

Idaho Public Utilities Commission

Case No. IPC-E-13-08, Order No. 32810

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PUC reviewing Idaho Power efficiency programs

Idaho Power Company is asking state regulators to determine that \$46.35 million in expenses on energy efficiency and demand-response programs during 2012 were prudently incurred.

The efficiency programs are primarily funded through a 4 percent Energy Efficiency Rider on customer bills and the demand-response programs are included in the annual Power Cost Adjustment every June 1.

The application does not impact rates. The Idaho Public Utilities Commission is taking public comment on Idaho Power's application through August 20.

Idaho Power has 15 energy efficiency programs, two energy efficiency education programs and three demand-response programs, all of which are reviewed annually to determine cost-effectiveness. The programs must pass three cost-effectiveness tests to ensure that the cost of the programs does not exceed the benefit. One of the tests, the Total Resource Cost test, must show that all customers benefit from the programs, not just those who directly participate in the programs.

An energy-efficiency program is one in which less energy is used to perform the same function. Idaho Power said it spent about \$31.8 million on energy efficiency programs and that those programs provided 170,228 megawatt-hours in energy savings during 2012.

A demand-response program is one that shifts use to non-peak times of day, reducing demand on a utility's generation system. Idaho Power incurred nearly \$14.5 million in expense for those programs and, according to Idaho Power, provided about 438 MW of capacity during 2012 to reduce demand on the company's generation system. One megawatt is enough power to energize about 650 average-sized homes.

Some of Idaho Power's energy efficiency programs include offering customer rebates for increased use of heating and cooling efficiencies and energy efficient lighting and appliances as well as creating efficiencies in commercial and industrial buildings.

Demand-response programs included one that credits irrigators for shifting use of their irrigation systems to non-peak periods of the day and an air conditioner cycling program that offered a \$7 monthly credit to customers who agreed to let the utility remotely cycle their air conditioning during the summer months. These demand-response programs were used during 2012, but were temporarily suspended this year due to less demand on Idaho Power's overall

generation system. The commission is working with Idaho Power and other parties in an effort to resume both the irrigation and air conditioner cycling program in 2014.

Thirteen of the 15 energy efficiency programs were found to be cost-effective, according to Idaho Power. The two programs not found cost effective are weatherization programs for low-income customers. There is a separate case ongoing to determine modifications to these programs to make them cost-effective. All three demand-response programs were found to be effective from a long-term perspective, although the air conditioner cycling program was not cost-effective in 2012.

Idaho Power said it retains independent third-party consultants to provide impact and process evaluations of the programs, recommend improvements and validate energy savings.

The utility reports that customer views toward the programs are increasingly positive since Idaho Power began offering programs a decade ago. From 2003 to 2012 customers' positive perceptions of Idaho Power's energy efficiency efforts have increased from 39 percent to 60 percent, according to Idaho Power.

Comments are accepted via e-mail by accessing the commission's homepage at www.puc.idaho.gov and clicking on "Case Comment or Question Form," under the "Consumers" heading. Fill in the case number (IPC-E-13-08) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

Electric utilities are required to file an annual report of their energy efficiency and demand-response programs. Idaho Power's report is available by going to the case number above on the PUC Website and clicking on "DSM 2012 Annual Report."

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