaluation scheduled for WAQC. Pete stated that there are evaluations scheduled for both WAQC and Weatherization Solutions in 2012.

#### **11:20-Break**

#### **11:35-AC Cool Credit-Celeste Becia**

When this program first started, there were a number of different methods to communicate with customers' air conditioners. During the first years or pilot stage, thermostats were used. In 2005 the options that were available were paging switches and vhf signals. AMI and the power line carrier communication channel was not available so paging switches were the best option. For the past few years paging service has been reduced or eliminated in several areas within Idaho Power's service territory where it had previously been available. For this reason, only power line carrier switches have been installed since May 2009.

Since 2009 the program has installed Automated Metering Infrastructure (AMI) switches wherever it could. There are two versions of the paging switch and two of the AMI switch. In the summer of 2011 there were issues with AMI software that prevented the newest version of the switch from operating. In the fall of 2010, because there were two AMI switches, the company put together a hardware firmware update. Code changes in the AMI switches were tested in a "test" environment but were never put into production. There were almost 8000 switches that didn't get cycled last summer which wasn't discovered until after the October 2011 EEAG meeting. One member asked if both switches that were in use failed to cycle. Celeste stated that it was the newer AMI switches that didn't cycle, but the older ones did.

There are two paging systems for redundancy, American Messaging and USA Mobility. USA Mobility discontinued service and did not notify Idaho Power until October of 2011. They had taken down some of their equipment on Table Rock which affects the Mountain Home area, specifically Mountain Home Air Force Base (MHAFB) which wasn't upgraded to AMI. The only solution for Mountain Home will be the paging service. One member stated that because hardware was removed, that this paging service company seems unreliable and asked if there was any instance of this happening in the past. Andrea stated that this also happened in Twin Falls and Pocatello where Idaho Power was not notified at all.

Idaho Power never had a direct contract with the paging company until August of 2011. We are working with the contracting department to see if there is any recourse as we were not the customer of record for receiving paging service. Going forward, we will not be relying on the paging company to inform us if there is no signal. For the Mountain Home Air Force Base, there isn't a prognosis for getting the base up and running for this paging season. We are working with American Messaging to see what can be done to get a signal out there.

Pete stated that the reason an AMI upgrade wasn't done to the substation serving the Air Force Base is because there are phone lines that run into those meters. The Air Force base is a rate 19 customer and is constantly monitored. MHAFB is our customer, not the residents on the base.

Pete stated that determining cost effectiveness for energy efficiency programs is different than for Demand Response programs. For demand response the previous years' expenses and demand reduction are combined with the forecasted expenses and demand reduction which are brought into this year's dollars. Pete commented on the

Cost Effectiveness Impact slide (8) stating that the word “annual” should be in the heading somewhere. It shows that this program becomes cost effective in 2019. Typically, we like to see more of a cushion for all of the expenses. One member asked if these calculations are refigured when the Integrated Resource Plan numbers change.

Our DSM alternative cost and other financial assumptions are update and used in current analysis when an IRP is acknowledged or accepted by the Commissions.

Pete gave an explanation on the Two Day Comparison slide (11). He stated that on August 26<sup>th</sup> the A/C Cool Credit program was the only Demand Response program that was called. He stated that from the evaluation we were able to see the duty cycles and could see the air conditioners that were not running at all.

There was some discussion around the *Recommendations* slide (18) where one member asked what “cycling rates” referred too. Celeste answered that it refers to how often the system is off during events. Both rates could go up, right now it’s 50% in Boise and 67% in Twin Falls and Pocatello. Pete also stated that it looks at cycling during the unit’s natural duty cycle, rather than just 50% on 50% off. Andrea stated that the newer switches have intelligence built in to base it on the natural duty cycle.

The next steps will be to get the uncommunicative paging switches replaced before the next cycling season. The M&V plan will be re evaluated to be more comprehensive and then repeat the impact evaluation after all changes have been made. One member said that for the 2013 evaluation, it might be useful to look at the EER equipment. The SEER 10 was the performance of the past. It’s not linear with the temperature. The rate EER is done at 95 degrees so on a hotter day it might be different. EER deteriorates as temperatures increase. One member asked if the cost effectiveness graph includes the Air Force Base. Celeste stated that demand reduction will be there whether it’s from the Air Force Base or other participants. The CE still doesn’t include Mountain Home AFB costs but the benefits side of the cost effectiveness assumes that we have 40,000 participants in 2012.

#### **12:15-Lunch**

#### **1:08-Meeting Reconvened.**

**Ken Robinette shared some material for the Energy Outreach Conference.** Idaho Power is a sponsor of this event.

**1:11—Denise Humphreys-** This presentation was a demonstration of the Idaho Power Account Manager/Energy Use Advisory Tool. Twenty-five percent of customers have Account Manager and the tool has had almost 40,000 visits since the first of the year. This is a new version of the Account Manager tool. Denise used her personal accounts to demonstrate how to navigate thru the account manager screen. This tool is available to residential customers and very small commercial customers. It has been redesigned and is now based on three tabs, How I use Energy, How My Usage compares and When I use energy (the AMI meter use). The software for the How I Use Energy tab is proprietary software from Aclara. One member asked if there is a way to show people who don’t have internet access their energy usage for client education. Celeste stated that as long as the customer is the one creating the password and account number there shouldn’t be a problem but would need to check on it further. Denise stated that “fake” customer can’t be built for demonstration purposes.

#### **1:40 Economizer Study—Celeste Becia**

This presentation was to provide preliminary results from the study fielded in the summer of 2011.. Out of the initial 1000 letters that were sent out, 52 responded and from that, 19 were eligible and actually had the equipment installed. These were single family homes.

NEEA looked at 1000 customers and what their average energy consumption was based on an average temperature day. One member asked if the average was of all homes or was it highest to lowest. Todd stated that 24 data points were used to determine the average temperature, not just the highs and lows of the day. NEEA determined that the average cooling load is 10kWh per day. This model doesn't work as well after 80 degrees. As the temperature goes up the percentage change of people using energy is indicated by the bin (slide 7). As the temperature climbs, people start using more energy.

IDL Analysis slide (slide 8) shows that for Model 1, the economizer model had an additional set point that allowed you to run fan more to pre-cool the house over night. For Model 1, the average single site savings showed more energy usage post installation than before the economizer was installed due to the fan usage. Model 2 average single site savings show more savings after the economizer was installed.

The study characterized customers by their thermostat settings.. Constant Setters are customers that keep their home a constant temperature all day. They typically do not mess with the thermostat. The Time Zoner is a customer who programs the thermostat or someone who has a schedule and they don't open their windows at night for cooling. Night Coolers have a schedule, but also open their windows at night.

A variety of issues prevented the company from collecting enough data to provide definitive results. There was a very short cooling season and most systems were not installed until August of 2011 so data is limited. One of the economizer models required a software update after data collection had begun. Some of these systems needed custom work done on them in order to operate properly. Contractors did not estimate enough time for installation which didn't account for call backs. There seemed to be more customer satisfaction with the more expensive, labor intensive units (Model 1) even though there was no energy savings associated with them.

The main purpose of this pilot was to gather as much data on these units as there isn't much available from secondary research. Next steps are to continue the research in 2012. Both models will be used but the night flush feature in Model 1 will be reduced. One member asked if we are looking at the specific participant types from the previous applicants in order to focus on a specific customer type for future participants. He stated that the "Night Coolers are already achieving what we were hoping for from the economizers. Celeste stated that since the customer sample size is rather small, it is difficult to know which customer types saved the most energy.

## **2:10 Timely Topics—Celeste Becia/Todd Schultz**

Celeste shared with the group that Idaho Power is looking into a Shade Tree Program. Idaho Power wants to explore the possibility of partnering with Idaho Department of Lands to pilot an incentive program.

As of right now, the Time of Day Plan is only in Idaho. This is still an open case with the IPUC. There is a docket to expand the program that is currently in place in Emmett area. The goal is to have 1200 customers participating in a two season plan, summer and winter. Customers could save energy if they monitor their usage along with changing the time of day that they use most of their energy. One member asked how Idaho Power will help customers decide whether or not it is beneficial for them to switch plans. Celeste stated that there will be a rate comparison tool on the website so that customers can estimate the impact of switching rates before they sign up. With Account Manager, it will calculate their last 12 month's usage and will apply the new rate to show them what their bills would be.

Celeste gave an update on the Multifamily Roof Upgrade in Sun Valley, ID. The project will cost \$1 million to upgrade the roof with insulation. The building was built back in 1982 with no roof insulation. In 1988 the roof was replaced. The calculated savings could result in approximately \$150,000 incentive. The Homeowners Association is reviewing the proposed agreement and incentive amount. A new agreement will be done for each phase of the project and could take 4-5 years to complete, so there is no guarantee on the incentive.

Todd Schultz highlighted the Success Stories that are on the company's website under the "business tab." There are things that are not measured when doing a project and that's where the Success Stories fit in. He highlighted a project that was done on Kuna Middle School, an Office of Energy Resource project. This building was built back in the 1960's, it had very dark hallways, the gymnasium had such bad lighting that parents were not able to take pictures of their children during sporting events. After the lighting project had been completed, everyone at the school was so excited because of the quality of the lighting, highlighting the positive impact it has on the community. Todd also shared with the group that Idaho Power will be receiving an award for the highest customer satisfaction for a mid size utility from a national study. One member commented that he felt Idaho Power had a great year and that it is nice to see continued progress.

**2:38 Meeting Adjourned**

**Energy Efficiency Advisory Group  
July 19, 2012  
Agenda**

- |       |   |
|-------|---|
| 9:30  | Welcome, Review February Minutes  |
| 9:35  | EEAG Meeting Objectives & Content – Celeste Becia                       |
| 10:50 | Break   |
| 11:00 | Demand Response Activities – Pete Pengilly, Celeste Becia, Todd Schultz |
| 11:30 | Commercial Programs – Todd Schultz                                      |
| 12:00 | Lunch   |
| 1:00  | Regulatory Update – Tami White  |
| 1:30  | Time of Day Pricing Plan – Dave Thornton                                |
| 1:45  | Residential Programs – Celeste Becia                                    |
| 2:30  | Evaluation Activities, Financial Update – Pete Pengilly                 |
| 3:00  | Adjourn   |

**Energy Efficiency Advisory Group (EEAG)**  
**Minutes dated July 19<sup>th</sup>, 2012**

**Present:**

|  |  |
|--|--|
| Catherine Chertudi—City of Boise, Public Works Dept. | Don Sturtevant—Simplot                         |
| Kent Hanway—CSHQA                                    | Lynn Young—AARP                                |
| Stacey Donohue—Idaho Public Utilities Commission     | John Chatburn—Office of Energy Resources       |
| Nancy Hirsh—Northwest Energy Coalition               | Sid Erwin—Idaho Irrigation Pumpers Association |
| Tami White*—Idaho Power                              | Ben Otto—Idaho Conservation League             |
| Tom Eckman—Northwest Power & Conservation Council    | Celeste Becia*—Idaho Power                     |

**Not Present:**

Ken Robinette—South Central Comm. Action Partnership  
Sue Seifert—Office of Energy Resources

**Guests and Presenters\*:**

|   |                                 |
|---|---------------------------------|
| Pete Pengilly*—Idaho Power                        | Gary Grayson—Idaho Power        |
| Dave Thornton*—Idaho Power                        | Theresa Drake—Idaho Power       |
| Shelley Martin—Idaho Power                        | Andrea Simonsen—Idaho Power     |
| Quentin Nesbitt—Idaho Power                       | Darlene Nemnich—Idaho Power     |
| Todd Schultz*z—Idaho Power                        | Ken Miller—Snake River Alliance |
| Nikki Karpavich—Idaho Public Utilities Commission | Billie McWinn—Idaho Power       |
| Roberta Rene—Idaho Power                          | Diana Echeverria—Idaho Power    |
| Mindi Shodeen—Idaho Power                         | Randy Thorn—Idaho Power         |
| Dennis Merrick—Idaho Power                        | Todd Greenwell—Idaho Power      |

**Recording Secretary:**

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

**Meeting Convened at 9:35am**

Celeste opened the meeting and had the members and guests introduce themselves. The minutes from February's meeting were reviewed.

**9:40 am -EEAG Meeting Objectives & Content-Celeste Becia**

Celeste explained to the members that she would like to break up into two groups to brainstorm the way the meetings are currently conducted and also to get suggestions on what the members would like to see change with the current meeting content and structure. No decisions will be made today, but these ideas will help to create a roadmap for meetings going forward. Before the members split into their groups Celeste passed out the EEAG Charter that was created in 2003 and asked that everyone review.

**10:20-EEAG Members reconvened.** Results of the brainstorming session will be summarized in a separate document.

#### **10:55 Break**

#### **11:05- Demand Response Activities-Pete, Celeste, Todd**

Pete started the presentation with some highlights from the previous week's high temperatures in relation to Demand Response. Every Thursday there is a meeting with Power Supply to try and predict how to use these programs by looking at system loads, temps, etc. The challenge is trying to figure out how to dispatch these programs without the snapback.

There was a new system peak on Thursday July 12<sup>th</sup> at 3:30 in the afternoon. Pete explained that the system load slide (4) is unofficial data, but it provides a good visual of the load. July 9<sup>th</sup> was a very peaky day and loads grew fast but in the afternoon a storm came in and there was some involuntary demand response from outages and cooler temps so A/C Cool Credit cycling was cancelled. The load shape on the July 9<sup>th</sup> looks very similar to the peak day in 2008.

July 10<sup>th</sup> provides a good comparison because no demand response was used that day. On July 11<sup>th</sup> A/C Cool Credit was dispatched in two blocks which reduced snapback. July 12<sup>th</sup> was the highest peak day. Loads peaked at approximately 3:35 and demand response programs started at 4. There were some late outages that day as well. One member asked if irrigation programs were used. Todd explained that it costs the company about \$275,000 to call an event. Pete stated that since there is a variable cost associated with the Irrigation Peak Reward program at about \$200/MW, the expense to use it wouldn't have been reasonable. Celeste added that since there are no variable costs with the A/C Cool Credit program, it costs the same whether it's used or not. Pete also stated that the costs do not change regardless of how often it is used. With the FlexPeak Management Program, if there are more than 2 events in a week an additional cost is incurred to dispatch the program. .

One member asked if there was a difference in energy usage on Fridays as opposed to other days of the week. Quentin stated that historically there have been peaks on Fridays but they are less probable due to work schedules, etc. One member stated that according to slide 4, it looks as if peaks are starting earlier. Is the company looking at cycling the A/C Cool Credit program earlier in the day? Celeste stated that it will be discussed later but there is a customer satisfaction and comfort issue. Pete stated that there are notification restrictions with the FlexPeak program, it has a two hour notification policy and A/C Cool Credit has no restrictions. One member asked how much the price of power was on the market when it was decided to not dispatch Irrigation Peak Rewards. Todd answered that peak power was \$21-\$37/MW.

There was much discussion during the A/C Cool Credit Update slide about customer dropout rates. One member wanted to know if there was a way to segment cycling by geographic area. Celeste stated that the software that runs the meters is designed to "set it and forget it." Eventually it might become an option. One member stated that some of the dropouts could be attributed to the fact that customers who haven't been cycled due to switch problems are now being cycled and are not happy being in the program. One member stated that there is research that shows that if customers see how their contribution of conservation is having an impact and explains how they are part of the solution, than they are more satisfied and are more likely to stay in the program rather than dropout. He advised to take a more proactive role in educating customers and to remind customers a few months before the cycling season starts, that they are signed up for this program and what to expect in the upcoming summer months. One member asked if customers are asked why they are opting out of the program when they call. Celeste stated that typically customers will offer up that information when calling in.

#### **Commercial Programs-Todd Schultz**

There are a number of customers on the FlexPeak program that have multiple buildings enrolled. As of the meeting date there were three events called. Automatic notification to customers happens two hours before an event. For most customers taking action is a manual process without much automation. On July 9<sup>th</sup> there was some loop flow, or outside energy on the transmission lines. Extra energy on lines can cause problems, so it was decided that the FlexPeak event should be cancelled, but people still started manually shutting down operations. These customers will still receive a two hour credit. One member stated his appreciation for the credit. One member asked if customers get paid for events. Billie McWinn stated that customers are compensated.

Commercial lighting slide-Federal T12 lighting standard

Shelley Martin, Easy Upgrades Program Manager, gave a presentation and updated the members of upcoming lighting changes. Effective July 14<sup>th</sup>, manufacturers of linear fluorescent tubes can no longer manufacture them unless they meet federal standards. She attended the West Coast Utility Lighting meeting earlier this month and had the opportunity to hear from some of the manufacturers that stockpiling of T12 fluorescents is going on and that after the July 14<sup>th</sup> deadline, the production of these will continue. They are producing 40 watt bulbs that have better color rendering. Shelley asked the group for their feedback on the program's existing wattage baseline. Currently Idaho Power uses 82 input watts as a baseline and BPA uses 96 input watts as a baseline. The feedback from BPA is that Idaho Power has been very conservative so do not change the baseline.

Contractors are anxiously waiting to see if the program incentives will change for T12's. One member stated that there is still a large amount of T12's in the current building stock and recommends continuing T12 incentives into 2013. One member stated that he was in agreement with keeping this incentive. It makes the decision to upgrade his buildings much easier. One member stated that having a 2-3 year phase down of this incentive thru advertising would help let customers and contractors know how long they have to act on these incentives. Another member stated that it could be overlapped with a standard re-lamp option. Shelley stated that a "time limited" offer usually helps motivate customers to make changes. One member stated that along with deadlines, there needs to be an education piece so that customers know what the best products are.

Todd asked the group for feedback in regards to the Irrigation Peak Program and if there should be some events in the fixed portion of the incentive. The last changes to this program occurred in March of 2011. The biggest changes were to the fixed and variable payments. It is currently a 75% fixed and 25% variable incentive structure. One free event in the fixed incentive was not approved in that filing. There is the potential than an event won't be called for another year. Todd asked for feedback from the group in response to the question, "Should we have some events included in the fixed portion of the incentive?"

One member commented that there is a feeling out there with current participants that the Irrigation Pumpers Association will support some events within the fixed incentive structure. He stated that he would support having one event the last two weeks of June and the other two events sometime in July and August at least two weeks apart. The participants are not interested in a program where people feel entitled to just a rate cut. They are willing to have three events that are part of the fixed incentive; he just requested that all three events not be in a two week time period. He stated that he did not want to commit to any incentive structure change until the PURPA case is finished. The Irrigation Pumpers Association supports Idaho Power and their position in the PURPA rates. One member asked if Idaho Power was thinking about filing these changes with the Idaho Public Utilities Commission. Todd stated that he just needed to address some of the current issues and get feedback from the group.

**12:30 Lunch**

**1:15 Meeting Reconvened**

**1:15 Regulatory Update-Tami White**

Tami presented the regulatory slides to the group. There have been 8 filings between February 1<sup>st</sup> and mid April. Celeste asked what the black numbers represented on slide one. Tami stated that black is a positive amount or an increase and the red numbers showing a decrease. During the presentation one member asked if the FCA (fixed cost adjustment) portion has a direct link to Energy Efficiency. Tami stated that previously the Energy Efficiency Rider and the FCA were combined on a customer's bill. Now, the rider is on one line item and the FCA and PCA (Power Cost Adjustment) are combined on one line item. In March of each year, Idaho Power files the Demand Side Management Prudence filing with the Idaho Public Utilities Commission for determination of prudence. Idaho Power's reply comments are due on Monday July 23<sup>rd</sup>.

### **1:30 Time of Day Pricing Plan-Dave Thornton**

Dave gave the history of the pilot program that started in Emmett and McCall. There were a couple hundred customers signed up for this pilot. For the Time of Day Pricing Plan, the objectives are to utilize the data that the smart meters provide and to offer pricing options to customers. From this data the company can study changes in customers' energy usage, evaluate the revenue impact of this plan, and learn and improve from the customer experience. The brochure that was designed is a standalone piece so that the customer can look at it and see if it will be a good option for them. (Brochures were passed out to the group).

One member asked if the rate increases happen on the weekend. Dave stated that they do not. One member pointed out that the July 4<sup>th</sup> holiday is showing as peak (yellow) when all of the other holidays are shown as off-peak. One member asked if during a customer contact, is energy usage looked at and is the customer informed what their rates would be if they chose to participate. Dave explained that the customer service center is walking customers through the plan comparison calculator. One member asked what the future customer roll-out numbers will be. Dave explained that until the new Customer Information System is in place the numbers are uncertain.

Currently, there are less than 1200 people signed up. Dave asked the group for input and ideas on helping to market this to customers. One member stated that it could be challenging for residential customers to shift loads. He suggested thinking about shrinking the window of time in the Non-Summer months and increase the price since its 7am-9pm and that makes it hard for families to shift loads. He asked what types of energy use a customer could move. Dave stated that pre-cooling a house, laundry, having a timer on electric water heater and delay starting a dishwasher. One member asked what the demographics are on the target group being looked at. Is there a specific square footage size for the house as well? Dave explained that for the initial pilot he eliminated customers who had landlord agreements. Customers need to have lived at the residence for a minimum of 12 months. He stated that Claritas Prism will be the tool used to build demographic data for customers who have signed up. Surveys will be done. His hope is that some of the customers that sign up will have been part of the Boise Audit or the End Use Study as there will be a lot of information on these customers. Darlene stated that they are targeting customers who have the ability and interest to shift their load.

One member provided other marketing suggestions such as giving people a reason why they want to change their behavior, or a reason to be interested. Highlight the reasons people have chosen to live in Idaho; the clean air, water, great place to raise a family, etc. Get your customer to care for these reasons and not just focus on the price. Energy orbs that change color based on the rate/time of day that would be a visual reminder for customers to make changes in the moment. One member suggested an app for Smartphone's. It was also stated by this member that based on the Non-Summer months, it might not be worth it for customers to sign up for such a small window of time if they can't opt out. One member said that communicating to customers the difference between the summer peak issues and winter conservation is important. Another member stated that customers who are willing to go thru the process to sign up for this are motivated to change so giving them all the options is important. Darlene expressed her appreciation for the comments regarding the load shifting ability and winter conservation. The purpose of designing this was cost of service. This is fairer than tiered rates and the pricing is more reflective of costs. One member stated that in general, customers will agree with the concept of only paying

for what they use, but in reality they love the subsidy. Dave stated that the goal for this year is to have 1200 customers signed up and then be able to study their behavior into 2013.

## **2:17 Residential Programs-Celeste Becia**

Celeste explained to the group that Idaho Power is gathering information on a Shade Tree Program. She asked the group if they had any experience with a similar type of program. One member said that she remembered one in Idaho about 25 years ago. Celeste explained that slide 4 (The Treasure Valley Urban Tree Canopy Study) shows where potential trees could be planted based on location of structures, homes, streets, power lines, etc. Slide 5 (Arbor Day Model) is designed as a turnkey program for utilities. It was developed to enable communities to quantify the benefits of urban forests. This model includes an I-Tree Planting Tool which explains how a customer can select their home on Google Earth and based on the home's location it will provide a colored grid of the best and worst areas to plant a tree. It then provides a list of tree species that work best for the location. The cost effectiveness has not been done on this program yet. One member suggested checking with the Forest Products Commission to find out how many seedling trees that are given out on Arbor Day are actually planted. One member asked if the customer pays for the tree. Patti stated that some utilities pay for the tree or the cost is reduced for the customer. One member stated that this would be a program that the Idaho Conservation League would support. One member suggested combining this with energy efficiency education and it could become a partnership opportunity with other organizations.

Celeste stated that Idaho Power is looking at what it will take to put a program like this together and would like to get the group's feedback. One member asked how much the Arbor Day tool would cost. Patti stated that they will set up Idaho Power's service area for \$1000 and Idaho Power could commit to 2500 trees. She also asked the foundation for a quote to just set up the tool so that we can play around with it. One member stated that the tool would help people make better choices on where to plant their trees. Another member thought that this program could have some potential for education in school age children. One member stated that they didn't have an opinion on the delivery mechanism that is used. She likes the idea of this program. In the long run this could be an important program to help with climate change so starting sooner rather than later would be preferred. Celeste let the group know that she hopes to have more cost effectiveness information available at the next meeting. One member stated that there seems to be enough quantifiable non energy savings benefits that you don't have to drill down too far for.

Celeste informed the group that the administration for the Energy House Calls program was brought in house, saving about \$100,000 per year. There seems to be some saturation but we currently do not anticipate this program ending.

The Economizer project is in its 2<sup>nd</sup> year. We are doing more homes this year than last. It's been a warmer cooling season which could be detrimental for this program because more people are using mechanized cooling rather than ambient outside air. We won't have final results on this program for a while. There is still a high customer satisfaction with customers who have had these installed in their homes.

Celeste informed the group that the Classroom Energy Kits, where kids perform energy audits at their homes with their parents, is still within Idaho Power's capacity to continue it with Rider Funds. Dave Thornton refreshed the group on what the students do during the audits. One member asked what is being done with the customer information that is obtained from the surveys and audits. There should be some follow up with these homes to see if the home could benefit from other energy efficiency measures.

Celeste asked for feedback from the group. One member stated that they felt continuing with the Classroom Energy Kits was an appropriate use of rider funds. Another member stated that teaching a new generation about energy efficiency is always a good thing.

### **3:05 Evaluation Activities, Financial Update-Pete Pengilly**

Pete presented a summary of the financial status as of the end of June. The forecasts show that the Idaho Rider balance should become positive at the end of August. One member wanted to know the reason the rider balance becomes positive in August. Pete stated that it is catching up from prior deficits. In 2011 Idaho Power received a 10 million dollar relief from the Idaho Public Utilities Commission. The Custom Efficiency incentive payments are now booked in an asset account which has relieved the pressure on the rider account. The rider was changed from 4.75% to 4% and is a balancing account that should become positive at the end of the year. The Demand Response incentives should reach 14 million by the end of the year.

**2012 DSM Actual expenses YTD slide-** Overall 37% of the budget has been spent. It seems that the majority of budgeted money is spent towards the end of the year. The Custom Efficiency incentives are included in those amounts. One member asked if the amount and when it's spent is similar from year to year. Pete stated that he wasn't sure, but he would check on it. One member asked if there was a handout for energy savings. Pete stated that he will add that to the list for the next meeting. Todd Schultz did have energy savings amounts for the Commercial programs that he gave to the group.

- Custom Efficiency thru July 16<sup>th</sup> has 38,000 MWh of savings, about 69% of target.
- Building Efficiency has 12,000 MWh of savings, about 171% of target.
- Easy Upgrades has 20,000 MWh of savings, about 56% of target.
- Irrigation programs have 7,000 MWh of savings, about 61% of target.

The residential programs combined are at 49% of targets.

Pete gave a high level explanation on the differences between a process evaluation and an impact evaluation. In 2011 there were process and impact evaluations done on numerous programs. One member asked in regards to the Home Products program, if incentives could be given on products that are on the Consortium for Energy Efficiency (CEE) list. Celeste stated that it needs to be something that is easy for customers and sales people to identify and Energy Star® is a great label. The challenge with CEE is with the customer knowing whether they are getting that product or not. Pete briefly reviewed the results of the completed evaluations that took place in 2011 and outlined 2012 evaluations. One member asked if there is a due date for the Energy Efficiency Potential Study. Pete stated that it is almost done and the preliminary findings will be presented to the Integrated Resource Plan Advisory Committee (IRPAC) on August 16<sup>th</sup>.

### **3:38 Meeting Adjourned**

**Energy Efficiency Advisory Group  
November 6, 2012  
Agenda**

- |       |   |
|-------|---|
| 9:30  | Welcome, Review July Minutes                            |
| 9:35  | Review EEAG Topic Requests                              |
| 9:40  | Commercial Programs – Todd Schultz                      |
| 10:30 | Customer Communications – Anne Alenskis                 |
| 10:50 | Break   |
| 11:00 | Residential Programs – Celeste Becia                    |
| 12:00 | Lunch   |
| 1:00  | Regulatory Update – Tami White                          |
| 1:45  | Evaluation Activities, Financial Update – Pete Pengilly |
| 2:30  | Break   |
| 2:40  | Wrap-up Discussion                                      |
| 3:00  | Adjourn   |

**Energy Efficiency Advisory Group (EEAG)**  
**Minutes dated November 6<sup>th</sup>, 2012**

**Present:**

|  |   |
|--|---|
| Catherine Chertudi—City of Boise, Public Works Dept. | Ben Otto-Idaho Conservation League            |
| Ken Robinette—South Central Comm. Action Partnership | Lynn Young—AARP                               |
| Stacey Donohue—Idaho Public Utilities Commission     | John Chatburn—Office of Energy Resources      |
| Nancy Hirsh—Northwest Energy Coalition               | Lynn Tominaga-Idaho Irrigation Pumpers Assoc. |
| Tami White—Idaho Power                               | Kent Hanway-CSHQA                             |
| Tom Eckman—Northwest Power & Conservation Council    | Todd Schultz*—Idaho Power                     |

**Not Present:**

Sid Erwin—Idaho Irrigation Pumpers Association  
Don Sturtevant—Simplot  
Name—Company

**Guests and Presenters\*:**

|   |                               |
|---|-------------------------------|
| Pete Pengilly*—Idaho Power                        | Cory Read—Idaho Power         |
| Gary Grayson—Idaho Power                          | Theresa Drake—Idaho Power     |
| Shelley Martin—Idaho Power                        | Andrea Simmons—Idaho Power    |
| Warren Kline—Idaho Power                          | Celeste Becia-Idaho Power     |
| Chris Pollow-Idaho Power                          | Diana Echeverria-Idaho Power  |
| Ken Miller-Snake River Alliance                   | Chellie Jensen-Idaho Power    |
| Randy Thorn-Idaho Power                           | Billie McWinn-Idaho Power     |
| Donn English-Idaho Public Utilities Commission    | Sheree Willhite-Idaho Power   |
| Nikki Karpavich-Idaho Public Utilities commission | Cheryl Paoli-Idaho Power      |
| Andrea Simmons-Idaho Power                        | Becky Arte-Howell-Idaho Power |
| Mindi Shodeen-Idaho Power                         | Dave Thornton-Idaho Power     |
| Quentin Nesbitt-Idaho Power                       | Anne Alenskis*-Idaho Power    |
| Denise Humphreys-Idaho Power                      | Bridgett Hanna-Idaho Power    |
| Brad Akers-Integrated Design Lab                  | Jim Madarieta-Idaho Power     |
| Todd Greenwell-Idaho Power                        | Curtis Hoovestol-Idaho Power  |
| Patti Best-Idaho Power                            |                               |

**Recording Secretary:**

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

**Meeting Convened at 9:35 am**

Todd opened the meeting with general housekeeping and a safety topic. He asked members if there is one topic that they would like to share with the group to go ahead and do it during introductions. One member asked about the workshop notes that were sent out from the July meeting. There was feedback in regards to the original memo from some of the members that it wasn't incorporated into a final document. Todd said that he would put it on the list of things to go over at the end of the meeting. One member wanted a couple changes made to page 2, last paragraph of the minutes. This was in regards to customer satisfaction with staying in the A/C Cool Credit

Program. It should state “than they are more satisfied and are more likely to stay in the program.” This will be changed on the final draft copy of the minutes. She had another edit to page 3, paragraph 1. This is in regards to clarifying how customers are notified of an event in the FlexPeak Management Program. The actual notification is automated but the action that the customer takes is a manual response. There was one change in the Regulatory update that the word “reply” should be inserted before the word “comments.”

**9:50am          Review EEAG topic requests**

Todd had a list of proposed topics submitted by the members located at the front of the room. Todd read off the topics to the group and informed everyone that a lot of these would be addressed during the meeting.

**9:51                  Commercial Programs – Todd Schultz**

Todd asked Kent Hanway to talk to the group what is going on in commercial construction. Kent is the principal architect and owner of CHSQA in Boise. He stated that the East Coast is seeing more of an increase in commercial construction than the West Coast. In the last 2 years there has been an increase in revenues. Commercial construction in downtown Boise has seen more of an increase than outlying areas. There is currently only a 10% vacancy rate in downtown Boise where the outlying areas are reporting about a 20% vacancy rate. Industrial new construction is flat unless it’s a ‘build to suit’ project. The residential market is less promising. Ada County has about 5000 buildable lots with just under a three year absorption rate. In Canyon County there is a 13 year backlog of lots. The one bright spot is in the Retail Sector. We are seeing a lot of remodels, new development and upgrades happening. With interest rates expected to rise in the next few years, the cost structures will be changing and with growth, material prices will increase. Due to the construction downturn in the past, skilled labor moved to other areas to find work or have completely gotten out of the business to find stable jobs.

Todd continued with the Program Update Savings slide. One member stated that it would be helpful to have a column added that shows year end targets. Todd gave the target numbers for Custom Efficiency Program; 55,000MWh and 85.00% of target, Building Efficiency; 7,000MWh and 173% of target, Easy Upgrades; 36,000MWh and 86.00% of target, and Irrigation Menu; 11,500 MWh and about 89% of target. These numbers are year to date to Oct 10, 2012 and are compared to October 10, 2011 YTD numbers. One member asked what Todd thought was driving the change in the Building Efficiency Program. Todd stated that there have been quite a few projects that have wrapped up this year.

Todd informed the group that the version of this presentation sent prior to the meeting might have contained an error. On slide number 3 on the last line for FlexPeak, it might have said “customers” when it should have said “sites.” FlexPeak is in the 4<sup>th</sup> year of a 5 year contract.

During the Customer Outreach Slide Todd passed around some handouts to the members demonstrating some of the ways Idaho Power is reaching out to commercial customers. Todd asked the group for input and ideas on other ways to reach out to the commercial sector. One member asked if Todd knew how many commercial customers have participated in energy efficiency projects. Randy Thorn stated that it is estimated about 95% of industrial customers have participated. One member asked if any outreach is done with the financial community, other utilities have found that educating lenders about their programs has been useful for when builders come to them for other reasons. Todd stated that outreach has not been done specifically with the financial community but have met with them at events like ones held by the Chamber of Commerce. Diana Echeverria stated that there is an online campaign for the Easy Upgrades Program with a click thru ad for the financial community. Another member asked what percentage of each customer segment is being reached. Todd stated that the numbers aren’t broken down that small. Todd informed the group of a couple new projects that are currently in the works. The Kilowatt Crackdown is a partnership with BOMA and NEEA’s Better Bricks. This will be a competition between commercial buildings in the Boise area. There will be two different areas, smaller offices and larger office space. The goal is to have 30 office buildings participate. There is no cost for the customer. One member suggested tying this to the building operators’ certification program if possible. Another member asked if coaching will be done

by Idaho Power staff. Todd stated that some of Idaho Power's customer reps might be involved but coaching will be done by Northwest Energy Efficiency Alliance (NEEA) and Integrated Design Lab (IDL).

Todd introduced Randy Thorn to the group to discuss Custom Efficiency projects. Randy stated that the current program has reached a certain level of maturity so he is exploring what can be done differently to increase savings in the program. He is looking into small industrial and commercial offerings. Incentives would be prescriptive for smaller measures that we can't dedicate current engineering resources to collect information on. Measures such as small compressed air, pump and fan vfd, fast acting doors and walk in refrigeration. Application review would be done by a contractor. Project inspections would be required and Idaho Power engineers would do a cursory review and analysis. He is looking at about 2mil kWh target. One member stated that the Regional Technical Forum (RTF) has been beta testing a pump and fan calculator that some of the contractors could test.

Randy spoke to the group about a potential refrigeration project that would be similar to the ETO program. This project would engage six different sites and Idaho Power would meet with the customer and contractor once a month for 6-8 months. The measures could include compressors, compressor sequencing and evaporative among other things. It would be collaborative environment with customers touring each other's facilities. It would focus on technical training and a collaboration approach along with low or no cost measures. Idaho Power is looking at a target of 3mil kWh savings per year. Another project that IPC is looking at is paying on complete offerings for multi-family homes in Building Efficiency. One member asked for the definition of Multi Family and asked if these units will be individually heated or as a whole. Sheree answered that it is anything that is 5 units or above. She would like to see scenarios where it would be both individually heated/cooled or as a whole unit. Currently, cost effectiveness and potential measures are being evaluated and hope to have more information by mid 2013.

The NEEA Existing building Renewal is still being worked on. As of yet Idaho Power hasn't been able to secure a participant. One member asked what metrics would qualify a project. Todd stated that a 30-35% energy savings would be the minimum and would like up to 50% energy savings. Another member stated that a new model is being piloted in Oregon and Washington. The utility buys the energy savings like a purchase power agreement rather than incentivizing. It could be a new way to obtain a deeper savings for building retrofits.

The initial draft of the impact evaluation has come in for the Easy Upgrade Program and Building Efficiency. The data needs to be analyzed which should be done by the end of the year. The Easy Upgrades program will continue to offer incentives on T12 lighting. There will be a lighting training in December. The research being done by University of Idaho for Irrigation Efficiency will be wrapped up by the end of the year. This information will be shared with the RTF. One member asked if both participants and non participants are part of the research. Quentin answered that the researcher is looking at what is out in the field. He does have a list of participants but that wasn't the requirement. Pete stated that Rocky Mountain Power is looking at just participants. The group talked in the July EEAG meeting about having some Irrigation Peak Rewards events in a fixed piece and changing the opt out penalty. These issues are still being worked on and a final decision has not been made. One member noted that he has seen an uptick in Idaho Power's advertising and said it was nice to see it.

#### **10:45 Customer Communications – Anne Alenskis**

Anne passed out an example of what customers receive in their monthly bills. She asked the members what they think of the communication from a customer perspective and also as members of this group. One member stated that she liked that it is two pages, if there are more pages you run the risk of customers just picking and choosing or not looking at all. Another member stated that less is better. Usually a customer will pick out the most significant piece. She cautioned against making it a 4 page newsletter. Maybe incorporate the extra pieces into the newsletters and eliminate the inserts. One member said that if it doesn't pertain to him it gets tossed in the garbage. Another member stated that he is more likely to read the newsletter and throw away the inserts. One member stated that she likes the inserts because they are small and she can put them somewhere that will remind

her, for example the See ya later refrigerator® insert on the refrigerator. One member stated that she preferred the bill inserts. She doesn't care as much about the "feel good" stories. She asked if Anne has looked into customer focus groups. Anne stated that yes they are looking at doing some and also have been looking at how other utilities handle their communications with customers. One member asked if the newsletter could be sent separately or electronically. Anne stated that bill inserts are posted on the company website. She sent around an example of what the customer bill would look like with the expanded 4 page newsletter. One member stated that if more information is added to the newsletter, it would be important to have a table of contents on the front so that customers would know what's inside. Anne then sent around another example of a 4 page Customer Connection that had no energy efficiency information and one that was an all energy efficiency newsletter. These would be done quarterly. One newsletter would just focus on energy efficiency and the other two newsletters would focus on non energy efficiency topics each quarter. She asked for feedback from the group. One member stated that she liked the idea of a more in-depth energy efficiency newsletter. Another member stated that he didn't think energy efficiency information should ever be on the back page. Things that benefit the customer should always be on the front page. Another member stated that she liked having the energy efficiency newsletter its own piece. One member stated that he thought there should be something on energy efficiency every month, but a quarterly energy efficiency newsletter could give Idaho Power the opportunity to focus on specific energy efficiency topics. Anne thanked the group for their input.

**11:08            Break**

**11:17            Residential Programs – Celeste Becia**

Celeste went over some of the minor changes to a few of the residential programs. The Heating and Cooling Efficiency program will be dropping some measures as of January 1<sup>st</sup>. An incentive on the 8.2 HSPF heat pumps will no longer be available, but we will continue with the incenting 8.5 HSPF and above. The incentive amounts for Rebate Advantage will be changing. For homeowners it will increase to \$1000 and for salespeople it will increase to \$200. An incentive for upgrading windows will be added to the Home Improvement program in 2013. This incentive will be for replacing low efficiency windows such as double pane aluminum or single pane wood for electrically heated homes only. The suggested incentive is about \$3.00 per sq foot. Ducted air sealing as a separate stand alone measure might be something recommended in the potential study. One member asked if Celeste had looked at the new NEEA Residential Building Stock data. Celeste stated that she hadn't.

Celeste updated the group on the Shade Tree Pilot. There is a potential grant opportunity that might enable us to use those funds as part of the program or as stand- alone program. Idaho Power would be the main coordinator of the program. During the last EEAG Meeting, two different models were discussed. Celeste asked the group if they had a preference on which model is used. One member stated that she is excited about this program. She stated that she would be more likely to plant the tree if she was able to go pick it up locally. Another member stated that by working with local nurseries it helps the economy, if the mail fulfillment tree option is used; you need to be sure that the nursery has the ability to mail the tree into the state of Idaho and that you won't run into any regulatory issues. One member asked if this pilot would just be for the Treasure Valley. Celeste confirmed that yes; it is just for the Treasure Valley. The same member suggested the possibility of teaming up with the Boy Scouts to help those unable to plant the tree themselves. Celeste stated that could be something to look in to. One member stated that he had a strong preference for the in person fulfillment. He also stated that if a larger tree could be given out it might increase participation and benefits would be realized sooner. Another member liked the idea of using a local nursery so that if a problem occurred customers could take their tree back or talk to someone if they had questions. Another member said that it is critical to make sure that the right tree is planted in the right place. Also stressed making sure it isn't a high water demand tree or one that won't interfere with overhead power lines. One member suggested sending out a letter to the nurseries in the valley to see who would be willing to participate. A list of nurseries can be obtained from the Department of Agriculture. Another member stated that keeping the pilot small will enable Idaho Power to learn what works and what doesn't. Celeste stated that energy savings verification has not been obtained yet and asked the group for their feedback on the long timeline for savings results. One member asked what some of the other utility regulators have said about

similar programs. Patti Best stated that other utility regulators have asked for expansion. Customers of Arizona Public Service have been asked to attend a one hour class and at the end of the class they receive their tree. Some places like PEPCO do not claim savings. One member asked how much money and savings was anticipated for the pilot. Celeste stated that if we receive a grant, Idaho Power would pay the administrative and research costs with that money. Overall, it's not a huge budget for this small of a program.

Celeste informed the group that it has been decided to move forward with the Energy Kits in the spring of 2013. It isn't being looked at as an energy savings program, but as an educational tool for younger children. A total of 5000 kits with about a \$175,000 budget. One member asked what the kits contain. Celeste stated that at this point it can be whatever we want. It is usually lighting and showerheads but that there is at least 50 items to choose from. These kits will have to work with non electrically heated homes as well. One member asked how the selection process works. Celeste explained that the Customer Reps and Community Education Reps will do a lot of this work since they are in the field and classrooms. No specific criteria has been set. Celeste explained that Idaho Power is looking at giving gift cards to ensure that the student feedback comes back to the teachers. She asked the group for feedback on this idea. One member asked if IPC gives gift cards to the teacher after the feedback is received. Celeste stated that yes; it is an incentive for the teacher to make sure the audits get done. One member suggested asking a question on the forms that states; "I would like Idaho Power to follow up with me." Celeste stated that's a good idea and something we could look into adding.

Celeste went over the results of the Boise City Home Audit Project. The audit was only done in Boise. One of the lessons learned is that we do not want to conduct the audit ourselves in addition to generating the report. We would like to have a third party doing the audit. A sample of 93 homes was done after the audit and it showed that 60% of the homes implemented some of the additional measures within one year after the audit was complete. Celeste asked the group for feedback on whether to do a fuel neutral program where it's just educational or limit it to electrically heated homes only and make it cost effective. One member stated that it should be all electric homes, especially in the rural areas since they are usually larger homes. Another member stated that by doing a program like this, you will get whatever savings you can get, but it is also an educational opportunity in being able to help customers recognize the benefits of energy efficiency measures which will help down the road with building code adoption. When customers see the results of the audit and the different things they can do to save energy, it helps them make the connection of what's in that code. Celeste mentioned that in the Idaho Public Utilities Commission Order on Prudency from 10/22/12, the IPUC encouraged Idaho Power to take other opportunities to educate customers about Idaho Power's energy efficiency programs. One member stated that if it's a fuel neutral program, it will pretty much just be lighting. Another member asked about plug loads and if there were significant savings from those. One member responded that unless the customer has a home office it's not even worth bringing up.

Celeste spoke to the group about a Solar Thermal Hot Water measure. This would not be part of Net Metering as it won't generate electricity, it would just heat water. This measure could be incorporated into the Heating & Cooling Efficiency program. In 2011, there was a Local Energy Efficiency Fund (LEEF) project that was deemed cost effective and the project was monitored. The current roadblock is that Idaho Power doesn't know how many vendors could meet the \$3000-\$3500 cost threshold to install these units. Most vendors are probably over that price point. Celeste asked the group for feedback on whether or not a participating contractor situation should be used. By doing that, it could move the market and potentially transform it sooner, but it could also encourage fraud. One member stated that when there is that much of a tax credit prices seem to go up. Another member stated that the issue would be what is cost effective for Idaho Power and not what the participant has to pay. One member stated, for example, if the system costs \$3000, you can't deem the costs at \$3000 since there are other factors that could drive up cost, regardless of other incentives. Todd Greenwell stated that there have been three commercial projects that have used and applied for a Solar Thermal incentive in the last 4 years.

**12:15 Lunch**

## **1:10 Meeting Reconvened**

### **1:15 Regulatory Update – Tami White**

In March 2011, Idaho Power made a prudence filing. At the time of our last meeting on July 19<sup>th</sup>, we were still waiting for determination. On October 22<sup>nd</sup>, Idaho Power received a ruling. One member asked if the standard time to determine prudence was 7 months. One member answered that there had been some scheduling issues with IPUC Staff and lawyers and that it had nothing to do with any findings. Tami pointed out that there was a misunderstanding with the accounting adjustment. \$526,781 was charged incorrectly to the Idaho rider in 2010 and the correction was made in 2011. There was \$89,601 that IPUC staff needed more information on in order to determine if it is prudent. A/C Cool Credit incentives of \$82,856 was disallowed which is half of what staff recommended. One member asked if the A/C Cool Credit customers' switches weren't cycled or were just not working. Celeste stated that the switches were not working.

During the explanation of the FCA Filing slide, one member asked if this is for customer class or individuals. Tami stated that the FCA is only for residential and small commercial customer classes. Another member asked if Tami has any idea in which years this methodology would have changed the past FCA's. Tami stated that she didn't think it would have changed. The big change in use per customer happened in 2006 and that was before the FCA. If use per customer decreases, that increases the FCA balance and if use per customer increases, that decreases the FCA. Tami explained the Custom Efficiency Program filing in Idaho slide and there was no member discussion

### **1:38 Evaluation Activities, Financial Update – Pete Pengilly**

During the discussion of 2012 DSM Actual Expenses YTD vs. Total Expense spread sheet, Pete indicated that the EE Education for low income customers program appears to be 200% over budget. That occurred because 2011 dollars were accrued in 2012, meaning we did not pay the agencies in 2011. AC Cool Credit is above budget because the budget was set before the paging switches were replaced with AMI switches. Most of the increase is material and installation costs. There were quite a few Townhouse style homes that qualified for incentives in the ENERGY STAR Homes® program. One member asked if the Ductless Heat Pump Pilot is under budget due to interest level. Celeste answered that Todd Greenwell thinks that after talking to some of the contractors, some people are in an emergency situations and need to replace their ducted systems. As for DHP, people are replacing working systems so there is no urgency. Other than that, they are not sure what the motive is.

The Idaho, Oregon Rider, Regulatory Asset and Demand Response spreadsheet shows balances through September. This is similar to appendix 1 from the Annual Report. The Idaho Rider had a contra beginning balance. The balance is expected to be positive by the end of the year. One member asked if this happened faster than expected. Pete stated that it was projected to be \$3 million at the end of the year. A member of the audience asked if there was intent to increase expenses or decrease the rider. Pete stated that the company is looking at it. Idaho Power is not going to spend money just because there is a positive balance. It hasn't been decided on yet. The Oregon Rider will have an adjustment to the balance as an error was found in the billing system. All incentives and Demand Response incentives come out of the rider for Oregon.

Tami White asked the group if they would be interested in a webinar to have a better understanding of what the different accounts mean and an explanation of this process. Some members expressed that it would be nice to see the benefits of the money spent from the rider. One member suggested having a line that shows the savings vs. what was spent. One member asked if there could be another column on the spreadsheet showing what the \$19 million rider expenses got not in kWh savings but in dollar savings. This would help customers understand in a metric they could relate to. One member said it would be helpful to have the total expected savings to date in a

similar spreadsheet to the financial, just for the groups purpose. Pete stated that any numbers related to savings are not final and things can change. One member stated that it might be nice to have this in a quarterly newsletter.

Preliminary avoided costs estimates (from sheet)

We don't have the final alternative cost for Demand Side Management from the Integrated Resource Plan (IRP); the numbers are preliminary right now. These costs are going down due to gas prices, low market prices in the northwest and assumptions on carbon have changed in 2013 compared to the 2011. If some measures are not cost effective then we will need to work with commission staff on what to do going forward. One member asked what would be done about the avoided cost structure if costs are falling. Another member stated that Idaho Power could focus exclusively on the Utility Cost Test (UCT). The commission doesn't hold Idaho Power exclusively to the Total Resource Cost (TRC). Pete stated that Idaho Power has also never used the 10% adder for the Northwest Power Act that Oregon and Washington use. He stated that other ways can be explored on how alternative costs are used. One member stated that by the time the EEAG group sees the numbers, it's already done so there isn't any opportunity for input from this group. One member stated that a few more things need to happen in the IRP process before this conversation can be had with members of EEAG. Pete stated that once we get the alternative costs a sensitivity analysis can be done and at that point the conversation can begin. One member stated that alternative costs are now 30% lower than what they were during the 6<sup>th</sup> Power Plan. A few of the marginal items might be impacted but there are still inexpensive measures that can still be done.

Pete presented the Customer Research & Analysis slides that outlined the teams' responsibilities. Pete discussed the evaluation schedule and vendor selection process. The Request for Proposal (RFP) process is heavily scrutinized as cost is not the only driving factor. The typical industry standard for evaluations is 3%-4% of the budget and many agencies come to the table with exactly that amount. Idaho Power requires a cost/hour breakdown. The Potential Study results should be finalized in the next two weeks and a webinar could be set up with EEAG to go over the results. Kathy explained the non participant survey that Idaho Power will be doing. It will be across all sectors: residential, irrigation and commercial/industrial customers. One member commented that he is looking at data from the region on refrigerator recycling and asked if the data could be emailed to Adam Hadley (from the RTF). Pete stated that Navigant has the data. Cory stated that he sent the evaluation data. One member stated that it would be useful to have a presentation of what the company will do with the evaluation results and what changes if any will be implemented. Pete stated that it will be in the annual report, but that it can be summarized for this group.

## **2:45            Wrap up discussion**

Shawn will be sending out the dates for all of next year's meetings, which will likely be in February, May, August and November. Todd stated that a webinar will be scheduled to present the results of the potential study. He then asked the group for their feedback on having an outside facilitator to run the EEAG Meetings. The costs haven't been explored deeply, but there could be some benefits in helping to pull out more detailed information from the group. One member stated that this group doesn't deal with very tricky issues where a facilitator would help to keep things moving. She did state that a benefit of a facilitator would be that suggestions from the group to Idaho Power would then hold the company accountable for addressing them in the next meeting. Another member stated that unless it's too much of a burden for Idaho Power staff to do both jobs, then he doesn't think a facilitator is necessary. One member thought that a facilitator would be beneficial because they would be more objective. Another member stated that a third party should be an expert in the field so that they could add to the conversation.

Todd addressed the topic checklist from the beginning of the meeting. One member asked if Idaho Power is planning to address the revisions to the Idaho building and energy codes. Todd stated that Celeste participates on the sub-committee for the Energy Efficiency task force. Idaho Power will support and lend assistance and

expertise where needed. One member stated that the Fixed Cost Adjustment (FCA) order requires the company to support codes. One member stated that Idaho Power could help in the communication of energy savings to the Idaho Legislature.

Next on the checklist was an update on the NEEA Meeting (Efficiency Connections Northwest). Todd was unable to attend but three of his staff went and found it to be very good, especially the opportunity to network with peers. Celeste stated that there were sessions provided on what is going on in the Pacific Northwest region. They gave an up to date look at new technologies and the retail strategies.

The next item on the checklist is to address is what Idaho Power's commitment to NEEA is for the next two years.

Theresa answered by clarifying that there is still two years left in Idaho Power's current contract with NEEA and there are a number of regularly engaged individuals participating on this subcommittee. The board has just started discussions for the next funding cycle. One member thinks the memo from brainstorming session of the last meeting got overlooked. After the first memo was sent out, a few members had some suggested edits and that finalized memo did not get sent out. Celeste stated that she will look into this. It was suggested that a presentation of what was recommended, what was changed, and what couldn't be changed could be given.

3:08 Meeting Adjourned

**Energy Efficiency Advisory Group (EEAG)  
Webinar  
Minutes dated December 5<sup>th</sup>, 2012**

**Present:**

|  |                                    |
|--|------------------------------------|
| John Chatburn-Office of Energy Resources           | Todd Schultz*-Idaho Power          |
| Stacey Donohue-Idaho Public Utilities Commission   | Tami White-Idaho Power             |
| Lynn Tominaga-Idaho Irrigation Pumpers Association | Ben Otto-Idaho Conservation League |

**Present on Phone:**

|  |  |
|--|--|
| Nancy Hirsh-Northwest Energy Coalition | Don Strickler-Simplot                        |
| Kent Hanway-CSHQA                      | Randy Lobb-Idaho Public Utilities Commission |

**Not Present:**

|  |   |
|--|---|
| Lynn Young-AARP  | Catherine Chertudi-City of Boise, Public Works Dept |
| Tom Eckman-NW Power & Conservation Council               | Don Sturtevant-JR Simplot                           |
| Ken Robinette-South Central Community Action Partnership |   |

**Guests and Presenters\*:**

|   |  |
|---|--|
| Pete Pengilly*-Idaho Power                        | Quentin Nesbit-Idaho Power                         |
| Donn English-Idaho Public Utilities Commission    | Theresa Drake*-Idaho Power                         |
| Billie McWinn-Idaho Power                         | Mark Stokes-Idaho Power                            |
| Celeste Becia-Idaho Power                         | Ken Miller-Snake River Alliance                    |
| Nikki Karpavich-Idaho Public Utilities Commission | Shirley Linstrom-NW Power and Conservation Council |
| Jan Borstein*-EnerNoc                             | Ingrid Rohmund*-EnerNOC                            |
| Sogol Kananizadeh*-EnerNOC                        |  |

**Recording Secretary:**

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

**Meeting Convened at 3:30 pm**

Todd started the meeting with introductions of EEAG members and guests.

**3:37pm—EE Potential Study-Jan Borstein, Ingrid Rohmund**

Ingrid and Jan introduced themselves to the group. During the Overview slide (# 4) one member asked for clarification on whether or not Idaho Power's achievable potential was constrained by the current programs or budgets. Ingrid verified that it is not constrained or limited by either. Ingrid explained the three different levels of potential. In the case of Idaho Power, past programs give guidance on what is possible but it isn't a constraint. One member wanted to know if the numbers on the Summary slide (#6) were cumulative. Ingrid confirmed that they are cumulative.

During the discussion of Residential Market Characterization, 2011 (#11) Ingrid highlighted that the largest segment of usage is single family homes, second highest is limited income single family homes. Jan stated that the mobile home stock in Idaho tends to not have access to natural gas thus having a higher intensity. They usually have less insulation therefore are less efficient. One member asked how it was determined which customers had limited incomes since Idaho Power doesn't income qualify its customers. Ingrid stated that Idaho Power did the bulk of gathering the data. Pete stated that it was based on the residential end use survey and CLARITAS. During the Residential Market Profile slide (#12) one member asked if the data on single family homes from the Northwest Energy Efficiency Alliance (NEEA) Residential Building Stock Assessment (RBSA) has been looked at. Ingrid stated that the data is just now becoming available, so no, it was not incorporated. Jan stated that this data is based on Idaho Power's own residential end use survey and Ingrid added that it was also matched to the customer bills so it is uniquely Idaho Power. Someone from the audience asked if this data is mostly from 2009. Pete clarified that the survey was one in 2010.

There was some discussion during the Residential Baseline Projection slide (#13). One member asked if the forecast of use for baseline is the same sales forecast that the Integrated Resource Plan (IRP) used. Pete stated that no because this is without energy efficiency, present or future. It just has codes and standards. The IRP has energy efficiency embedded. Another member asked for the definition of Legacy Energy Efficiency Measures, stated at the top of the slide. Ingrid answered that 2015 includes savings from refrigerators purchased in 2010. It is action taken prior from 2011 past programs, but past savings are still there. Pete stated that it contains results of previous energy efficiency programs, but no new savings going forward from current programs. Ingrid stated that they are careful not to call it a forecast. They don't want to overstate the savings. One member asked if this only includes codes and standards as of 2011. Ingrid stated that is doesn't speculate about codes and standards in the future, only includes the codes that we know. Pete stated that the codes and standards have to currently be in law or policy.

The Residential EE Cumulative Potential slide (#15) shows that the key measure still providing opportunity in the residential sector is lighting. There is still some headroom to promote CFL and specialty lighting. Jan stated that the potential study does not provide guidance on how the savings are achieved, such as, direct install, market transformation, etc. The ramp rate looks at how the council group measures and then groups similarly. The council ramp rate isn't used but is adjusted based on program history. One member stated that if historical ramp rates are used it could potentially limit penetration based on existing program delivery. Jan stated that they start with history the first few years, in the next couple years they use what is currently going on in the programs and future years are increasing based on upcoming technologies. Ingrid stated that program history gives them a starting point. One member observed that the achievable savings in 2015 for lighting seemed larger than expected. Ingrid stated that it is large because lighting standards are still being phased in and technology turns over quickly. The first three years of the study show more opportunity but that it will look differently after 2015. She stated that the full report will show the potential of this measure over the duration of the study.

One member stated that one of the biggest factors in this is the assumptions going from economic to achievable. Will the final report be more detailed by measure or sector and sources and how they affect analysis? Ingrid stated that it will describe how they came up with participation rates and these will be in the appendices. Another member stated that she was appreciative of Jan and Ingrid walking EEAG through this study, but that she was unsettled with the gap between economic and achievable potential. One member wanted to know how the economic potential is screened, is today's Total Resource Cost (TRC) used or is it a future TRC. Jan stated that Idaho Power developed an avoided cost stream thru 2056 and the TRC ratio for every measure for every year. One member asked if they checked the avoided cost projection with other utilities in the region. Ingrid stated that each utilities avoided costs are specific to their circumstances so the client is always asked to provide that information. A member of the audience asked what other potential study data sources were used. Ingrid stated that they look at other studies to see what estimates are coming out and they have a library that they refer to. She couldn't give specifics.

#### **4:30-Demand Response at Idaho Power-Pete Pengilly**

Demand Response (DR) is a capacity product that is designed to meet deficits in extreme conditions. In all of the IRPS done in recent history, load resource balances have all showed deficits in near or long term. The planning criteria are 90% water conditions coinciding with 95% load conditions. The Peak Hour Deficit with 2013 IRP Resource slide (#2) indicates that there will be no deficits in 2013 thru 2015. The Peak Hour Deficit Hours by Year slide (#3) shows the total number of hours per year of deficits. In 2016 only saw 76 MW deficit over a 4 hour span. With our current programs, we can cover 105 hours for about 400 MW. Our immediate concern is having no need for DR for the next three years, and we are exploring different ways to change these programs to save customers money. Pete stated that he would like feedback from EEAG on ideas on how to change these programs in the near and long term. In 2011 \$16 million was spent on DR, of which \$12 million was incentives. In 2012 \$15 million was spent on incentives and approximately \$6 million in expenses for a total of \$20 million. One member asked if the incentive numbers are fixed or variable. Pete stated that they are all fixed costs. Another member asked why there was a \$4 million increase when there weren't any events called. Quentin stated that there was an increase in participation but there were some customer drop outs. There was also some maintenance expenses associated with battery replacement on the communication devices. Todd asked the group for their thoughts.

One member said that it might be good to rethink the goals that can be achieved with DR. Right now it's about shaving peak, but now Idaho Power might need to find different ways to extract the value of the programs since so much has been invested to build them up. Another member said that they were glad that Idaho Power is looking at ways to save customer money. A member of the audience asked if studies have been done to see varying levels of customer engagement. What is the likelihood that customers will stay in these programs after they have been ramped down? Pete stated that a participation study was done last year to glean information but that question wasn't specifically asked. Kathy answered the question in regards to the A/C Cool Credit survey. Customers were asked if they would participate if costs were fixed or variable. 98% stated that they would continue if it stayed the same but dropped off when it changed from fixed. One member stated that the irrigators have wanted to sit down with the company to talk about frequency of use without incentives changing, but have been put off until this study was done. One member observed that Idaho Power can handle its peak deficits until 2021-2022. Pete stated that there is another IRP in 2 years but from the data that we currently have that would be a reasonable assumption. One member expressed his concern for the industrial customers. If there are not enough events employees might not be engaged or know what to do when it's needed. Todd thanked everyone for their comments and suggestions and stated that this subject will be brought up to the EEAG members in the near future.

#### **4:46 NEEA Discussion-Theresa Drake**

Theresa started by acknowledging the impact this announcement had on members of EEAG. She assured them that it was not the company's intention to cause frustration. Idaho Power respects and values the time and the input of the EEAG members. An important aspect of Idaho Power's core values is respect and integrity and the company honored those by communicating its intentions to the executive director of NEEA first and members of EEAG immediately after.

NEEA was created during a time of when deregulation was on the horizon. Idaho Power had just a few demand side management (DSM) employees. NEEA was created in 1996, and the company's first contract was in 1997. In 2002 NEEA was able to offer 3 times more energy savings than what the company could achieve on its own. By 2011 IPC generated about 9 times the savings of NEEA. What the company currently pays to NEEA has increased 3 times since the first contract. During the 2008-2009 funding cycle, IPC purposed a different business model that would offer ala carte options that allowed funding specific initiatives meet the needs of customers in our service territory. NEEA stated that they could not support the ala carte program. The contract was created, and the Idaho Public Utilities Commission (IPUC) approved, with some reservations.

The executive director of NEEA has been informed of IPC decision and respectfully accepts the company's decision. They are interested in IPC's opinions during the next funding cycle. IPC is proud of its partnership with NEEA and we believe that customers have found value in it and will extract as much value in the next 2 years.

One member asked what NEEA's total budget is from all utilities. Theresa stated that she didn't have those figures. Another member answered that she thought it was approximately \$192 million over 5 years. One member commended IPC for taking the step to not renew its contract with NEEA. He believes that NEEA plays an important role, but it needs to have value to the Idaho Power customer. Another member stated that he has been exchanging emails with NEEA. The State of Idaho is very interested in a breakdown of how much of NEEA's budget is spent in Idaho and the benefits to the people who live in this state. One member stated that the IPUC staff doesn't have a position on NEEA yet. The functions of NEEA are much more difficult to quantify on a utility or even at the state level. At best, we only get sales data at the point of sale. Another member stated that NEEA needs to do a better job at reporting benefits. Theresa stated that NEEA has provided a scorecard for deliverables to the stakeholders. A member of the audience asked if the implication is that Idaho Power no longer believes that NEEA is cost effective, because the order from the IPUC is to pursue all cost effectiveness. Theresa answered that it is more about maximizing customer dollars. Should IPC customers be paying for services that are not beneficial for them? One member inquired how IPC would handle market transformation, something that NEEA has been very influential in helping with. Theresa stated that IPC believes in supporting the activities that bring value to customers, things that the company could not do on its own. IPC has left the door open with NEEA for those conversations.

A member of the audience asked for specific things that the company does not find value in. Theresa answered that she would rather speak to the things that IPC does find value in. IPC finds much value in the Integrated Design Lab (IDL) and training classes that are offered in the region. IPC's service territory has the highest attendance in those trainings. One member state that she would like to see a specific list of what IPC doesn't find value in. In NEEA's 2011 annual report, NEEA provides a huge amount of savings in the residential market which is proportional to what residential customers pay into the rider fund. How will Idaho Power fill that gap?

A member on the phone stated that she understands that IPC's obligation was to inform NEEA first, but was upset about the fact that there was no consultation at any of the prior EEAG meetings before the final decision was made. She stated that she hasn't heard that the programs are not cost-effective. She understands the IPUC concerns of judicious use of customer funds, but that implies they are not cost-effective. There are programs that some customers do not get any benefit from because they choose not to participate, but in the big picture, they all benefit. As a whole, the programs and services all work together even though not everyone participates. The opt in approach has been looked into and it's pretty hard to run a program with that kind of funding stream. If Idaho Power no longer provides funding to NEEA it will essentially become a free rider. How will Idaho Power pick up the slack with code training and R&D activities? She stated that she hoped EEAG is consulted on future plans.

Another member stated that the Pumpers Association has been relatively silent even though they contribute about 14% toward the rider, yet have not seen a NEEA program that benefits the irrigators. Theresa stated that this concern has been communicated with NEEA and they are testing some technology in a few sites. A member of the audience stated that NEEA has a test site in Grandview, Idaho. Another member addressed that the irrigators pay 14% into the rider but receive a 36% benefit. Another member stated that he appreciated the discussion on Demand Response; it's a good example of the kind of discussions that can be had with EEAG, makes him feel more vested in the process. Theresa stated that NEEA was appreciative of the 2 year notice to work thru the process. She wanted to discuss CEERI, but that will have to wait for a later discussion.

**5:30 meeting convened.**

**Energy Efficiency Advisory Group (EEAG)**  
**Minutes dated December 14<sup>th</sup>, 2012**  
**Conference Call**

**Present:**

|  |  |
|--|--|
| Catherine Chertudi–City of Boise, Public Works Dept. | Ben Otto-Idaho Conservation League       |
| Ken Robinette–South Central Comm. Action Partnership | Tami White–Idaho Power                   |
| Stacey Donohue–Idaho Public Utilities Commission     | John Chatburn–Office of Energy Resources |
| Nancy Hirsh–Northwest Energy Coalition               | Todd Schultz–Idaho Power                 |

**Not Present:**

|   |                   |
|---|-------------------|
| Don Sturtevant–Simplot                            | Lynn Young-AARP   |
| Tom Eckman–Northwest Power & Conservation Council | Kent Hanway-CSHQA |
| Sid Erwin–Idaho Irrigation Pumpers Association    |                   |

**Guests and Presenters\*:**

|   |                                 |
|---|---------------------------------|
| Pete Pengilly–Idaho Power                         | Celeste Becia–Idaho Power       |
| Quentin Nesbitt–Idaho Power                       | Theresa Drake–Idaho Power       |
| Billie McWinn-Idaho Power                         | Andrea Simonsen–Idaho Power     |
| Donn English-Idaho Public Utilities Commission    | Ken Miller-Snake River Alliance |
| Nikki Karpavich-Idaho Public Utilities Commission |                                 |
| Randy Lobb-Idaho Public Utilities Commission      |                                 |

**Recording Secretary:**

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

**Meeting Convened at 10:03am**

Members and guests on the phone introduced themselves. The two topics for today's discussion are Demand Response and CAES Energy Efficiency Research Institute (CEERI). Before the meeting got started, Tami read and discussed the non-disclosure agreement statement. This statement was also emailed to all members prior to the meeting. After the statement was read, there were no objections from the participants.

**10:10am Pete Pengilly-Demand Response Discussion**

Pete stated that there are no peak hour deficits from 2013-2015. In 2022 there is about 400 MW for 96 hours that can presumably be covered by current programs.

A member on the phone stated that in the past, Idaho Power has had pretty significant peak hour deficits. What do you attribute to this change? Pete answered that past IRPs showed significant deficits in near term and long term. Idaho Power's peak forecast and load forecast has gone down for a number of reasons; economic downturn, lost a large load customer, and there was another large load customer that did not come on system. Langley Gulch was brought on last summer. As loads were decreasing, resources were increasing. Quentin added that the economic downturn was in the 2011 IRP, but the 2013 IRP has a prediction of load being substantially less. Pete stated that

planning criteria has remained the same. An information sheet was sent to all the members via email on Thursday December 13<sup>th</sup>. That material was reviewed with the group. As a company, Idaho Power is questioning whether these are prudent expenses in the short term since there is no need based on forecasts. The peak deficit became available on November 30<sup>th</sup>, hence this conference call today. A member on the phone asked if these programs could be restarted if the equipment is left out in the field.

Todd stated that since information has become available, we've been looking at what each of the programs can do and would like to discuss with the group these three programs.

Quentin spoke to the group about the Irrigation Peak Rewards program. We have a capacity of 330 MW M2M is the contractor that maintains the equipment in the field. We have been in discussions with the contractor about what can be done about keeping this program in maintenance mode. By continuing to pay the contractor to maintain the equipment, it makes us feel more comfortable about starting up again, but on the flip side we started this program up in one year and got 160 MW. The contract we have with M2M expires in December and we have talked with contractor about an extension until we figure things out. We also need to take into consideration how customers will react. If the customer demands to have devices uninstalled then we have to honor that.

Todd spoke to the group about the FlexPeak Program for the commercial and industrial customers. The contract with EnerNOC runs thru next summer and ends in February of 2014. Discussions have been started to see if any possible amendments can be made to the contract. There is a minimum requirement of 35 MW. Another unique aspect of this contract is that EnerNOC has individual contracts with participants within the program.

Celeste gave an update on A/C Cool Credit. There are currently 35,000 participants. The bulk of the costs have always been infrastructure for installing and reinstalling switches. This past year we embarked on the task of replacing 23,000 paging switches. So far, about two thirds have been replaced and there is only 8,000 left to replace. Last summer an evaluation was done and we just recently received results. Customers were cycled at higher rates and we are pleased with the dispatch results on this program from last summer. Honeywell is the contractor that provides installations and deinstallation and they provide customer service during events. They also maintain the primary program database for this program. We have expenses related to software and licensing fees in regards to AMI switches which is a fixed cost of about \$17,000 per year.

One of the guests on the phone asked if the equipment has to be uninstalled, what costs would be associated with that. Celeste answered that the preference would be to keep equipment in the field unless the customer request it be removed.

Another member on the phone asked if there is any debate within IRPAC about the forecast.

Pete answered that the energy forecast is done first then it turns into peak forecast.

One member commented that the load forecast is slower growing than the last IRP and he feels comfortable with the refinement. Another member agreed with that statement.

Pete stated that on the supply side, there have been some changes in water forecast, and in some of the rulings in how we have to manage our resources. We have to remember, we will be doing another IRP in a couple years. It's an ongoing process.

A member on the phone stated that in last week's EEAG webinar it was mentioned that Idaho Power was still increasing participation in irrigation as of this summer. With the economic downturn and then Langley being brought on board, this seems a bit abrupt.

Quentin stated that two years ago, changes were filed for the program and workshops were held with the IPUC. IPC showed at that time how the company's need would vary going forward based on the 2011 IRP. That need went down about 150 MW after Langley was in place, but the projected growth was still 300-500 MW. It was a quick change, but if the numbers are added up, all those losses add up to the 300 MW: 80MW loss from the large customer, the 70 MW loss from the other large customers, 100 MW from the economic downturn, and 50 MW because this summer's peak wasn't 1 in 20 load condition year. Going back to the participation issue and still adding customers it had a lot to do with the filing that said to not limit participation. Marketing was only done to existing customers but people were not turned away due to the directive that said to not turn down customers based on need.

Tami stated that good stakeholder input is needed in order to move forward. Idaho Power came to the conclusion that there just isn't enough time to get that input and file it with the commission to get it in place before the upcoming season. For the irrigation program, people sign up in March and residential customers need to get signed up in April. Tami gave the timeline from a regulatory perspective to the group. This is Idaho Power's opinion based on experience, once an application is submitted the timeline is really in the IPUC's hands.

The first step takes a total of about 30 days, which includes the initial filing and any third party intervening. Also, at the time of the initial filing, Idaho Power has to file a communication to its customers through bills and press releases. The IPUC then decides if the public interest needs a hearing, if so that is about a 3 month time frame. A comment period of about 30-60 days is provided to interested parties. Once that is complete, Idaho Power would submit any reply comments within 14 days. At that point, the IPUC needs time to make their opinions to issue the final order. The IPUC could also hold public workshops or hearings during that time. Idaho Power feels that there just isn't enough time with this process to have a program redesign for the 2013 season.

Todd stated that each of the programs have unique characteristics. We want to make sure we are making the best decisions for the customer in the long term. The best option for Idaho Power is to prepare a filing to temporarily suspend the tariffs for 2013 for A/C Cool Credit and Irrigation Peak Rewards. This will mean the customers will not receive incentives and events will not be called. The FlexPeak program will be available for the summer of 2013. Todd then opened up the discussion for comments.

One member on the phone stated that as part of the IRP, we see huge surpluses of energy. We don't talk about dismantling resources and there are more resources that are actually needed. This is not unique to demand response. All resources take time to build. It is cheaper to keep demand response active at a lower level in order to have them available in 2016. Tami stated that the idea isn't to completely dismantle the programs but going forward, how can the costs be minimized during this temporary hold so that we can have them available when they are needed. One member responded that he had been unclear about the original intent for the program, he understood now that Idaho Power wants to find a way to keep them available. He then suggested maybe changing the tariff to make the program variable so that it could be ready if needed. Pete stated that because of the time crunch, Idaho Power is just purposing a pause for 2013 so that the right decisions can be made. Another member on the phone stated that it makes sense to keep FlexPeak operational. She also agreed to suspend the other two programs and have one operational in reserve for when it's needed.

Todd stated that the plan is to work on the filing and ask for a temporary suspension on A/C Cool Credit and Irrigation Peak. Todd thanked everyone for their inputs and thoughts.

#### **11:00 CEERI Update-Theresa Drake**

The CAES Energy Efficiency Research Institute (CEERI) was developed in Oct 2010. There are a number of interested parties interested in leveraging the CEERI system in Idaho to focus on energy efficiency research. Idaho Power is looking at a possible short term funding cycle. Some of the outcomes of projects would be studies of technology, research and validating some of the models that we use. Theresa emphasized that she wanted to

keep members of EEAG informed and asked if they had any questions. One member on the phone asked what the proposed funding would be and if this would come out of rider funds. Theresa answered that she was not in a position to share what the funding would be at this time, but that they are currently working with CEERI and partners on the development agreement. This is not meant to replace anything, but rather it would be supplemental research. The funding would come out of the rider. One member on the phone stated that she fully supported Idaho Power's involvement with CEERI, just want to make sure that there is still funding available for current programs and research projects. Another member on the phone stated that he thought it was an exciting opportunity and stressed that the company should be specific with how the research will benefit Idaho with savings. Theresa stated that since this is research, there will not be cost effectiveness test; it won't be a widget based program. It will support research and development to help us promote other technologies going forward.

Todd informed the group that meetings for 2013 will be sent out early next week and thanked everyone for their comments and attendance

**11:10 meeting ended.**

**Energy Efficiency Advisory Group  
February 7, 2013  
Agenda**

- |       |   |
|-------|---|
| 9:30  | Welcome, Introductions, Review November Minutes         |
| 9:45  | Review EEAG Topic Requests                              |
| 10:00 | Regulatory Update – Tami White                          |
| 10:30 | Evaluation Activities, Financial Update – Pete Pengilly |
| 11:00 | Break   |
| 11:10 | Residential Programs – Celeste Becia                    |
| 12:00 | Lunch   |
| 1:00  | Commercial Programs – Todd Schultz                      |
| 1:50  | Break   |
| 2:00  | Conservation Voltage Reduction – Phil Anderson (IPC)    |
| 2:40  | Building Codes  |
| 3:00  | Wrap-up Discussion                                      |
| 3:20  | Adjourn   |

**Energy Efficiency Advisory Group (EEAG)**  
**Minutes dated February 7<sup>th</sup>, 2013**

**Present:**

|  |  |
|--|--|
| Catherine Chertudi—City of Boise, Public Works Dept. | Don Sturtevant—Simplot(On Phone)               |
| Ken Robinette—South Central Comm. Action Partnership | Lynn Young—AARP                                |
| Stacey Donohue—Idaho Public Utilities Commission     | John Chatburn—Office of Energy Resources       |
| Ben Otto—Idaho Conservation League                   | Sid Erwin—Idaho Irrigation Pumpers Association |
| Tami White—Idaho Power                               | Todd Schultz*-Idaho Power                      |
| Tom Eckman—Northwest Power & Conservation Council    |  |

**Not Present:**

Nancy Hirsh—Northwest Energy Coalition  
Kent Hanway—CSHQA

**Guests and Presenters\*:**

|   |   |
|---|---|
| Pete Pengilly*—Idaho Power                        | Cory Read—Idaho Power                             |
| Gary Grayson—Idaho Power                          | Diana Echeverria—Idaho Power                      |
| Sheree Willhite—Idaho Power                       | Billie McWinn—Idaho Power                         |
| Dennis Merrick—Idaho Power                        | Celeste Becia*-Idaho Power                        |
| Chellie Jensen—Idaho Power                        | Roberta Renee—Idaho Power                         |
| Quentin Nesbitt—Idaho Power                       | Denise Humphreys—Idaho Power                      |
| Cheryl Paoli—Idaho Power                          | Patti Best—Idaho Power                            |
| Becky Arte-Howell—Idaho Power                     | Bridgett Hanna—Idaho Power                        |
| Dave Thornton—Idaho Power                         | Darlene Nemnich—Idaho Power                       |
| Mindi Shodeen—Idaho Power                         | Andrea Simonsen—Idaho Power                       |
| Todd Greenwell—Idaho Power                        | Chris Pollow—Idaho Power                          |
| Shelley Martin—Idaho Power                        | Bryan Lanspery—Idaho Public Utilities Commission  |
| Nikki Karpavich—Idaho Public Utilities Commission | Shirley Lindstrom—NW Power & Conservation Council |
| Donn English—Idaho Public Utilities Commission    | Jim Madarieta—Idaho Power                         |

**Recording Secretary:**

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

**Meeting Convened at 9:35 am**

Todd had the members and guests introduce themselves. He informed the group as to where we would meet in the event of an emergency. The minutes were reviewed and there were no changes. One member commented that the minutes were very well done. Todd let everyone know that Theresa Drake would not be in attendance due to illness. The confidentiality statement that was sent out to the members prior to the meeting was discussed. Idaho Power thinks that it is prudent to have this statement imbedded in the email correspondence with members and it

will be a part of the meeting from now on. The memo from the July 2012 meeting with edits was passed around to all the members for a later discussion. Todd went over meeting discussion topics that were sent in prior via email. These topics will be discussed throughout the day.

#### **9:45am—Regulatory Update-Tami White**

Idaho Power filed for a temporary suspension of two demand response programs; A/C Cool Credit and Irrigation Peak Rewards. FlexPeak was not included in that filing because Idaho Power is still under contract with EnerNOC. Idaho Power has requested to have the order by March 1<sup>st</sup>. There was a pre-hearing settlement workshop on February 6<sup>th</sup> and Tami stated that she felt it went well. She couldn't speak much about it since the terms of the settlement are confidential. One member stated that he felt that the workshop had a good structure to find a short term solution quickly but also to set up a process to come up with a long term solution. Another member stated that Idaho Power is much easier to work with than another utility. He is please with the progress so far and felt it went very well. He complimented everyone involved and stated that the give and take was very constructive. During the discussion of the Custom Efficiency Filing (slide 5) one member stated that this package of filings is an interesting way to have Energy Efficiency make business sense. There are not a lot of utilities that have this same package of filings. Idaho Power is stepping outside the box and other utilities in the region are watching to see what happens. The Idaho Public Utilities Commission (IPUC) staff has been good at thinking broadly about these things. It's been a good process to go through. Tami agreed and talked about the economic dispatch of demand response. Todd stated that he liked that a number of the EEAG members are engaged and involved with the demand response filings.

#### **9:56 am—Evaluation Activities, Financial Update-Pete Pengilly**

Pete stated that a lot of the information that he is presenting is not final and will not be final until the annual report is filed. The financials are pretty close and he doesn't think there will be many changes. The savings and cost-effectiveness are still being worked on. Pete presented appendix 1 and stated that the January end of month balances are unavailable at this time because the books do not close until the 10<sup>th</sup> of the month. The Oregon Rider is not collecting enough to overcome the negative balance. He is working on how to increase funding in Oregon and to figure out what the course of action will be for Idaho. Tami stated that evaluation is being done for both Oregon and Idaho prior to the spring filings and IPUC staff will be notified. Pete stated that the Custom Efficiency Incentives year-end balance includes accrued interest and shows the complete picture if the filing gets approved. One member asked if the NEEA payment is included in rider expenses. Pete stated that 95% of the NEEA balance comes from the Idaho rider and 5% comes from the Oregon rider. Another member asked if irrigation demand response in Oregon is treated the same as Idaho. Pete stated that all demand response incentives are in the Oregon Rider. Tami clarified that in Idaho, demand response incentives are in the PCA and in Oregon they come from the rider. One member asked if the PCA is in Oregon. Pete stated that yes there is one; it's similar to the Idaho PCA but also different. Pete presented appendix 2 and stated that all expenses are shown by program/funding source. This layout may change for the annual report. The "Idaho Power" account is a little deceptive in that it includes Custom Efficiency incentives, demand response incentives, actual O&M expenses and disallowance for A/C Cool Credit. From an accounting perspective it's not entirely accurate but this group had asked to see all of the expenses. Tami asked if this was the table that one of the members requested to have a savings column. Pete answered that he thought about putting that in, but savings are not final yet and throughout the year the savings change, but may do that going forward. One member stated that maybe showing quarterly savings would work. Avista does monthly expenses and savings but he hasn't followed up on how accurate it is. Another member asked what the Comprehensive Lighting Pilot is. Todd answered that Idaho Power participated in a pilot with NEEA. It was a way to try and transform the market from the trade allies doing one for one change out to a whole design layout change with a higher incentive.

Pete presented the slides for the 2010-2013 evaluation schedules. In 2010 there were a lot of process evaluations completed. In 2011-2012 it was mostly impact evaluations and for 2013 more process evaluations will be done.

The majority of these evaluations are done by outside evaluators. There are multiple Requests for Proposals (RFP's) sent out. When those come back, they are reviewed to determine who the best evaluator would be based on quality, price, and innovative ideas. Pete presented the slides showing results of each program evaluated.

**Building Efficiency-**The Variable Speed/Frequency Drive measure is a challenge for all programs. One member stated that VFD's in an irrigation application depends on your crop and how you farm. With a VFD, you can shut off all the sprinklers and not blow up a main line. He has several of them but it takes a few years of running them to determine the energy savings. In a manufacturing setting the savings might be more clear-cut than in irrigation.

**Easy Upgrades-**The VFD and HVAC measures account for 80% of the difference between realization and savings. Gary stated that ADM will be helping with formulas for determining deemed savings. One member stated that the Regional Technical Forum (RTF) is currently working on a calculator for VFD and fans to help achieve savings. This is an issue that most utilities have and that is why it has been targeted as high priority for standardization. It's hard with these because you never really have a baseline because the measurements are done after the VFD has already been installed. Pete stated that there is a follow up contract with ADM to review all the measures.

**See ya later, refrigerator-** Most utilities in this region contract with JACO so there is a lot of data that the RTF uses. One member stated that the savings for the refrigerators have been updated and are good for 2 years. The savings are slightly lower which is to be expected because there are younger refrigerators in the market.

**WAQC-**The preliminary report states that the EA4.6 estimating tool overstates the savings. One member stated that he was surprised that the tool overestimates savings. DNR International was the one that approved the EA4.6 for the Department of Energy to use. Gary stated that they did approve the tool but this tool doesn't take into consideration cooling loads and interactive effects of the measures. One of the recommendations is to use the EA5 tool because it allows for some tweaking for our specific weather zone. One member stated that he thinks a lot of the auditors are looking for heat load and not cooling load. Another member asked if we will be able to get some estimate of additional cooling that was added to offset the savings. Gary said that is being worked on and the 2011 data is being looked at.

**Heating & Cooling Efficiency-**This program had a 94% realization rate. A few of the recommendations from Cadmus do not align with what Idaho Power believes to be prudent. The company isn't ignoring these recommendations; some just aren't an option at this time. The on-bill financing isn't a realistic option for the company. Having an online application system is something that might happen down the road but right now the IT department is stretched because they are working on the new billing system. The earliest that it could be implemented is 2014. One member asked what method Cadmus used, did they do a billing analysis and how did they determine that savings were reasonable. Gary stated that there wasn't any billing analysis. The data that was collected on the homes was lined up with the assumptions in the SEEM model.

**Boise City Audit-** There was a correction on this slide. The "2.4 reduction in electricity consumption" should read "2.4% reduction in electricity consumption."

**A/C Cool Credit Process & Research Evaluations-**These evaluations are snapshots in time and a lot of their recommendations have already been addressed. This information is still relevant for running this program in the future. PECI determined that the AMI data can be used to assess demand reduction. The 1.09 kW per unit peak day reductions were a considerable savings from the previous year's study

**Irrigation Efficiency Research-** Idaho Power currently has a draft of the evaluation. The company is trying to determine the savings for the menu program. One member asked how many irrigation programs like this are in the region. Another member answered that wherever there is large irrigation load there will be programs like this. Quentin stated that Rocky Mountain Power has a similar program and Bonneville Power Administration (BPA)

offers it to Co-Op utilities. A member of the audience stated that the 2011 Annual Report indicated that demand response programs had impact evaluations done in 2012. Pete stated that they were done, but done in house. FlexPeak is done once a year and so is Irrigation Peak. Not having had any events called for Irrigation Peak makes it hard to do an impact evaluation but we can see what might have happened if an event had been called.

#### **10:55am-Break**

**11:05am-Residential Presentation-Celeste Becia**-Celeste stated that the savings numbers are preliminary until the annual report comes out in about 6 weeks. The savings numbers in the Residential Program History slide (slide 2) do not include WAQC or Weatherization Solutions savings.

**A/C Cool Credit**-This program had 13 events in 2012. Most of the cycling events were higher than 50%. There were a few more customer dropouts but also saw that customers were able to handle the heavy cycling events. One member asked Celeste to explain the cycling. Celeste stated that the cycling percentage applies to the entire event which is 3 hours. So if a customer is cycled at 75% that means that for  $\frac{3}{4}$  of an hour they are without air conditioning.

**Boise City Audit**- There was money left over after the original 650 audits were completed so an additional 226 audits were completed. Most of the audits were completed in the spring of 2011. The chart at the bottom of the slide (#4) refers to all of the homes audited. The age of the homes overlap so they don't really add up to 100%. Based on the Total Resource Cost (TRC) Test and the Utility Cost Test (UCT) being over 1%, that allowed us to perform audits on electrically heated homes. The majority of the money came from ARRA funds which allowed us to do audits on gas heated homes as well. One member asked what was included in the audit. Celeste stated that it included blower door test, visual inspection of crawl space and attic, and gathering data on the home and how it uses energy. The auditors have HERS or BPI certification.

**Ductless Heat Pump Pilot**- This pilot performed at a steady pace for 2012. There are currently 60 contractors participating. The strategy for 2013 is focused on awareness campaigns for contractors, wholesalers, and consumers.

**Energy Efficient Lighting**-About 2/3 of residential energy savings comes from lighting. The potential study still targets lighting for energy savings, good news for the near term.

**ENERGY STAR® Homes**-In 2012, 396 out of the 410 homes fit a townhome design with an average size of 925 sq ft. Town houses will not have the same energy use or savings as a standard footprint home, the energy savings would be three times what you see. This is the reason the goal for 2013 was set at 100 homes. Idaho Power wants to see how the savings of the 396 town home style homes add up to the 100 single non attached homes.

**Energy House Calls**-The target numbers for 2013 won't change from 2012. Managing this program is low cost so we would like to keep it going in some form even though it's reaching saturation. One member asked if Idaho Power has gone and talked to the community leaders that may have participated in this program to be a spokesperson and encourage others to participate. Celeste stated that park managers have been approached. Another member stated that most of these parks have a no solicitation policy so going door to door is prohibited. A member of the audience asked how we keep track if a house has participated in the past. Celeste answered that the contractor verifies whether or not the home has been in the program.

**Heating & Cooling Efficiency**-This program includes evaporative coolers. 141 applications were received in 2012. Contractors who want to participate in this program must meet NEEA qualifications standards. There were 6 new participating contractors added in 2012. One member asked how many total contractors currently participate. Todd Greenwell answered that there are now 45. Celeste stated that there is some challenge to keep these contractors participating and the customer reps will periodically visit with them to keep them engaged.

**Home Improvement Program-**There was a lot of changes to the program in 2012. For 2013 an energy efficient window measure will be added. This program is still not available in Oregon, but there are alternatives available for customers there. One member asked if there is a state tax credit for duct sealing, insulation, and windows and if so, that could be helpful to mention in regards to marketing this program. Diana Echeverria stated that Corporate Communications is well aware of these and will be incorporating them in marketing materials going forward.

**Home Products Program-** The incentive for clothes washers will be removed from this program. We don't want to surprise customers in June when it's no longer available, but we don't want to push people to buy washers either. Will take some creative marketing, key word advertising. The goal is to make people aware that it will be going away so if they were thinking about purchasing a washer, now might be the time to do it.

**Oregon Residential Weatherization-**Idaho Power offers financial assistance for a portion of the costs for weatherization measures, either as a cash incentive or with a 6.5% interest loan. No loans were made through the program in 2012. This program is an alternative to the Home Improvement Program for Oregon customers. This program is under statute so it will always be available to customers in Oregon. Out of the 8 homes weatherized, 5 implemented weatherization measures, mostly attic insulation.

**Rebate Advantage-**Incentive amounts have increased for 2013: \$1000 incentive to customers and \$200 for salesperson. The slide says \$500 but that is a mistake. There has been some difficulty finding a regional database that tracks which manufactured homes get qualified for ENERGY STAR®. One member stated that Brady Peeks and Tom Hewes manage those databases. The houses have a NEEM number and if they have been certified, that number will be on house somewhere.

**Energy Efficiency Education-**The Energy Efficiency Guides are about 8 pages and are inserts in local newspapers. They are available for use at trade shows. These guides are no longer dated. They are topical and timely, but are also relevant for about 1 year to 18 months. There were 171 outreach activities in 2012 which includes presentations, trainings, and events. Two of Idaho Power initiatives will be funded through Energy Efficiency Education, the shade tree program and the educational kits.

**See ya later, refrigerator-** The savings for this program look close to what was expected. The 10,000<sup>th</sup> unit was collected. We are anticipating this program to be around for several more years but that will depend on what the potential is.

**Student EE Kits-**As mentioned earlier, this will be part of the education program. Idaho Power would like to get this into classrooms in April. This is not budgeted as a long term program but as education. One member asked if savings will be tracked for this. Celeste stated that there will be some savings mostly from lighting. There will be some water savings as well. Another member asked if there will be an opportunity for the family to ask for follow up from Idaho Power. Denise Humphreys answered that there is an accordion tear up sheet with the program information and they can mail that back to Idaho Power for more information or a follow up visit.

**Weatherization Assistance-** There is no energy savings listed on the slide. This program used newer energy analysis EA5 where Weatherization Solutions used the EA4 model for estimating savings. Idaho Power is waiting to get the evaluation results before publishing the savings numbers.

**Weatherization Solutions-**This program along with Weatherization Assistance is still being evaluated. Typically customers fall just outside the eligibility cusp for the federal program or are just outside of the Weatherization for Qualified Customer (WAQC) program, so they can take advantage of this program. Most of Idaho territory has been covered. This program is not in Oregon yet.

There are a few new projects for 2012. \$120,000 is budgeted for Home Audits. The shade tree pilot has about \$20,000 budgeted. The incentive portion of that is about \$5000. Patti Best is working on development of the outlines of the program. One member asked if there is any information on the Window incentives. Becky Arte-Howell stated that the company's website has been updated and the incentive is \$2.50/sq ft

#### **12:00 Lunch**

#### **1:03pm- Meeting Reconvened**

#### **1:04pm-Commercial Update-Todd Schultz**

Todd started the discussion by saying that the success of the commercial programs comes from the folks that work on these programs day in and day out. Todd reminded everyone that just like the residential programs, all of the savings numbers for the commercial programs are preliminary.

**Custom Efficiency program-** This program is at 84% of target for projects and 55% of target for savings. In 2012 a very large chilled water savings project was completed. The targets for 2012 were down slightly from previous years which could possibly be attributed to the economic landscape. It was also an election year which affects investment in new projects. Todd introduced Randy Thorn and had him address the group about an upcoming project. Randy informed the group of ROCEE, Refrigerator Operator Coaching for Energy Efficiency. There will be 6 trainings and they will be held at various facilities where operators can learn best practices and how other businesses are doing things. They will be able to monitor what is implemented along with earning some incentives. This training will start in the Treasure Valley and if successful will move to the eastern regions. One member asked if this project is teaching companies how to operate their equipment. Chris Pollow answered that it is a low cost/no cost behavioral change and a way to optimize efficiencies. Randy also spoke about the Small Industrial program. This offering is tied to the impact evaluation and will work with trade allies. He hopes to have this up and running in the second quarter. The Strategic Energy Management will get more into behavioral aspects and will be a good opportunity for an upcoming EEAG webinar or conference call. In the past 12 months Idaho Power has filled 171 seats for NEEA's industrial trainings, more than everyone else in the region.

**Easy Upgrades Program-**The number of projects in 2012 increased 6% and savings increased 7% over 2011. Lighting spans other commercial programs-Custom Efficiency and Building Efficiency. In 2011 there were 8 trade ally workshops. 3 of these trainings were technical trainings and 2 out of those 3 qualified for continuing education credits. There were a total of 362 participants. There were 75 trade ally visits. Todd introduced Shelley Martin to the group to address some recommended changes to the program. The program will allow T8 to reduced wattage T8 to receive an incentive. Idaho Power, along with 3 other utilities participated in a comprehensive lighting pilot with NEEA. Idaho Power has not seen the evaluation. The company does see value in this pilot and the deeper savings of comprehensive lighting retrofits. The company is looking at what can be done to achieve this but in the meantime we will be offering incentives for decommissioning fixtures. One member mentioned that the Integrated Design Lab (IDL) is a great resource for lighting. They did some research on people's perception of light. He asked if Idaho Power will take advantage of this resource. Todd stated that Idaho Power has a contract with the IDL which includes foundational services. If a contractor wants to look at day lighting they can utilize the resources available there. Shelley spoke to the group about some changes with the non-lighting portion of Easy Upgrades. There are not specific measures identified, but based on some comments from the impact evaluation, Variable Speed Drives, Energy Management Systems, processes and procedures, and evaluating if we need to look at the incentive structure. There are currently about 100 non lighting measures. Phase I of the Office of Energy Resource (OER) school projects have been completed. The incentive money for Phase I was held back and that money will fund Phase II. One member stated that OER will be retrofitting additional schools in each of the utilities service territories. Those will start in about 2-3 months. There are 5 schools left under the stimulus funding that will be wrapped up soon. A member of the audience asked where the funding comes from for schools outside of Idaho Power's service territory and if incentive dollars from Idaho Power go towards funding schools outside of the service territory. The same member answered that funding comes from ARRA funds and that

incentive dollars have to be used in the utilities service territory where the funds came from. These funds can only be used for electrical upgrades.

**Building Efficiency**-There was a 33% increase in projects and a 74% increase in energy savings over 2011. One thing to keep in mind is that new construction is multiyear projects. One member asked if the new Zion's Bank Building is part of this program. Sheree Willhite answered that yes it is. This program had an impact evaluation and there was a small calculation error in three of the measures that contributed to 85% error. Another issue was a stacking effect of interactive measures. Out of 84 projects, only 9 had this issue. There were some projects that had this stacking effect that had positive impact that we are not counting savings so it might counteract the negative impacts. Idaho Power is partnering with NEEA and BOMA in the Kilowatt Crackdown project. The goal is to get 30-50 commercial office buildings to participate in scoping audits. This will be a visible project that should help drive more projects into the Building Efficiency and Easy Upgrades programs. The participants are not competing for monetary prizes but rather bragging rights and recognition from other businesses. Idaho Power is getting closer to evaluating incentives on multi-family housing. This could also be another great topic for a webinar or conference call. Currently, Idaho Power has 11 task contracted with the IDL. There is outreach and education. Simulation seminars, lunch and learns, and foundational services. At the College of Western Idaho, a project with 700,000 kWh savings was just finished earlier this year. One member asked about the problems associated with multi-family housing such as landlord and tenant issues. Is there anything Idaho Power is doing to mitigate those issues? Todd stated that the thinking is to get in on these projects at the new construction or remodel level. Another member asked if ductless heat pumps were being considered. Sheree answered that those are being evaluated.

**Irrigation Efficiency Rewards/Irrigation Peak Rewards**-The Irrigation Peak Rewards program wasn't dispatched last summer and there is a pending case to suspend it for 2013. The Irrigation Efficiency program saw a 3% increase of completed projects in 2012 vs. 2011. Quentin and Dennis spend a lot of time talking to trade allies at workshops and trade shows. The research done by the University of Idaho is complete and a copy of the final report was just received. The information from that report will be shared with the Regional Technical Forum (RTF).

**FlexPeak Management**-This demand response program will run in 2013. Idaho Power has a contract with EnerNOC that will expire in about a year from now. This program was called 4 times in the summer of 2011. It was called on the peak day with a calculated 30 MW energy reduction at the meter. Every customer on a weekly basis nominates their energy reduction. On average 104% of committed reductions are achieved. Idaho Power's downtown office building participates in this program by nominating 100 kW per week. One member stated that with this program, businesses might be able to learn what areas in their building they can target to reduce energy usage. If they don't notice when things are off during an event, there might be a way to keep these things off permanently. Billie responded that some businesses have noticed that and are implementing changes based on the results.

#### **1:55pm-Break**

#### **2:04pm- Conservation Voltage Reduction-Phil Anderson**

Todd introduced Phil Anderson to the group. Phil is a leader in the planning department. As he gave an outline of presentation, one member asked if she would notice voltage reduction in her home. Phil stated that you might notice an incandescent light dim slightly but you wouldn't notice a CFL. Most utilities tend to operate in the upper half of the range which is 114v-126v. Studies have shown that if voltage is lowered by 2-4% you can achieve 1-3% reduction on energy and demand. Implementing CVR would mean operation at the lower half of the range (114v-126v). Urban feeders are the prime candidates because they are shorter in length. The longer lines have more voltage drop. There was some discussion on whether Idaho Power has heard from customers on those feeders. Phil stated that there have been 3 customer complaints. 2 of those complaints were problems on their end and the other customer had some load growth and they saw excessive voltage drop. One member asked if that was

3 out of 29,000 customers. Phil stated that there could have been more, but only heard from 3 people. To do more feeders at this point would require a system upgrade, changing equipment, etc. Costs are being assessed to see if making changes would be cost effective. One member stated that the reason he wanted to discuss this was to encourage Idaho Power to continue looking at this. A lot of little savings can have a big impact and customers don't really have to participate. Another member stated that most of the efforts to make CVR work would require more money invested in equipment and raising rates. He was happy that this presentation addressed the issue of why this wouldn't work for irrigation feeders. He stated that new construction might benefit more from CVR, where you don't have to go back and retrofit. Another member asked if CVR is factored into the decision making. Phil stated that no, CVR is looked at for existing feeders and not for future needs. There are cost effectiveness issues, a conductor is expensive. Another member stated that she is aware of many utilities doing CVR more for system maintenance. Another member asked if the savings from this is mostly heating. Phil answered that most of it is from resistance heating such as incandescent lighting.

Sheree Willhite addressed the group regarding building codes. She attended a meeting of the building code board on where it was discussed whether or not to implement the 2012 building codes. Some of the amendments of the code are fire sprinkler code, lowering the air changes per hour, and envelope requirements. One member stated usually each iteration of code change increases efficiency by 12%, which means upgraded codes can decrease the cost of running a home. Builders are very good at pushing back on these codes. Building codes can set the baseline for energy savings. Having homeowners as well as Idaho Power support code changes can help push these changes through legislature. Both Sheree and Todd stated that Idaho Power works to help advance energy codes. Sheree stated that there is educational efforts and also working with architects and engineers on code adoption.

Todd stated that one member had wanted to discuss NEEA but he had to leave early. Idaho Power is continuing its work with NEEA and is working on some large initiatives with them. A member of the audience stated that he would like to see a detailed plan on what the company will do to replace the benefits it receives from NEEA. One member stated that NEEA provides a lot of impact with building codes. Another member stated that it also provides residential savings especially with lowered alternate costs. One member related an experience that a large grower had with NEEA. It was a study being done by NEEA, but they did not do a good job communicating with the crew what they needed them to do. He stated that maybe NEEA needs a little tune up.

Todd addressed one member's suggested edits to the brainstorming memo from August 3, 2012. There was discussion among the group about whether or not to incorporate the edits. The general consensus was that these edits should be made. A new copy will be sent out to the members. Todd asked the group to think about agenda items for the next meeting. One member stated that there should be a new member representing Oregon and maybe for the next meeting we review EEAG charter.

### **3:42-Meeting Adjourned**

**Energy Efficiency Advisory Group  
May 23, 2013  
Agenda**

- 9:30 Welcome, Introductions, Review February Minutes
- 9:40 Review EEAG topic requests
- 9:45 Regulatory Update – Tami White
- 10:15 Financial Update – Pete Pengilly
- 11:00 Break
- 11:10 Non-Participant Survey – HANSA-GCR – Jenn Falco
- 12:10 Lunch
- 12:50 Irrigation Efficiency Research Project – Dr. Howard Neibling, P.E.
- 1:50 Commercial Programs – Todd Schultz
- 2:35 Break
- 2:40 Residential Programs – Celeste Becia
- 3:40 Wrap-up Discussion
- 4:00 Adjourn

**Energy Efficiency Advisory Group (EEAG)**  
**Minutes dated May 23<sup>rd</sup>, 2013**

**Present:**

|  |  |
|--|--|
| Catherine Chertudi–City of Boise, Public Works Dept. | Ben Otto-Idaho Conservation League             |
| Ken Robinette–South Central Comm. Action Partnership | Todd Schultz*–Idaho Power                      |
| Stacey Donohue–Idaho Public Utilities Commission     | Sid Erwin–Idaho Irrigation Pumpers Association |
| Nancy Hirsh–Northwest Energy Coalition               | Kent Hanway-CSHQA                              |
| Tom Eckman–Northwest Power & Conservation Council    | Tami White*–Idaho Power                        |

**Not Present:**

Don Sturtevant–Simplot  
John Chatburn–Office of Energy Resources  
Lynn Young–AARP

**Guests and Presenters\*:**

|   |   |
|---|---|
| Pete Pengilly*–Idaho Power                        | Cory Read–Idaho Power                         |
| Diana Echeverria–Idaho Power                      | Theresa Drake–Idaho Power                     |
| Gary Grayson–Idaho Power                          | Andrea Simonsen–Idaho Power                   |
| Roberta Rene–Idaho Power                          | Cheryl Paoli-Idaho Power                      |
| Zach Harris–Idaho Power                           | Patti Best-Idaho Power                        |
| Nikki Karpavich-Idaho Public Utilities Commission | Quentin Nesbitt-Idaho Power                   |
| Donn English-Idaho Public Utilities Commission    | Celeste Becia*-Idaho Power                    |
| Todd Greenwell-Idaho Power                        | Dennis Merrick-Idaho Power                    |
| Randy Thorn-Idaho Power                           | Harry Douglass-Engineering Intern-Idaho Power |
| Billie McWinn-Idaho Power                         | Sheree Willhite-Idaho Power                   |
| Chellie Jensen-Idaho Power                        | Chris Pollow-Idaho Power                      |
| Dave Thornton-Idaho Power                         | Mindi Shodeen-Idaho Power                     |
| Dr. Howard Neibling, P.E*-University of Idaho     |   |

**Recording Secretary:**

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

**Meeting Convened at 9:30 am**

Todd opened the meeting with housekeeping items and a safety topic. The members and guest gave introductions. The meeting minutes from February were reviewed. Stacey Donohue stated that there are no minutes for the IRPAC meetings, so not sure that they are a critical piece of the EEAG meetings. Ben Otto and Tami White stated that they find the minutes useful for refreshing their memory. Donn English would like to have the names of members noted in the minutes rather than just “member.” Todd Schultz stated that the minutes keep everyone accountable and on track. There was some discussion regarding the confidentiality statement that he emailed and handed out at the meetings. Tami stated that the primary reason for the confidentiality statement is due to financial information and SEC requirements. There are very strict rules around disclosure of financial information that concern insider trading rules. Todd stated that during the Demand Response discussion last year, it was noted

that Idaho Power would be long on resources which could have had financial implications if that information had been released to the financial community. Kent Hanway stated that since EEAG is a public meeting it seems like a contradiction. Pete Pengilly stated that it is a timing issue. After this quarter it is no longer confidential. Diana Echeverria addressed the group about the article for Connections and stated that she may have a few questions for some of the members and informed them that she would like to get a few pictures of the group.

#### **9:48 Regulatory Update-Tami White**

Tami informed the group that there will be a new member joining us at the next meeting. Her name is Brittany Andrus from the Oregon Public Utilities Commission. Tami wanted to address some concerns that Stacey had about EEAGs feedback. Tami stated that Idaho Power values the feedback received from members of this group. The Company's decision to file to request authorization to temporarily suspend two of its demand response programs was made after the December 14<sup>th</sup> conference call with EEAG and Tami was in meetings with Company management where she was asked, "What is the feedback from the EEAG?" Idaho Power has reached out to Idaho Public Utilities Commission (IPUC) staff attorney to set up dates for demand response workshops. FlexPeak could not be suspended because Idaho Power is still in contract with EnerNOC. In the filing Idaho Power talked about working with the contractor to reduce costs. An amendment was filed and it will cap the weekly MW of nominated DR at 35 MW, reduce the amount of dispatch hours available from 60 to 30 and event days from 20 to 10, and reduce the amount that Idaho Power pays EnerNOC per kW. This will save approximately \$500,000 in program expenses in 2013. The A/C Cool credit and Irrigation Peak Rewards programs have stipulations. For the A/C Cool Credit program, if customers call to have a device removed, but then sign up later at the same service point, they will have to pay an \$85 installation fee. Kent asked what kind of outreach is being done with the marketing group for those being affected by these changes. Tami stated that letters are being mailed this week to A/C Cool Credit customers explaining the stipulation. Roberta Rene stated that the website will also be updated. Todd stated that letters were sent out to irrigation customers last week. Dennis Merrick and Quentin Nesbitt also held customer workshops this past spring. A third letter will be sent out soon. Ben Otto stated that he has been very involved with this case and it's really about how the company values demand response. Will all of the programs be on the table at the workshops? Tami stated that they will all be discussed during the workshops. Ben stated that he wanted all of the members to keep in mind that these programs are much bigger now than when they started. A different structure is now needed for these programs for the long term.

Idaho Power received IPUC staff and Party comments yesterday regarding the Custom Efficiency filing. The comments are supportive of the Company's request for an accounting order. We are now waiting for the Commission order.

#### **10:07 Financial Update-Pete Pengilly**

Pete presented the Idaho Rider, Oregon Rider and NEEA funding balances slide. Currently the Idaho Rider has a positive balance and the Oregon balance is negative. The numbers for the Custom Efficiency account will not match the filing because of the interest. These balances are as of the end of April since the books don't close until the middle of the month. The NEEA column is just payments. Ben asked if the interest on the Custom Efficiency is based on what Idaho Power was asking for and not the 1%. Pete stated that yes that is correct.

On the Expense by Funding Source through April slide, the total expense column will match the previous slide. The Non-Rider column is a melding of various accounts such as O&M and the regulatory asset accounts. Donn asked what the \$465 amount was for in that column. Pete stated that it is an accounting adjustment from 2012 to 2013. Stacey stated that she didn't realize there were non-Rider amounts for Weatherization Solutions. Celeste stated that those amounts are mostly labor. The program specialist is base rate funded. Pete stated that if a position existed prior to the rider account being created, those positions continue to be paid out of base rates. Pete stated that Nancy had requested in the past to have savings on these slides. That information is hard to get so the savings

numbers are unofficial. Ben stated that even an estimate of savings would be helpful. The group understands that all these numbers are estimates and won't hold you to them.

### **10:18 Energy Efficiency Program Performance and 2013 IRP-Pete Pengilly**

Annual EE savings slide includes NEEA and its savings for each year, not cumulative. Slide 3 is similar to the previous slide but it breaks out NEEA savings. These are preliminary number that will be finalized later in the summer. Stacey Donohue commented that when she heard that Idaho Power no longer needed NEEA she thought it was because the savings from NEEA has declined, but now that Idaho Power is no longer seeing the energy savings it once did, it would seem that there could be some benefit from NEEA. Theresa Drake answered that there are definitely pieces and parts that the company would like to procure in the future, but there are some services that the company doesn't need or see value in. Tom asked if Idaho Power will be participating in NEEA's planning of the next business cycle. Theresa answered that Idaho Power will actively participate in the current funding cycle. The company has had two separate meetings with NEEA's strategic planning group to let them know what Idaho Power would like to see in terms of design for the next funding cycle. Tom stated that it would be beneficial for members of EEAG to understand what offerings from NEEA that Idaho Power does and does not find value in.

During the discussion of slide 6 (Annual EE Savings by Segment) Donn asked if the peak savings in 2010 for residential was due to stimulus funding. Celeste answered that was part of it, but it could also be attributed to lots of lighting and Weatherization Solutions was started that year. Cory added that lighting was a large portion but savings have been cut because of the Energy Independence and Security Act (EISA). Ben said that it might be nice to see the number of customers reached. Tom also said he would like to see the number of participants. Pete stated that it is published in the annual report, but that could be something we could add for EEAG.

On slide 10 (EE Levelized Total Resource Cost) the top two programs show a cost increase because of reduced savings. Because of the nature of energy efficiency, it's the first year's savings over time, discounted to today's dollar. Levelized benefit over the life of the measure. Costs are first year cost. Cory stated that it is similar to a mortgage payment. Ben asked Tom if this is similar to what he sees in other utilities. Tom answered that the trends are the same. Commercial and industrial is inexpensive whereas residential, pilot programs and residential low income are more expensive. Pete stated that this slide only shows electricity benefits, no other benefits are included.

There was some discussion on Slide 14-(EE Achievable Potential by Customer Segment). This slide shows what was put in for the IRP for energy. The information came from the potential assessment that was shown to the group in the past. Energy efficiency is the first resource. Cory stated that 2012 was taken out. Their models included 2012 but since it was removed, we started at 2013. Ben asked how the savings for 2012 compared to the model. Cory answered that it lined up because of how far in we were, we were able to calibrate 2012. Tom stated that it looks like 2012 achievements are higher than 2013 potential achievements. Cory stated that it is because the new avoided costs were entered. The benefits are half of what they are. Pete stated that this isn't all cost-effective measures, this is just achievable. There was a lot of discussion around potential, ramp rates and avoided costs. Tom stated that he is reluctant to agree with this slide. The math doesn't seem right especially with what was achieved in the past. Stacey stated that having this discussion within EEAG could help the company if some of these larger residential measures are going away. Donn also stated that it seems odd that this group can't have a conversation about avoided cost and run some preliminary calculations. In other advisory groups this conversation has been going on for the last 2 years. Tom commented that contingency planning would be beneficial especially if so many residential programs/measures are going to experience issues. Having this discussion before we hit that wall would be a good thing. Pete stated that there is a process that the company goes through. Theresa stated that the IRP is filed in June. Having this discussion after the official IRP is submitted made sense and the next EEAG meeting is in August. Stacey stated that she appreciates that the company was planning to discuss this in August, but this is bigger than a one meeting issue. The general consensus from the group is that these discussion need to

start happening sooner rather than later. Nancy suggested maybe having a webinar between now and the next meeting where this issue can be discussed further.

### **10:57 Break**

### **11:10-Non-Participant Survey-Jenn Falco/Hansa**

Kathy stated that in 2010 Idaho Power conducted process evaluations on several residential programs. Those evaluations recommended that Idaho Power conduct some non-participant surveys on the programs. In 2012 a request for proposal (RFP) was issued for the Non-Participant survey. She introduced Jenn Falco from Hansa, the company that performed the survey. Jenn explained the research goals and objectives of the survey. They conducted a very intensive phone based survey. Stacey asked if demand response participants were included in the survey. Cory answered that because a pure sample was needed and customers usually don't differentiate between demand response and energy efficiency, DR participants were removed from the sample.

On slide 10 (Barriers & Benefits) Nancy asked if participants were asked if they did any home improvements or purchased energy efficient items on their own. Jenn answered that those types of questions were not asked. Stacey asked if these were multiple choice or open ended type questions. Jenn answered that it was structured on a 0-10 scale on how likely you were to participate. The series of questions asking why don't you participate were an either/or type choice. Tom asked if there were any plans to look at the social demographics and consumption usage of the participants. Cory answered that Idaho Power has the 3<sup>rd</sup> party demographic data, billing data, and level pay participation and can track based on that. Tom also asked if past participation can be tracked. Cory stated that he went back 7 years and if the customer had participated in another program like Easy Upgrades or irrigation they were removed from the survey. Nikki Karpavich asked if age related information was obtained. Jenn stated that an age range was asked for residential customers. Kent asked how they were able to find the right person to survey for the commercial programs. Jenn stated that the participant was asked what their functional duty in the company was. Most often for small companies the business owner was surveyed and for the larger companies the facility manager was surveyed.

On slide 11(Changing the Game) Ben asked if these were open ended or were there options for participants to pick from. Jenn stated that there was a list of options for them to choose from. Then it was asked what the most preferred method of communication is. Tami asked if there had been an option for bill insert or direct mail. Jenn answered that those options were provided it was just that the bill insert rose to the top. Nancy commented that maybe the bill insert was high because that's what customers have received over the years and are used to seeing them. Stacey stated this might be their preferred method of communication but it may not motivate them.

On slide 18(Benefits: Most and Least Important) Customer made it clear that they want clear and simple messaging to encourage participation in the programs. Stacey asked if there were any questions that asked about non-energy benefits. Jenn stated the goal was different in this study so those types of questions were not asked.

On slide 19 (Likelihood to Participate in EE Programs) Tom wanted to know if customers were asked if they had done anything on their own outside of Idaho Power. Jenn stated that no question like that was asked. Stacey commented that customers who had undertaken measures on their own without being incented by Idaho Power would be a great population to talk to.

On slide 35(Likelihood of Irrigation Customer to Participate in EE Programs) Sid asked if the irrigators were questioned about the amount of horsepower they had. Jenn answered that they didn't ask specifically about horsepower, but rather what type of system they had, amount of acreage, and number of pumps. Sid stated that customers could have very large systems with small bill and vice versa depending on the system. He also stated that he asks irrigators if they participate in the irrigation programs. Some of the irrigators say they don't because they don't see any improvements. He carries a tool that measures water so he can show them that they can make

improvements. Nancy stated that talking to neighbors is what gets people engaged and it is the most effective way, it's a more personal approach and would be beneficial in every customer segment. Kent stated that the messaging needs to be looked at. Being able to show customers how participating in these programs can affect their bottom line of savings. Have a way to show a return on investment would be very effective. He then asked what Idaho Power will be doing with this information to change their marketing messaging. Todd Schultz stated that three different workshops have been conducted that included the marketing department, market segment coordinators, customer reps, and program managers to develop action plans

### **12:10pm Lunch**

### **12:57 Meeting Reconvened**

### **12:58—Dr. Howard Neibling, P.E-Evaluation of Sprinkler Irrigation System Components in Southern Idaho**

Quentin Nesbitt introduced Dr. Neibling and gave a background on the reason behind the research. This research was done last summer and they were looking specifically at menu items. Howard stated that the work he does helps irrigators to make the best use of the water they use. He showed numerous slides of inefficient irrigation systems and explained the issues that can be caused from worn nozzles, too much pressure, and leaks.

After the presentation Kent Hanway asked if Quentin could give the group an idea of the cost involved to improve these systems and is this something that Idaho Power can help with. Quentin stated that the Menu program can help improve these systems. This research confirms that this program is viable and backs up the savings that the company is claiming. Dr. Neibling stated that one of the intangible benefits is helping farmers become aware and encourage them to make changes before they say that it needs it. It changes the focus of their vision and improves some inefficient systems even when it's not obvious. Stacey noted that it seems like these problems are system or design based. Are these issues addressed on the Menu Program or is it only in the Custom program? Quentin stated that it is not addressed in the Menu program but nozzle replacement is encouraged. Donn asked if this research is going to be used toward quantifying the non-energy benefits. Quentin stated that a committee has been convened with the Regional Technical Forum (RTF). Since these items are small in savings, the RTF approach was a small savers option. Howard mentioned in his research that non-energy benefits are there but quantifying them is a bigger research project. We will be filing changes this fall. Tom thanked Idaho Power and Dr. Neibling for doing this research. The RTF had enough reliable information to get savings but didn't meet all of their criteria. With the small amount of savings it didn't warrant the additional money to get that additional research.

### **2:00—Commercial Update-Todd Schultz**

The program savings numbers up to May 10<sup>th</sup> are still unofficial. The total savings on all programs are down about 50% from last year at this time. There are a lot of projects still coming through the Easy Upgrades program but they are smaller projects. Nancy Hirsh asked Todd if he knew how many of the Easy Upgrade applications were repeat customers from last year or the year before. Todd answered that he didn't know the percentage but a lot of the projects are lighting which are new customers. The amount of projects a customer has participated in is tracked in a database. Todd spoke to the group about the Refrigeration Operator Coaching for Energy Efficiency (ROCEE) training that was launched in April of 2013. Kent asked who was conducting the trainings. Todd stated that Cascade Engineering is leading this training. There are currently 8 participating facilities and another 5 that are sending operators to training. After the training has been completed, the operators will become certified.

On slide 5 (CE Slide) there was some discussion about the self directed option. Tom stated that it is a great way to motivate customers to use the money because if they don't use it in 3 years, they lose it. Puget Sound Energy has had great success with this model. Nancy asked what the proposal would be for the self directed option. Todd stated they would target customers that haven't done projects yet and talk to them about the self directed option.

The target for Building Efficiency is 9500 MWh for 2013. Two new buildings in downtown Boise have applications submitted and will be paid on in 2013. Through the Kilowatt Crackdown, an office space in Boise had an extensive scoping audit where a control problem was discovered. The business was able to go back to the company that installed it and have it repaired while still under warranty. Todd showed a slide of a building that is being remodeled by CHSQA. They are renovating old warehouse space and working towards LEED platinum certification. Kent said that they hope it will be a good model of energy efficiency to demonstrate to others. Ken asked if Banner Bank in downtown Boise is participating in the Kilowatt Crackdown. Todd stated that they are and even though they are a LEED certified building, there is still opportunity there. Nancy commented that she was thinking about closing the gap from where Idaho Power is now compared to a year ago to achieve the same savings numbers. Are there additional items that will be used to get more participation? Todd answered that the key will be to look at getting customers who have previously participated re-engaged. Continuing with scoping audits to see where there might still be potential. Nancy stated that Idaho Power could look at a new incentive approach. Instead of paying an incentive, buy the savings from customers. A 10 year contract could be set up where you incent the customer to continue saving energy over time. This would only work for the larger facilities. It could be a different way to approach these customers. Donn asked if this would be a check or a bill offset. There might be some issues with FERC if a check is cut as opposed to a credit on their bill. Nancy stated she would look.

In 2012 the T-12 standards changed but incentives will continue through 2013. We would like to get EEAG's input on whether or not to continue offering the incentives for 2014. Kent Hanway stated that for customers it's the easiest way to introduce them to the Easy Upgrades Program. He recommends continuing the T-12 incentives for 2014. Tom stated that Avista had great success with giving customers a deadline. Kent also stated that the federal government has 179D deductions that could be used in conjunction with the deadline given to push customer towards retrofits.

### **3:00—Residential Update-Celeste Becia**

Celeste passed out two new slides for savings. Overall energy savings are trending higher. Home Improvement savings are lower due to no longer allowing gas heated homes to participate. In the Home Products program, washers were discontinued at the end of the first quarter. Energy Efficient lighting savings is up 54%. A/C Cool Credit has seen a decline because marketing of the program stopped last fall. Donn asked if customers have requested their switches be removed since the program was suspended. Celeste answered that there have been some, but none since the order. Nancy asked if there have been any changes in marketing the residential programs since the units in the programs are lower this year vs. last year. Diana answered that it is not necessarily a direct correlation of more or less aggressive marketing, but rather eligibility requirements on some of the programs have changed and now there is a smaller customer base that can participate in these programs.

One of the things Idaho Power has done to minimize costs for A/C Cool Credit is to leave switches on homes that have been vacated by prior participants. Once it becomes occupied, we are letting the new owners know what it is and giving them the option for removal. Kent asked if Idaho Power is asking them to join the program. Celeste answered that the new homeowner is not asked to join.

Nancy asked if the Home Products program will still be cost effective with the new avoided costs. Celeste stated that it becomes increasingly hard when more and more new products are energy efficient. We could have an active program with inactive measures. Tom stated that Idaho Power might need to find a different way to market these products. A \$5 incentive won't really move people to purchase a product. Celeste stated that Patti Best has been involved in a retail initiative that looks at what other products are out there where we can buy down the price at the manufacturer level.

Weatherization Solutions had an evaluation last year and it showed a very low realization rate. Ken asked if the evaluation was based on billing data or energy audit. Gary answered that the evaluation was of the software used along with billing data. Ken also inquired if the firm that evaluated it was the same one that approved the software

for the Department of Energy (DOE) nationally. Gary stated that it was approved for use by the DOE but the DOE didn't request things like cooling load. Ken asked if it included health & safety benefits. Gary stated that it included just the energy benefits. Stacey needed some clarification between what D & R stated in the Idaho Power evaluation and what was approved the audit form for the DOE. The discrepancy might be that the DOE didn't ask for the interactive effects and cooling load. Pete stated that D & R did not determine cost effectiveness, but rather the determined savings. The cost effectiveness was based on Idaho Powers cost from the Utility Cost or Total Resource Cost so health and safety would be added to total cost.

A process evaluation will be conducted on both Weatherization Solutions and Weatherization Assistance for Qualified Customers this summer. Celeste asked the group for any feedback or suggestions on whether Idaho Power can do something more specific to Idaho in determining cost effectiveness for these programs. Are there better audit tools out there? She also asked if the group if they thought it made sense to evaluate them separately or the same. Ken stated that if using the same tool then they could be evaluated the same. Nancy stated from a cost effectiveness standpoint it would make sense to combine the evaluations. Tom stated that there are lots of types of tools but what's fundamental is calibration of the tool. The problem is if the customer is using supplemental fuels then there is no simulation tool to determine the actual electrical heating savings elements. Celeste stated that the results of the evaluation will not be combined; each program will have its own report.

Celeste passed around the Student EE Kits that have been distributed this spring. A different vendor will be used this fall and surveys from the teachers will be analyzed to determine which one to use going forward. The Home Energy Audits will be conducted throughout Idaho Power's service territory for electrically heated homes only. The Shade Tree Pilot will be launched this October. Nancy stated that Ben Otto, who had to leave for the afternoon, wanted her to express his enthusiasm for this project. There should be lots of non energy benefits associated with this. Celeste spoke to the group about the Oregon Energy Kits, the Snow Creek condo roof upgrade and ENERGY STAR© Dryers. Todd then recapped the discussion around avoided costs, integrated resource plan and NEEA. These topics may require an additional meeting. The next EEAG meeting is August 20<sup>th</sup> which conflicts with several members' schedules. Tom asked to have a Doodle Poll sent out to reschedule that meeting. It's likely the next meeting will be held in September. Todd thanked everyone for their participation today.

**4:00 Meeting Adjourned**

**Energy Efficiency Advisory Group  
September 18, 2013  
Agenda**

- |       |   |
|-------|---|
| 9:30  | Welcome, Introductions, Review May Minutes              |
| 9:45  | Review EEAG Topic Requests                              |
| 9:50  | Regulatory Update – Tami White                          |
| 10:15 | Program Evaluations – Gary Grayson                      |
| 10:40 | Break   |
| 10:50 | Program Updates – Todd Schultz                          |
| 11:30 | Emerging Technologies/Measures – All                    |
| 12:00 | Lunch   |
| 1:00  | Financial Update – Pete Pengilly                        |
| 1:20  | DSM Alternative Cost Analysis – Pete Pengilly, Kathy Yi |
| 3:20  | Break   |
| 3:35  | Wrap-up Discussion                                      |
| 4:00  | Adjourn   |

**Energy Efficiency Advisory Group (EEAG)  
Minutes dated Sept 18<sup>th</sup>, 2013**

**Present:**

|  |  |
|--|--|
| Kent Hanway-CSHQA                                    | Brittany Andrus–Oregon Public Utility Commission |
| Ken Robinette–South Central Comm. Action Partnership | Lynn Young–AARP                                  |
| Stacey Donohue–Idaho Public Utilities Commission     | John Chatburn–Office of Energy Resources         |
| Nancy Hirsh–Northwest Energy Coalition               | Sid Erwin–Idaho Irrigation Pumpers Association   |
| Tami White–Idaho Power                               | Ben Otto–Idaho Conservation League               |
| Todd Schultz*–Idaho Power                            |  |

**Not Present:**

Tom Eckman–Northwest Power & Conservation Council  
Catherine Chertudi–City of Boise, Public Works Dept.  
Don Sturtevant–Simplot

**Guests and Presenters\*:**

|   |  |
|---|--|
| Pete Pengilly*–Idaho Power                        | Cory Read–Idaho Power                              |
| Kathy Yi*–Idaho Power                             | Theresa Drake–Idaho Power                          |
| Shelley Martin–Idaho Power                        | Andrea Simonsen–Idaho Power                        |
| Diana Echeverria–Idaho Power                      | Lynn Tominaga–Idaho Irrigation Pumpers Association |
| Ken Miller–Snake River Alliance                   | Quentin Nesbitt–Idaho Power                        |
| Bev Barker–Idaho Public Utilities Commission      | Patti Best–Idaho Power                             |
| Becky Arte–Howell–Idaho Power                     | Cheryl Paoli–Idaho Power                           |
| Chellie Jensen–Idaho Power                        | Billie McWinn–Idaho Power                          |
| Chris Pollow–Idaho Power                          | Todd Greenwell–Idaho Power                         |
| Sheree Willhite–Idaho Power                       | Randy Thorn–Idaho Power                            |
| Roberta Renee–Idaho Power                         | Amanda Richards–Honeywell                          |
| Nikki Karpavich–Idaho Public Utilities Commission | Donn English–Idaho Public Utilities Commission     |
| Jim Madarieta–Idaho Power                         | Bryan Lanspery–Idaho Public Utilities Commission   |
| Darlene Nemnich–Idaho Power                       | Robert Everett–Idaho Power                         |
| Dennis Merrick–Idaho Power                        | Mindi Shodeen–Idaho Power                          |

**Recording Secretary:**

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

**Meeting Convened at 9:45 am**

Todd opened the meeting with housekeeping and a safety topic. The members and guests gave introductions. The minutes from May 23<sup>rd</sup> were reviewed. Tami White had some changes to the minutes from the May 23<sup>rd</sup> meeting that were discussed with the group. The May 23<sup>rd</sup> meeting minutes will be updated and re-sent to the group. Ben stated that it was helpful to have the names in the minutes. All members of EEAG agreed that they would like the minutes sooner rather than later.

### **9:55 EEAG Topics-Todd Schultz**

Todd went over the topics that were sent in by members. These items will be addressed throughout the day with most of the topics being covered in the presentations.

### **10:00 Regulatory Update-Tami White**

Tami gave the group a brief overview of the filings that were approved to temporarily suspend two of the Demand Response (DR) programs and modify the other DR program. Workshops were held during the summer of 2013. Tami gave the group an overview of what took place at each of the 5 workshops. The purpose of the workshops was for stakeholders to get together to discuss changes and options for the DR programs. In Idaho, the group was able to reach an agreement that will be filed with the IPUC. Tami was unable to talk about the terms of the settlement as it is confidential until it is filed, but she did say that if the terms are approved it will allow for the continuation of DR in 2014.

Ben stated that he was a big advocate of these workshops. No one got everything they wanted, but that is the nature of compromise. He was happy with the outcome. In the long term he stated he thought the structure will be more stable. He appreciated that Idaho Power hosted and being able to talk with all of the stakeholders and learn about their wants and needs was an interesting process.

Sid stated that it was a good way to learn what each stakeholders needs were. He was pleased with the outcome of the workshops. He also stated that he thought it was better than what the outcome would have been if the workshops were held at the Idaho Public Utilities Commission (IPUC) because it allowed for a better compromise. He stated that it was a pleasant experience, and he would participate in it again. He appreciated the IPUC allowing Idaho Power Company (IPC) to host. Todd stated that he appreciated the education that took place. DR is very complex and touches many aspects of the company and this process made things clearer and highlighted the complexities of the programs. Ben commented that what is being done here in Idaho with DR can be informative as well as an example for others in our region.

Tami presented to the group that Idaho Power is contemplating an Oregon filing. There are two rider accounts in Oregon, one of which collects 1.5% of base rates for the solar program. Currently this account is collecting more than what is needed. The Energy Efficiency (EE) Rider is collecting 3% of base rates and is currently not collecting enough. The filing would be to increase the EE Rider to 4% and decrease the Solar Rider to .5%, which will have zero rate impact on the customer. The filing would also request to transfer some of the funds in the solar rider account to the EE rider account, to help relieve the under-collected balance in the EE rider account. Ben asked for a refresher on what the solar rider account is for. Tami stated that it is to fund a variable incentive rate for customers' solar projects output in Oregon. Currently Idaho Power is capped at 400 kW and currently there is 323 kW installed. Nancy stated that maybe an alternative to reducing the fund would be to increase the cap. Tami stated that the cap comes from an Oregon statute, but that she would check on that. Part of the reason for the over-collected status in the solar rider account is that when the program first started, customers received a Variable Incentive Rate (VIR) of \$.55/kWh and over time that has been reduced to \$.285/kWh. Nancy asked if the money in the Solar Rider account would just sit there if it's not being used. Tami stated that yes it would just sit there. Pete stated that part of the reason why there is a surplus in this account is that the forecast was initially based on that \$.55/kWh and some of the projects that were scheduled never came to fruition.

### **10:30 DSM Evaluation-Pete Pengilly for Gary Grayson**

Pete informed the group that Gary couldn't be here today so he will be giving this presentation. If there are questions that he can't answer, he will defer those for later. The first few slides were an overview of how contractors are selected by Idaho Power for evaluations. Ben asked for clarification on what is meant by the "cycle" of evaluations. Pete stated that it refers to the Memorandum of Understanding (MOU) that was signed by IPC and the IPUC. The commission asked IPC to perform evaluations on a 3 year cycle.

During slide 5 (Irrigation Efficiency Rewards) Nancy asked if the term “new” and “existing” referred to participants. Pete stated that it referred to systems. The Engineering Project Leader added that “existing system” referred to someone needing to update a pump, for instance. New refers to designing a new system efficiently. Stacey asked what the baseline is. The Engineering Project Leader answered that it is based on what the dealers are installing for customers without using our program. There was some discussion around flood irrigation to protect aquifers around the state. Stacey asked if the impact evaluation will be evaluating individual measures or on a program level basis. Pete stated that it will be both. The Menu option will be evaluated by measure. The Engineering Project Leader added that the Menu option is measured with deemed savings from the Regional Technical Forum (RTF). Pete stated that the results of this evaluation should be available before the end of the year.

The evaluations for ENERGY STAR® Homes, EE Lighting and Heating & Cooling Efficiency (H&CE) programs are all being done by one contractor. If a survey has already been conducted that meets the needs of the evaluation, we will use that. Idaho Power is very sensitive to customer survey fatigue. The H&CE contractors will be surveyed for that evaluation as well as IPC Customer Reps. Nikki asked if realtors are being surveyed for the ENERGY STAR® Homes program. Pete stated that he wasn't sure, but will get back to her on it. Stacey asked if there were any preliminary results. Pete stated that these evaluations are happening right now, so no results yet.

There are some key findings from the Weatherization Program evaluations but we don't have the complete report yet. Stacey asked in regards to the program operating efficiently and effectively if that is just IPC or if it includes the CAP Agency as well? Pete answered that it is both IPC and the CAP Agency. Stacey stated that it was her understanding that the savings estimates from EA4 were a little rough, she asked for clarification on what is meant by granularity, what information is missing. The EE Analyst answered that there is a ton of information being collected on every home, but it is not in a readily usable file to give to the contractor. No data is lost, but depending what version the data is in determines what can or can't be extracted. Ben stated that maybe that bullet on the slide isn't really that there is no granularity but rather just not accessible. The Program Specialist stated that information is not sent in on every job and put into the database so going thru the information is time consuming. Nancy stated that should be a key thing to fix. This data could be fed into the database for residential building stock assessment. Ben commented that by the end of 2013 all the program will have had evaluations. What “next steps” will be taken to further use the information gathered from these evaluations? He encouraged the company and members of EEAG to really use this information and think about ways to improve these programs. Pete agreed. Parts of the Program Specialist's goals are to look at these reports and pinpoint what we can do to improve. Nancy stated that other utilities have a checklist of all the suggestions that come from evaluations. IPC could do this and it can be reviewed once a year with EEAG. Stacey commented that IPC has done a really good job at taking the suggestions of the evaluations and implementing them. It might be worthwhile to think about whether or not the company needs to jump into the evaluation cycle again.

An Idaho Power Regulatory Analyst came into the meeting to address an earlier question Nancy asked earlier about whether the cap for solar in Oregon is based on an Oregon statute. The Regulatory Analyst stated that the 25MW was allocated amongst the three Investor Owned Utilities (IOU)'s in Oregon from the legislature. The 400 kW is Idaho Power's allocation of the 25MW. Stacey asked if other utilities are having the same issue of extra funds. The Regulatory Analyst stated that he doesn't know the status of the other IOU's solar rider accounts funding.

**10:55 Break**

**11:05 Programs Update-Todd Schultz**

**Commercial Program Update**

Todd stressed that these savings numbers are preliminary. It was another successful year for FlexPeak Management. It was dispatched 3 times during the summer. Participation levels have stayed consistent. Right now we are just managing the pipeline in the Custom Efficiency program. Ben asked if those projects are in the works. Todd answered that they are projects that we have approved applications for. Keep in mind that with these projects it's all about timing. Customers who did large projects last year aren't doing them this year. Stacey said it might be more useful to track on a three year average. It appears that 2013 is being compared to a banner year in 2012 which makes it seem like you aren't doing as well. Todd stated that the program specialists look at every year and determine what they think they will actually achieve. Nancy stated that this meshes with the customer survey that was done where the commercial sector feedback was that they were interested in the programs, but didn't know there were any. Have you used that survey data to try and reach customers differently? Todd answered that program specialists are working with trade allies. They are definitely paying attention to that survey data. Todd spoke about the Refrigerator Operator Coaching for Energy Efficiency (ROCEE) training and asked Kent to discuss his impression of the report out session. Kent stated that from an operator standpoint they are seeing great results. They are tracking their energy use and sharing lessons learned with other operators. Slide 5 is a screen shot of the software that the commercial customer uses for this program. The cumulative energy savings is about 300 kWh. Ben asked what the percentage of savings on this would be. The Engineering Project Leader stated that is screen shot is just over a two month time frame and is one of the smaller customers. He thought the target across the board was about an 8- 8.5% savings. Ben asked if IPC is seeing that 8.5% savings. The Engineering Project Leader stated that this is a two year program so customers are still implementing changes and are being followed up with.

Todd spoke about the Waste Water EE Cohort program. It will be the same model as ROCEE and a Senior Engineer will be heading that up. Ben stated that waste water is very expensive for municipalities so this is not only good for energy efficiency but good for the smaller municipalities. The savings for this won't be claimed until the incentive is paid at year one which will be around April/May of 2015. Nancy stated that some savings will be from measures while other will be behavioral changes. There is a lot of work being done to measure persistence of savings and hope IPC can work with the IPUC to count those behavioral change savings even though you're not paying incentives so that you can get credit for those. Stacey asked if these are the kinds of savings that would be affected by the weather. The Program Specialist stated that weather is taken into account on the model.

There are currently 40 commercial buildings in Boise participating in The Kilowatt Crackdown. These customers have had their energy audits and now have their playbooks on activities that they can do to reduce their energy consumption. Hopefully they will budget for capital improvements for 2014. Stacey asked if each participating building has a sign to put up. Todd stated that a few have requested it but not as many as we had thought. The Marketing Specialist stated that there is a banner but the City of Boise has restriction on signage. The City requires a lot of paperwork to fill out in order to put one up.

A commercial building in Boise has been selected as a pilot project in The Existing Building Renewal (EBR) initiative aimed at deep renovations targeted to save 30-50% energy savings. This will be in coordination the Northwest Energy Efficiency Alliance (NEEA) and there should be a press release about the Boise pilot out in the next few weeks. Todd talked about the IDL and the current 12 tasks that have been put together for research, support services, and education and outreach. Kent stated that for the commercial sector the IDL is a great resource. They are able to push the limits and help where maybe customers' budgets can't support a project.

Trade ally outreach has been a strong focus this year for Easy Upgrades. Construction has picked up in the region and contractors are directing their energy on new construction. Ben asked if the company is encouraging trade allies to use energy efficient measures during construction of the new buildings. The program specialist gave an example of a new construction project in the design phase that was directed to the Building Efficiency program.

The Irrigation Efficiency Program numbers are strong this year and are exceeding targets. The Menu program is driving the savings. Nancy asked if there would be a future conflict for this program if there is a push towards flood irrigation vs. sprinkler irrigation. The Engineering Project Leader answered that with the current program if irrigators want to put in sprinklers we want them to work with us. We're not getting people to switch, but it could impact future participation. Stacey stated that it is interesting for IPC that Menu is driving the program savings where at Rocky Mountain Power (RMP) it is the opposite. That utility just filed to have its menu options suspended because it's not cost effective. The Engineering Project Leader stated that RMP's program is different than IPC. Their programs pay on the same measures but it was an exchange program they ran it through the dealers where IPC pays the customer and it's a cost share program.

### **Residential Program Update**

The residential programs numbers are also preliminary. Some of the numbers for 2013 have been recalculated by the Regional Technical Forum (RTF). Home Improvement numbers are down due to only allowing electrically heated homes to participate. Home Products numbers are down because washing machines were taken out of the program in March. The savings for the SYLR program is lower because the RTF changed the savings numbers but we have actually picked up more units this year than last year.

The number of projects is down in the Home Improvement program because some of the contractors do not want to be involved with the duct sealing even though it's a requirement of the program. The Program Specialist explained that the contractors just want to install the insulation. They aren't grasping the importance of duct sealing and air sealing. Ben asked how IPC can get the contractors to be more engaged in the program. Ken stated that increasing the amount of the incentive for duct sealing could help. Those contractors that are in the home performance business will take the extra time needed to seal before blowing insulation. It's a cost and time factor for these contractors. Insulators don't touch duct work, its two different trades. Todd stated that the program specialist will be working with specific contractors to address some of these specific issues. Ben stated that maybe this program needs a design change since it's so hard to find residential energy savings. John asked what kind of confidence the company has that these contractors are actually fulfilling the requirements of this program, that they really are doing duct sealing before the insulation is installed. The Program Specialist stated that quality assurance is performed on a random sample of 10% of the projects.

The Shade Tree demonstration project was launched today. There will be 250 trees distributed. Customers will enroll online now through Arbor Day and then will pick up their tree at events held at local nurseries. The Program Specialist will demonstrate the programs on-line tools during the lunch break.

The Home Energy Audit Program is slated to launch during the 1<sup>st</sup> quarter of 2014. The details are currently being worked on. There will be a good educational aspect to this program. Nancy asked what the cost of the audit will be. The Program Specialist stated that the value of the audit is around \$300-\$400 but the cost to the customer will be about \$100.

The WAQC & Weatherization Solutions program is finalizing the process evaluation and currently there is a Request for Proposal (RFP) for software options. Stacey stated that there has been a lot of talk about changing the audit tool and moving away from the EA4 and EA5 to use something different. Ken stated that it is a little more complicated than that since the tool is approved by the Department of Energy (DOE) and to transfer data between two different software tools would be difficult. The Program Specialist stated that maybe the EA4 and EA5 could be part of the RFP. Stacey stated that Tom did mention that any audit tool would work as long as they are calibrated.

**12:05 Lunch**

### **Meeting Reconvened at 1:05 pm**

In an earlier email, Stacey requested that the group talk about what types of emerging technologies are out there. Todd opened it up to everyone as a roundtable discussion. Stacey brought up smart thermostats. There currently is a lot of publicity on these items. Programmable thermostats are evolving at a very fast pace, and keeping abreast of the changing landscape is a good idea. LED lighting for residential application was another topic brought up. The prices for these have been dropping, so having a pilot program or doing some research to identify savings might be worthwhile. The group also brought up behavioral based programs and would like to further explore some of those issues. The term NEST was brought up in reference to the programmable thermostats. Tami asked what that term meant. Ben stated that it is the name of the company that makes them. The Program Specialist for the H&CE program spoke to the group about programmable thermostat technologies.

### **1:30 Financial Update-Pete Pengilly**

Pete presented Appendix 1 and Ben asked if there was an estimate of where we will be at the end of the year. The Financial Analyst answered that the forecast with August actual hasn't been done but the estimate is that it'll be \$4 million liability (collected status) at the end of the year. Pete stated that the Financial Analyst is in the process of updating the longer term forecast. By the next EEAG meeting there should be a firmer forecast assuming we have resolution with the DR filing. Nancy stated that it gets to the gap of economic and achievable potential. Rather than grow the liability, how can we do more. We need to figure out a way to drive customer participation in the programs. Stacey stated that it might be a good time for pilot programs.

The Custom Efficiency column on Appendix 2 looks like there are still funds in that account, but it's reversed in the total at the bottom. Ben asked if these numbers will change at the end of the year. Pete stated that historically the Custom Efficiency incentives are paid out towards the end of the year depending on customer's fiscal calendars.

### **1:40 Cost Effectiveness-Pete Pengilly/Kathy Yi**

Pete asked the group before he started why we care about cost effectiveness. John stated "it's because you are spending my money." Pete also added that IPC wants to make sure that customer's money is spent wisely. Cost effectiveness is done once a year. If there is something that comes up, we will look at it, but typically we look at the programs on an annual basis. This analysis is based on the 2013 alternative cost from the Integrated Resource Plan (IRP). We received those in late May based on the preferred portfolio and it was filed with the commission in June.

For the measure cost-effectiveness, the savings were updated with recent RTF assumptions. For the program cost-effectiveness, 2012 program actual was used with only the alternative costs updated. Ben stated that deemed savings could change halfway through the program year and the company isn't penalized in typical prudency regulations. The company can't be expected to know something might happen in the future. Pete stated that typically we do make our decisions at the beginning of the year and don't change things mid way through. The company hasn't been penalized by the Commission; however, when we do our analysis in January and the savings have changed, it would be imprudent to claim the higher savings. For example, when the RTF updated clothes washer savings, they were removed from the program in March of this year. The MOU doesn't say that all of our programs need to be cost effective, but if they aren't then we need to inform why they aren't and what we are doing about it.

Slide 3 (Cost-Effectiveness Tests) is a summary of the three different types of tests. Nancy asked if this slide showed what is looked at on the TRC because there is more line loss, risk reduction benefits and O&M. Pete stated that some of these might bleed over into the cost side. Line losses are incorporated into everything.

Slide 4 (2011 vs. 2013 Alternative Costs) shows the impact of the carbon assumptions coming in later. If we keep some measures that have a five year measure life, it doesn't see benefits now, but could later.

On slide 5 (2012 Program Cost-Effectiveness) Nancy asked if cost effectiveness is done on Ductless Heat Pump as a pilot or program. Pete stated that it's done like any other program. The reason it's called a "pilot" is that the RTF is still grappling with the savings.

Slide 7(Ductless Heat Pump Pilot) shows preliminary analysis from the RTF. If a customer has wood heat and they add a DHP then there is a negative electrical savings because they use their DHP more than wood. The RTF is looking at quantifying savings from other fuels to use in the TRC.

On Slide 8 (Energy Efficient Lighting) Stacey asked if specialty bulbs were a large part of the savings. The program specialist answered that most of the savings still come from CFL's, not the specialty bulbs.

Slide 9(Energy Star® Homes) show that the single family homes are all cost effective in all heating and cooling zones. Nancy stated that making sure multi-family homes are looked at since a lot of new building is in this style of home. There needs to be a way to make these cost effective.

On slide 10 (Heating & Cooling Efficiency) Ben asked if there is a reason that median costs aren't used for cost effectiveness. Pete answered the average hasn't been an issue but it has been exacerbated right now. The median should reflect what's more representative. John asked if we do closed loop heat pumps. Pete answered that they have never been found cost effective due to the high price. John also stated that from an environmental stand point the open loop doesn't seem like a good idea. The Program Specialist answered that the open loop heat pumps have an ejection well that the water gets dumped into; it doesn't just go onto the ground. Kent asked if building codes for next year are being looked at. As these codes start to change and the bar is raised, it will affect programs. Pete stated that it is on the radar. Ben stated that it has been helpful to have IPC be involved in the code discussions.

On slide 16 (Other programs) there was some discussion regarding Non Energy Benefits (NEB's) for WAQC and Weatherization Solutions. Ken asked if there was a way that NEB's would be incorporated into these two programs. He gave some examples of NEB's: Health and Safety measures, lead based paint, repairing non-working systems will show an increase in energy usage, family size, resistant heat to heat pump, electrical upgrades, the new ventilation requirements. A lot of these factors should be noted when doing evaluations. There should be an adder or deduction to help prove the cost effectiveness of the measure. Stacey stated that she thought the Health & Safety aspect has been addressed; she didn't think it was a problem at all in the cost effectiveness analysis. Ben stated that there are a lot of things that companies do that benefit society, and he thinks this is one area where you do your best to be cost effective but it should be kept even if it isn't cost effective. Theresa asked if other Idaho utilities are seeing these changes. Stacey answered that this isn't just an IPC struggle. Other utilities are grappling with it. Ken gave some examples of how his agency is working with local hospitals to help identify potential households that might be having health issues due to inefficiencies in the home that can be fixed. A member of the audience asked what the difference was between WAQC and Weatherization Solutions. Pete answered that with the Weatherization Solutions, IPC pays for 100% of costs. The homes that participate in Weatherization Solutions are typically in better shape.

Pete asked the members of EEAG for feedback on this issue of Cost-Effectiveness. Pete stated that he had just come back from an evaluation conference that explained how expensive Net to Gross (NTG) is to research and there is still a lot of debate surrounding it. Most of the NTG that IPC uses comes from Nexant which sourced the California Public Utilities Commission (CPUC) Database for Energy Efficiency Resources (DEER). Stacey stated that Avista uses 100% NTG and then uses the net as a program management tool. Under the measure vs. program analysis discussion, Nancy pointed out that dropping a measure because it isn't cost effective right now but might

be later will keep people from participating in the program. John stated that the company should make sure that there are measures that any socio-economic class can participate in.

Avoided costs are primarily driven by natural gas. The price can be forecasted but not the demand. It's traditionally very volatile.

How do you know when a program has run its course? An example of this would be the LED Christmas Light program. After a while, there wasn't much uptake because the market had been transformed and that is all that was available for customers to purchase. Donn commented that a lot of the bullet points on slide 17 have merit. He offered caution before moving forward on any of them other than the 10% conservation adder. Stacey stated that she was ok with a 100% NTG.

Pete wanted to open up the dialogue on revisiting MOU with the group. Donn and Stacey 100% agree that it needs revisiting. Nancy would like to figure out a forum for discussing this issue. Ben stated that it would be helpful to get these resolved in the next year. Theresa asked if it would be beneficial to have the other IOU's get together for consistency. Stacey stated that she would need to talk to the commission staff but maybe setting the sideboard with the MOU and allow for different IOU's to have their own preferences. Stacey didn't think we should nail down every tiny detail in the MOU and allow for the utilities to work out those details. Some consistency is good, but there is no need to dictate every detail. John stated that being able to compare utilities is not the reason for consistency. Nancy added that it should be to strive towards a level playing field for customers across all utilities. Stacey stated that the MOU needs to address certain language that each program should have a goal of cost-effectiveness. We could change that language to state that the default test could be the Utility Cost Test (UCT). Ben stated that Utah uses the UCT and they have lots of EE programs. Stacey added that after speaking to a representative at that utility, they state that there were no negative consequences by just using the UCT. It is a test that values what the utility values. Nancy added that the incentive amounts in Utah are lower which has an impact on customer participation rates. She said that just using the UCT could have a negative impact and she wasn't ready to agree to just using that test only. Ben stated that all of these tests look at things a certain way and liked the idea of the UCT because it looked at the utility system. Stacey said that by making the UCT the threshold instead of the TRC then you would be using all tests together. You wouldn't have to worry about the NEB's and you could really focus on the program. Pete thanked everyone for their feedback. The next EEAG meeting is Nov 14<sup>th</sup> and we can either have further discussion on this matter then or schedule something for sooner. Ben encouraged convening sooner than Nov 14<sup>th</sup>. Theresa asked if this is just an IPC issue or an IOU in Idaho issue. Donn stated that it is broader than just an IPC issue. Theresa asked Pete to recap the planned next steps. Pete stated that these alternative costs are still preliminary. The goal today is to not determine cost effectiveness, but to look at how we're analyzing cost effectiveness.

### **3:26 Break**

### **3:40 Wrap Up-Todd Schultz**

Todd directed the group's attention to the parking lot items on the flip chart. Stacey wanted to discuss the idea of IPC co-funding a program with Intermountain Gas. Could there be a way to design a program that would achieve gas and electric savings with the administrative and incentive costs split between the two utilities. This might be a way to come up with a program where measures are cost effective for gas heated homes. Donn stated that most of IPC customer complaints are that there are no programs available to gas heated homes. Nancy stated that Seattle City Lights and Puget are looking into co-funding a joint program. Pete stated that IPC has talked with the local gas company in the past about co-funding but the discussion didn't materialize into further developments. Theresa gave an update on CEERI. It was clarified that CEERI is more of a forum; it's not a legal entity. IPC visited with BSU's research director and we are having high-level conversations with them to explore potential research activities. We will meet with them again in October. Smart Thermostats may be an example of the type

of research activity we can explore with them. We have chosen to talk with BSU individually rather than an overarching entity. John stated that the "I" in CEERI stands for Initiative not Institute.

Theresa stated that IPC is participating with NEEA and there is discussion on what we'd like to see in the next business plan. We have asked NEEA to look at different funding models in order to bring value for IPC customers. When the contract was submitted to the IPUC, the original order had language that said they approved the contract but not without some reservations. The Order stated that Rider funds are provided by customers and are not unlimited and that IPC must demonstrate that customers receive tangible benefits from them. The company takes that to heart. Donn stated that he interpreted the statement in the order as "being cost effective" and nowhere has he seen that NEEA is not cost effective. Ben stated that NEEA's goal is market transformation. If IPC isn't going to participate in NEEA or CEERI, what else will IPC do to achieve market transformation? Donn stated that he still hasn't heard what IPC does not like about NEEA and without NEEA what is IPC's plan? Nancy would like to see all of NEEA's programs and see where they aren't cost effective or where they haven't provided benefit to IPC customers. Funding NEEA is expensive, but it has a lot of value. John stated that from his perspective, he is less interested in what IPC doesn't like about NEEA but how the company will spend those dollars in Idaho in the future to benefit IPC customers.

Stacey added that NEEA provides savings that no utility can accomplish on their own. Market transformation can't be done by a single utility. A single utility can't influence the Wal-Marts of the world which type of TV they put on their shelves. IPC cannot get the savings that NEEA provides. NEEA is sowing the seeds so that IPC can get the uptake later. A Marketing Specialist gave a personal experience of working with NEEA. From a marketing perspective it has been frustrating and time consuming. NEEA's marketing doesn't usually apply to our specific service territory. She hasn't found value from NEEA on a marketing level. Tami stated that IPC does see value in NEEA but the company is looking for a funding model that pays for things that Idaho Power finds the most value in for its customers, like market transformation. Stacey stated that in theory that sounds great, but it doesn't work that way for regional initiatives. The RTF just talked about this issue. Only wanting to pay for certain measures encourages free ridership. Tami also stated that it's not only about being cost effective but also the prudent use of funds. Donn asked if IPC was anticipating filing a case to ask the IPUC for permission to stop funding NEEA. Tami stated no, the company is not planning to file a request for permission to not fund NEEA. Stacey added that up until this point IPC has asserted that NEEA is cost effective and now IPC is saying that it isn't. John said that just because something is cost effective doesn't mean that you have to do it. But the company might need to find something else that is equal or better.

Donn stated that it's hard to get staff support on something when IPC hasn't brought a plan to the table. IPC hasn't said what they are going to do with the 3 million as a replacement for what NEEA provides. Ben stated that if the company can get market transformation somewhere else for less money than great. Todd thanked everyone for their time and comments. Stacey added her thanks to IPC for showing the preliminary savings and evaluations. She appreciates seeing the ideas the company has on how to handle the alternative costs.

**4:20 Meeting adjourned.**

**Energy Efficiency Advisory Group  
November 14, 2013  
Agenda**

- 9:30 Welcome, Introductions, Review September Minutes
- 9:45 Review EEAG Topic Requests
- 9:50 Regulatory Update – Darlene Nemnich
- 10:10 IPUC Memorandum of Understanding (MOU) Review- Pete Pengilly
- 10:40 Break
- 10:50 Program Performance Updates – Quentin Nesbitt
- 11:15 Energy Efficiency Marketing – Diana Echeverria
- 12:00 Lunch –Shade tree project update
- 1:00 Low Income Weatherization Program Improvement Ideas – Quentin Nesbitt, Cheryl Paoli
- 1:20 Cost Effective Analysis Options Part II – Pete Pengilly, Kathy Yi
- 2:20 Break
- 2:30 Future Meeting Facilitation
- 2:45 Wrap-up Discussion
- 3:00 Adjourn

**Energy Efficiency Advisory Group (EEAG)  
Minutes dated November 14<sup>th</sup>, 2013**

**Present:**

|  |  |
|--|--|
| Catherine Chertudi—City of Boise, Public Works Dept. | Don Strickler—Simplot                          |
| Ken Robinette—South Central Comm. Action Partnership | Lynn Young—AARP                                |
| Stacey Donohue—Idaho Public Utilities Commission     | John Chatburn—Office of Energy Resources       |
| Nancy Hirsh—Northwest Energy Coalition               | Sid Erwin—Idaho Irrigation Pumpers Association |
| Darlene Nemnich*—Idaho Power                         | Kent Hanway-CSHQA                              |
| Ben Otto-Idaho Conservation League                   | Quentin Nesbitt*—Idaho Power                   |
| Brittany Andrus-Public Utility Commission of Oregon  |  |

**Not Present:**

Tom Eckman—Northwest Power & Conservation Council

**Guests and Presenters\*:**

|  |   |
|--|---|
| Shelley Martin—Idaho Power                       | Cory Read—Idaho Power                             |
| Gary Grayson—Idaho Power                         | Theresa Drake—Idaho Power                         |
| Roberta Rene—Idaho Power                         | Diana Echeverria*—Idaho Power                     |
| Cheryl Paoli*—Idaho Power                        | Bill Shawver-Idaho Power                          |
| Pete Pengilly*-Idaho Power                       | Ken Miller-Snake River Alliance                   |
| Patti Best*-Idaho Power                          | Becky Arte-Howell-Idaho Power                     |
| Denise Humphreys-Idaho Power                     | Chris Pollow-Idaho Power                          |
| Amanda Richards-Honeywell                        | Nikki Karpavich-Idaho Public Utilities Commission |
| Bryan Lanspery-Idaho Public Utilities Commission | Mindi Shodeen-Idaho Power                         |
| Andrea Simmonsens-Idaho Power                    | Dennis Merrick-Idaho Power                        |
| Billie Jo McWinn-Idaho Power                     | Sheree Willhite-Idaho Power                       |
| Chellie Jensen-Idaho Power                       | Randy Thorn-Idaho Power                           |
| Celeste Becia-Fluid Market Strategies            | Todd Greenwell-Idaho Power                        |
| Jim Madarieta-Idaho Power-                       | Kevin Winslow-Idaho Power                         |

**Recording Secretary:**

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

**Meeting Convened at 9:40am**

EEAG members introduced themselves along with the members of the audience. Quentin went over the EEAG topic lists. The marketing and cost effectiveness items will be covered in presentations today. Quentin explained that Todd is on a temporary 6 month assignment to help implement the new Customer Relationship and Billing (CR&B) system and to help work on process improvements for customer calls and hold times. Quentin will be taking over Todd's duties temporarily. Ben commented that because the business of Energy Efficiency is very important, Idaho Power would want to make sure that it is staffed appropriately. Stacey commented on the email that Tom sent regarding the conservation potential study (CPA) and wanted to know if that was going to be

discussed during the meeting today (Idaho Power refers to their study as Energy Efficiency Potential study). Pete stated that he didn't feel it was appropriate to discuss Tom's email since he wasn't present. That email was received yesterday so there wasn't much time to dig into the specifics of it before the meeting to include it in any of today's material. Several members encouraged discussion on Tom's email despite his absence.

There was a discussion around the subject of NEEA and what Idaho Power's (IPC) plans are going forward. Stacey stated that she didn't realize that IPC was still waiting for the funding mechanism. She also wanted to know how the company was going to spend \$3 million a year if the company does not fund NEEA. Theresa stated that the subject of NEEA was not part of today's agenda. There are several different funding mechanisms and models on a parking lot list and NEEA is looking at those. Stacey asked if IPC can provide options to help NEEA come up with a business plan. Theresa stated that IPC feels that NEEA has the in house expertise to decide what is sustainable and that they should take charge of those issues. IPC has provided NEEA with high level options. Brittany stated that she still wants IPC to provide details of what the company does and doesn't find valuable with NEEA. Theresa acknowledged that the group has requested this but that the company is not at a point to have that discussion right now. Nancy stated that the utilities involved with Bonneville Power Administration (BPA) have asked for ala carte options in the past but they have never gone that direction. BPA found that it undermines the overall framework of NEEA. The concept seems attractive, but when you put it into practice, there is a breakdown from the institution that provides those services. John stated that he wants to make sure that the savings from NEEA benefits Idaho customers and not just somewhere in the region. Stacey said that NEEA can report savings based on the purchaser's zip codes on sales receipts. Idaho Power reports NEEA savings allocated by its funding share but the savings based on the sales receipts would exceed the savings that Idaho Power currently reports. Ben stated that the benefits for Idaho are a primary focus, but there are other benefits for Idaho that happen throughout the region. The efficiency that happens in Oregon eventually benefits Idaho. NEEA can influence market transformation and what customers ultimately purchase at retail stores. Nancy asked if a cost benefit analysis has been done by IPC. Theresa stated that level of analysis has not been done.

#### **10:11am—Regulatory Update-Darlene Nemnich**

Darlene gave a high level overview of the Demand Response (DR) Workshops that were held during the summer. A settlement agreement was filed in Idaho on Oct 2<sup>nd</sup> and the Idaho Public Utilities Commission (IPUC) issued an order on November 12<sup>th</sup> approving the settlement agreement. Nancy commented that it was a great effort by IPC and stakeholders to keep the DR programs. She asked if a risk reduction benefit was considered when the programs were valued since there is a risk benefit for not needing to buy fuel during a peak period. Quentin answered that the simple answer is no. Ben stated that 60 hours of avoided energy costs were captured. Quentin added that those 60 hours included shifted energy which is the difference between peak and non-peak. Ben added that these DR Workshops were a great example of how to address these issues. He stated that he was proud of the outcome and all those involved should be proud of the results of the settlement. Stacey added that she thought IPC did a good job organizing, hosting and having a facilitator there to help keep things on target.

#### **10:34—IPUC Memorandum of Understanding (MOU)-Pete Pengilly**

Pete summarized what is currently in the MOU. There are two pieces; stipulation and attachment 1 which is IPUC Staff recommendations. Nancy asked if IPC has gone through the MOU provisions and created a checklist of items completed, not completed, lessons learned, and things in the MOU that need modification. Pete answered that a checklist is done when the DSM Annual Report is put together. As for the other issues, those haven't been dissected per se since it was signed by the other utilities and IPUC Staff. Ben stated that the level of discourse on these issues is higher now than it was in 2009 so it might be a good time to revisit this document. Stacey stated that some of the language around measuring cost-effectiveness and the evaluation cycle could also be looked at. Having a program evaluated every couple years might be constraining. It might be more valuable to take a year off from evaluating a program and do research instead. The net to gross should be looked at again too. Ben stated that there is a lot of research and knowledge out there about non energy benefits (NEB) and those are something

that should be looked at as well. Pete stated that IPC doesn't object to any of those things. Stacey said that she would work on getting the ball rolling on revisiting the MOU.

### **11:05—Programs Update-Quentin Nesbitt**

Not much time has passed since our last meeting, so the savings numbers will not be much different from September's numbers. We are hoping to see more projects come through for 2014 as there is a lot in the pipeline. Custom Efficiency is the largest program and drives much of the savings for the commercial sector. The Easy Upgrades Program savings numbers have decreased. The Program Specialist for Easy Upgrades stated that lighting has driven the savings for this program. She has been out talking to trade allies to get an idea of what's going on in construction. Their work load has increased but it is on new construction projects as opposed to retrofit work. Because the contractors are so busy with new construction, retrofit work is being pushed to the winter when new construction work typically slows down. The Program Specialist put on a Town Blitz in Pocatello where lighting audits were done. There were a lot of positive results and it sparked more interest in the program. Ben asked if there was any earned media attention for this event. The Program Specialist stated that there wasn't any media for the event. She explained that in October IPC Customer Representatives contacted customers that they knew might be interested in doing lighting upgrades. On the Monday of the start of the blitz there were 26 confirmed audits and by the end of the week there were a total of 50. There are some very large projects that have been identified and will likely be processed through the Custom Efficiency Program. The feedback from trade allies and customers was that this was an awesome event. The Program Specialist stated that she will likely do a similar blitz in the Twin Falls area. Nancy asked of the 50 audits done, how many did the program specialist think will come through the pipeline. The Program Specialist answered that at least 20 out of those 50 should come through at some point. She also stated that she will follow up with customers who had audits but haven't submitted them through the program. She will use that as a way to improve the process by getting customer feedback.

The Refrigeration Coaching for Energy Efficiency (ROCEE) program is going well. The savings for 2013 will be reported in 2014. The Wastewater Energy Efficiency Cohort (WWEEC) is following the ROCEE model and currently 8 cities are targeted to participate. Catherine asked if any wastewater facilities have been targeted. The Program Specialist answered that there are 4 signed up and IPC has received verbal confirmation from 6 others. Some facilities can't commit because they have large construction projects going on right now. Nancy stated that now would be the time to push those facilities that are in the middle of construction. Nancy also asked if any other types of water energy efficiency is being done with the cities that are participating in the WWEEC program such as low flow showerheads, as a compliment to this program. Quentin answered that wouldn't be part of this program since we are working directly with the treatment plants. Pete also stated that IPC has partnered with City Water in the past. Catherine added that a three party brochure was produced that was sent with customer bills. Kent stated that there have been significant mandates to treat wastewater. How has that impacted energy use at these facilities and how do you reduce energy usage when they are being pushed to do more? The Program Specialist answered that part of the WWEEC workshops will talk about new construction and will take into account new requirements. The program will be recommending many different measures based on a scoping audit for each of the participating facilities. The Home Improvement Program savings numbers are down due to no longer insulating gas heated homes. Incentives for upgrading windows have been added to the program for electrically heated homes. The Home Products program no longer incents washing machines which have brought down the savings numbers. Ben stated that it's pretty hard to buy an inefficient washer and asked if the company looked into a washer recycling program. Maybe that is how you deal with rising baseline numbers and get these old models out of homes. John stated that it might be harder to get people to buy a new washing machine when their older model hasn't broke down, there is no driver to get rid of it. Ben stated maybe incenting customer to get rid of an old washer like the see ya later, refrigerator (SYLR) program might work.

### **11:47—Marketing presentation-Diana Echeverria**

Diana introduced Roberta and herself and gave a brief background of their experience in marketing. Marketing plans are created in August for the upcoming year and include budgets and strategies. During the Marketing Channels discussion, Diana showed a YouTube video on the Ductless Heat Pump. It highlights customers who have had these installed in their homes. Stacey asked about the successes with direct mailings. Diana stated that they talk to the Program Specialist

Stacey asked if a customer receives a direct mail about windows and they call into customer service would that data collected to determine who inquired about programs. Diana stated that information is currently not tracked but there are future plans to automate the marketing. The call center is targeted as a future marketing channel. Brittany asked if there is any co-marketing done within similar market segments, such as irrigation and commercial. Quentin stated that within the irrigation program that has always been done where we talk about both programs. With other programs it might be different. That is good advice and we can look for opportunities to do that more. For the FlexPeak program Idaho Power Customer Reps are encouraged to accompany EnerNOC reps when they conduct marketing and or program related customer visits. This gives the Idaho Power reps an opportunity to discuss the other commercial programs that are available.

During the 2014 Marketing Activities slide there were a lot of suggestions from EEAG members about different ways to partner with community groups. Ben suggested not focusing on conservation groups who are already on board but rather partner with the rotary clubs, churches and senior centers where you can reach a different demographic. Nancy added that there is a national group called Interfaith Power and Light that helps state based groups. IPC might want to check if there is one in Idaho as it could be a potential resource. They provide materials and co-marketing materials. Nancy also stated that the non-participant survey showed that a large number of people are still unaware of IPC's programs, so it is good to see that the company is looking at new avenues of marketing them. Lending institutions could also be a great avenue to market energy efficiency at the time of a home purchase. Catherine stated that the City of Boise partners with different Homeowner Associations (HOAs) that offer classes to new homeowners. An energy efficiency component could be included in those classes. Stacey stated that she likes the idea of partnering with the "unusual suspects." She likes the idea of getting involved with the home buying process and in the new homeowner postcard.

### **12:15—Lunch-**

Patti Best presented a slide show on the shade tree project and the results of the different events held at nurseries around the Treasure Valley.

### **1:16 Meeting Reconvened**

#### **1:18—Low Income Programs Quentin Nesbitt & Cheryl Paoli**

The evaluations of both programs showed that savings were overestimated with the energy audit tool. The evaluation was compared with billing analysis and showed that the savings weren't there. IPC met with Community Action Partnership (CAP) and State Agency personnel to look for ways to improve both programs. IPC came back and reviewed options for another energy audit tool. Ken asked if the evaluation has been finalized. One of the Evaluators stated that it is final but it is being reviewed internally. The results will be in the DSM Annual Report.

Stacey asked which two groups are being compared in the billing analysis. Is it the same customer pre and post? The Energy Efficiency Analyst (EE Analyst) stated that the customer is compared to themselves pre and post but it's aggregated on both ends. Ken asked if there is a metric to account for usage going up once a customer has had weatherization and are now able to heat their homes. The EE Analyst stated that we can create a control group using the audit tool data.

There was some discussion about the audit tools that are currently being used to measure savings of these programs. Ken stated that the agencies using this audit tool are concerned that it is overestimating savings. There was a lot of back and forth about the audit tool and calibrating the tool with updated savings. Nancy stated that we don't want to presume that fixing the tool is all that is needed in order to save these Weatherization Programs but it should be the first steps.

The process evaluation looked at non-energy benefits (NEB's) of these two programs. Examples are when a heat pump is installed in a home that doesn't have air conditioning and how to quantify the NEB's. Stacey stated that, for example, if you replace a non working furnace with a heat pump, then calibrating the baseline so it's not zero and move it up to what the average usage would have been if it was working.

Ken stated that there is a law that prohibits asking landlords to match project costs because it's a state program. They can ask them to voluntarily contribute to the cost. The program specialist stated that the landlords have to sign a waiver stating they will not raise rents on properties just because the upgrades were made. For the Weatherization Solutions program approximately 70% are senior citizens. Lynn stated that Social Security is the only source of income for about 3 in 10 seniors so the NEB's are a huge benefit for them. Lynn also pointed out that these homes that are being upgraded are being lived in by seniors, but at some point down the road, someone else might occupy them and energy usage will go up. The savings might not be immediate, but eventually the savings will be realized. Stacey stated that when they re-examine the MOU, there should be more emphasis on the NEB's for these low income programs. Ken stated that his agency received a small grant from St. Luke's to audit 50 homes of people with asthma to make their homes safer. Stacey stated that the Regional Technical Forum (RTF) is doing research on the health benefits of reduced wood burning. Ken thanked IPC for bringing these issues of NEB's to the table. We all have the same common concerns and want these programs to continue.

#### **1:55—Cost Effectiveness-Pete Pengilly**

Pete stated that the financial numbers are only updated by one month since our last EEAG meeting. Ben stated it would be nice to see what is being spent and the savings side by side. Pete then addressed the email that Tom Eckman sent out on Nov 13<sup>th</sup>. IPC didn't develop the penetration rates, a consultant for IPC did. They looked at the Council's rates and looked at historical ramp rates to come up with those penetration rates. In the table comparing Avista he looked at 2025 numbers, not 2033. Our study goes to 2032 and in 2032 it is a little higher. The other utilities mentioned are in Washington and they are required to use the Councils cost-effectiveness and penetration rates. Nancy stated that they can deviate if they do their own assessments. Pete stated that IPC consultants were told that when they do those studies for Washington they were to use the council ramp rates. Nancy stated that the first chart on that email was more interesting. It shows a big gap between economic and achievable and that is more concerning. It's an issue that has been raised in the EEAG meetings for a long time. Pete stated that achievable is not a ceiling for IPC. Ben stated that this email from Tom gets the conversation started so that we can address the assumptions and look at ways to change the ramp rate.

Ben stated that the intent is not to be critical of the IPC study, but more about the comparison to other studies and what is going on in the region. Stacey stated that IPC needs a well thought out strategic plan and then determine the barriers and how to overcome them. Brittany stated that she would like to see the (CPA) explained in further detail at a future meeting.

Pete stated that few different scenarios were put together from the discussion during the last EEAG meeting and they have been incorporated into this presentation. Stacey said that she would like to see the impact of savings if a large measure was dropped from a program. Nancy stated that she believes in keeping non cost effective measures in a program because it might keep customers engaged in the program. Stacey stated that she supported having some of these non cost effective measures bundled in order keep them cost effective. It needs to be a logical connection though, not something like refrigerators bundled with insulation. Ben added that a longer term look at avoided costs should be looked at. The goal is to find a lower cost resource. When we look at avoided cost, is the avoided energy cost long or short term. Pete answered that its long term, its 20 years of hourly data. Pete

reminded the group that IPC is a growing system so savings will defer the building of a power plant. Ben stated that maybe IPC should use more than just 2011 and 2013 numbers. If the company is going to average the avoided costs, maybe put as many numbers as possible. Let's make sure we are getting the avoided cost right before we start on these other things. Pete summarized the "take aways" from the conversation; the company should look at measure impact and averaging avoided costs. Stacey stated that she likes the risk free discount rate and averaging avoided costs. If you do that you should average what the actual avoided costs for are for those time periods. Nancy said that she thinks it's a good step to take a look at ways to make the TRC more robust. Brittany asked when these types of program changes would occur. Pete answered that any type of program change usually takes place in the first quarter. Ben stated that this conversation is a perfect example of the purpose of EEAG. As a group, we are able to give suggestions in addressing these issues.

### **3:10-Break**

### **3:23—Future Meeting Facilitation-Quentin Nesbitt**

Quentin reminded the group of a discussion from last year about the possibility of using a facilitator. The company wanted to revisit this topic again with the group. The company proposes to use Dune Ives who facilitated our DR workshops this past summer. It would be for a specific term and then we would reevaluate after a few meetings. Sid stated that in his experience a facilitator does two things: keeps the meetings rolling and on time and keeps people from arguing. The current way that this meeting functions is satisfactory. If a facilitator is hired the company has to pay them. Stacey stated that Sid made some good points and that Quentin has done a great job at this meeting today. It's a lot of work to facilitate and organize a meeting and having a facilitator for the short term could help with current IPC staff shortages. Lynn agreed with Sid that having an outside facilitator get up to speed on current issues could take some time, but she would leave it up to IPC to decide whether or not to pay the extra expense of hiring a facilitator. Catherine expressed some concern that a facilitator might cut short some of the great discussion just to keep the meeting from running over time. Brittany expressed how impressed she was with Dune during the DR workshops and how she helped crystallize some of the issues during that process. Stacey also stated how Dune does a great job at articulating the conversation and getting everyone on the same page and brings some accountability. She likes the idea of having a facilitator for a limited time. Ben stated that having a facilitator could help IPC be more engaged in the meetings instead of trying to offer ideas and run the meeting too. Nancy stated that Dune facilitates the Puget Sound Energy Efficiency group. She has a long background in energy so she would be a good fit. Another benefit to having a facilitator is there have been some issues that EEAG has brought up to IPC and the company has been slow in responding. A facilitator might keep the company more accountable for the parking lot items and help shepherd responses to keep the conversation moving forward. She stated that it is up to IPC to decide whether or not to hire a facilitator.

The general consensus from the group was that they will leave it up to the company to decide on whether or not to hire a facilitator.

Nancy had a few topics to add to the list. She would like to have a discussion on behavioral savings and the science behind these types of programs. She just watched a webinar that discussed these types of programs and would like to find out what the company is doing, if anything. Quentin asked the group if there were any changes or edits that needed to be made on the September meeting minutes. No one from the group had any changes.

### **3:45 Meeting Adjourned**

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-13-08**

**IDAHO POWER COMPANY  
REPORT ON THE  
ENERGY EFFICIENCY ADVISORY GROUP**

**ATTACHMENT C**

## EEAG MEMBERS INPUT REGARDING MEETING CONTENT AND STRUCTURE

| <b>Memo to EEAG Members, August 3, 2012</b>   | <b><u>Content</u></b> | <b><u>Structure</u></b> |
|---|-----------------------|-------------------------|
| Schedule meetings further in advance  |                       | <b>x</b>                |
| Include external presenters in meetings to gain outside perspective on new ideas and goings-on  | <b>x</b>              |                         |
| Consider having webinars instead of, or in addition to, in-person meetings  |                       | <b>x</b>                |
| Send meeting materials one week in advance to allow time for members to bring ideas and suggestions to meeting                                | <b>x</b>              |                         |
| Report regularly on programs that have the biggest impact such as Custom Efficiency   | <b>x</b>              |                         |
| Provide more detail about issues and struggles in the programs and solicit solutions from members   | <b>x</b>              |                         |
| Present information about industry changes, codes, and other structural changes that could affect programs and solicit solutions from members | <b>x</b>              |                         |
| Solicit more feedback and suggestions from the members, ask for agenda items  | <b>x</b>              |                         |
| Provide more information about future program plans, not past activities  | <b>x</b>              |                         |
| Allow more time in the agenda for brainstorming or discussion topics from members   | <b>x</b>              | <b>x</b>                |
| Review the EEAG charter annually  |                       | <b>x</b>                |
| Allow more open dialogue with visitors and audience vs. board members only  |                       | <b>x</b>                |
| Solicit better feedback by asking open-ended questions during presentations   | <b>x</b>              |                         |
| Vary format of meetings to reflect agenda--full days/half days/webinars   |                       | <b>x</b>                |
| Increase meetings to four per year  |                       | <b>x</b>                |