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IDAHO PUBLIC
UTILITIES COMMISSION

JULIA A. HILTON
Corporate Counsel
jhilton@idahopower.com

March 7, 2014

VIA HAND DELIVERY

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

Re: Case No. IPC-E-14-02
Commercial Demand Response Program – Idaho Power Company's Petition
for Approval of Third Amendment to Agreement with EnerNOC, Inc.

Dear Ms. Jewell:

Enclosed for filing in the above matter are an original and seven (7) copies of Idaho Power Company's Petition for Approval of Third Amendment to Agreement with EnerNOC, Inc.

Also enclosed in separate envelopes are an original and seven (7) copies each of **confidential** Attachments 1 and 2 to the Petition. A proposed Protective Agreement is provided for execution by the appropriate Idaho Public Utilities Commission Staff attorney. Please handle the confidential information in accordance with the Protective Agreement Idaho Power Company requests be executed in this matter.

Sincerely,



Julia A. Hilton

JAH:csb
Enclosures

JULIA A. HILTON (ISB No. 7740)
 LISA D. NORDSTROM (ISB No. 5733)
 Idaho Power Company
 1221 West Idaho Street (83702)
 P.O. Box 70
 Boise, Idaho 83707
 Telephone: (208) 388-6117
 Facsimile: (208) 388-6936
jhilton@idahopower.com
lnordstrom@idahopower.com

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 IDAHO PUBLIC UTILITIES COMMISSION

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR)	CASE NO. IPC-E-14-02
APPROVAL OF ITS AGREEMENT WITH)	
ENERNOC, INC., TO IMPLEMENT AND)	IDAHO POWER COMPANY'S
OPERATE A VOLUNTARY)	PETITION FOR APPROVAL OF
COMMERCIAL DEMAND RESPONSE)	THIRD AMENDMENT TO
PROGRAM)	AGREEMENT WITH ENERNOC,
)	INC.
)	

COMES NOW, Idaho Power Company ("Idaho Power" or "Company"), in accordance with RP 052, and hereby requests that the Idaho Public Utilities Commission ("Commission") issue its Order approving Amendment No. 3 ("Third Amendment") to the February 23, 2009, Demand Response Agreement between Idaho Power and EnerNOC, Inc. ("EnerNOC") under which Idaho Power provides a demand response program for its commercial and industrial customers. Idaho Power has identified this demand response program as its FlexPeak Management program ("FlexPeak Program").

This Petition is based on the following:

I. BACKGROUND

1. On March 2, 2009, the Company filed its Application with the Commission seeking approval of a Demand Response Agreement (“Agreement”) with EnerNOC to implement a voluntary demand response program for commercial and industrial customers.

2. The FlexPeak Program is a voluntary demand response program targeting Idaho Power’s industrial and large commercial customers that are capable of reducing their electrical energy loads for short periods during summer peak load days. The FlexPeak Program’s objective is to reduce the demand on Idaho Power’s system during peak load times through customers’ voluntary electrical use reduction. EnerNOC is responsible for developing and implementing all marketing plans, securing all participants, installing and maintaining all equipment beyond Idaho Power’s meter necessary to reduce demand, tracking participation, and reporting results to Idaho Power. Idaho Power initiates demand response events by notifying EnerNOC, who then supplies the requested load reduction to Idaho Power’s system.

3. In Order No. 30805 issued on May 15, 2009, the Commission approved the Agreement and authorized the Company to implement the voluntary demand response program for its commercial and industrial customers. The Commission subsequently approved an amendment to clarify terms of the Agreement on June 2, 2010, in Order No. 31098.

4. On December 21, 2012, the Company submitted its Application in Case No. IPC-E-12-29 requesting authority to temporarily suspend two demand response

programs, A/C Cool Credit and Irrigation Peak Rewards, because the load and resource balance prepared as part of Idaho Power's 2013 integrated resource planning process did not show peak hour capacity deficits until July 2016. In Case No. IPC-E-12-29, the Company notified the Commission that it was discussing possible contract modifications with EnerNOC in order to reduce customer costs.

5. On February 6, 2013, parties to Case No. IPC-E-12-29 reached a settlement in principle that would allow for the temporary suspension of the A/C Cool Credit program and Irrigation Peak Rewards program during the 2013 program season to allow the parties to participate in workshops to discuss a longer term solution for Idaho Power's demand response programs.

6. On March 7, 2013, the Company filed its Petition in Case No. IPC-E-13-04 seeking Commission approval of a second amendment to the Agreement. Because the Company's load and resource balance indicated it did not need capacity from its demand response programs until 2016, the Company and EnerNOC amended the Agreement to reduce the amount of weekly nominated demand reduction obligations, the available hours of the program, and the amount per kilowatt that Idaho Power pays to EnerNOC. The modifications resulted in savings of approximately \$500,000 in 2013 and maintained customer participation levels.

7. On April 2, 2013, in Order No. 32776, the Commission approved a stipulation entered into by parties to Case No. IPC-E-12-29. The parties included the Commission Staff, the Idaho Irrigation Pumpers Association ("IIPA"), the Idaho Conservation League ("ICL"), and the Snake River Alliance ("SRA"). That stipulation described terms for the temporary suspension of the A/C Cool Credit program and the

Irrigation Peak Rewards program. It also requested that the Commission schedule a prehearing conference to set a schedule for workshops and a procedural schedule so that parties and stakeholders could evaluate changes for all three of Idaho Power's demand response programs for the 2014 program season and beyond.

8. On May 9, 2013, the Commission issued Order No. 32805, which approved the second amendment to the Agreement and directed the Company to discuss the future of the FlexPeak Program during the demand response workshops to be held that summer.

9. On June 4, 2013, in Case No. IPC-E-13-14, the Commission issued Order No. 32823, which directed the Commission Staff to convene an informal prehearing conference to discuss scheduling for public workshops regarding the continuation and/or modification of the Company's demand response programs. These public workshops were held on July 10, July 23, August 7, and August 19, 2013, with a final public workshop and settlement conference on August 27, 2013.

10. On October 2, 2013, Idaho Power requested the Commission approve a Settlement Agreement signed by Idaho Power, Staff, IIPA, ICL, SRA, EnerNOC, and customer Mike Seaman resolving and settling issues related to the modification and reinstatement of Idaho Power's demand response programs for 2014 and beyond. In Order No. 32923, issued on November 12, 2013, the Settlement Agreement was approved by the Commission as just, fair, reasonable, and in the public interest.

11. By this Petition, Idaho Power respectfully requests the Commission's approval of the Third Amendment, which modifies the Agreement to comply with terms of the Settlement Agreement.

II. THIRD AMENDMENT TO THE AGREEMENT

12. The Third Amendment to the Agreement aligns with the Settlement Agreement approved in Case No. IPC-E-13-14. The Third Amendment extends the contract termination date through the end of the 2014 program season, reduces payments to EnerNOC, and makes changes to the payment structure. It also includes several other changes, including removal of the lower bound of EnerNOC's committed load reduction, modification of the program availability dates to June 15 through August 15 to align with the Company's other demand response programs, and allows for notification of dispatch of a demand response event to occur through a web portal.

13. In order to reduce program costs, the Third Amendment also limits availability of the FlexPeak Program after the first three dispatch events as described in more detail in the confidential explanation of the Third Amendment. Because these limitations in dispatch were not anticipated by the parties to the Settlement Agreement, Idaho Power consulted its Energy Efficiency Advisory Group ("EEAG") on February 6, 2014, for feedback. The EEAG supported the Company moving forward with this additional term in the Third Amendment.

14. Because EnerNOC has represented to the Company that both the original Agreement and the subsequent amendments to the Agreement contain information that is confidential, valuable, proprietary information, the Third Amendment to the Agreement is being provided to the Commission as Attachment 1 to this Application under separate cover in accordance with the Commission's rules on the handling of confidential information. Parties that could profit from the specific financial and

business model data contained in the Third Amendment will be provided with the confidential explanation of the Third Amendment in lieu of the Third Amendment.

15. The confidential explanation of the Third Amendment to the Agreement is provided as Attachment 2 to the Application and will be provided to parties upon request and execution of the Protective Agreement. Because the explanation document discusses confidential information, it is also being supplied in a separate envelope consistent with the Commission's rules on submittal of confidential information.

16. To properly bill and administer the FlexPeak Program during the program season beginning June 15, 2014, Idaho Power respectfully requests the Commission issue an Order on this matter no later than May 31, 2014.

III. MODIFIED PROCEDURE

17. Idaho Power believes that a hearing is not necessary to consider the Third Amendment presented herein and respectfully requests that this Petition be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to present testimony in support of the Application in such hearing.

IV. COMMUNICATIONS AND SERVICE OF PLEADINGS

18. Communication and service of pleadings with reference to this Petition should be sent to the following:

Julia A. Hilton
Regulatory Dockets
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
jhilton@idahopower.com
dockets@idahopower.com

Tami White
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
twhite@idahopower.com

V. REQUEST FOR RELIEF

19. Idaho Power respectfully requests that the Commission issue its Order (1) authorizing that this matter be processed by modified procedure and (2) approving the Third Amendment to the Agreement between Idaho Power and EnerNOC without change or condition no later than May 31, 2014.

Respectfully submitted this 7th day of March 2014.



JULIA A. HILTON
Attorney for Idaho Power Company

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-14-02**

IDAHO POWER COMPANY

**ATTACHMENT 1
THIRD AMENDMENT**

**THE THIRD AMENDMENT
IS CONFIDENTIAL AND
WILL BE PROVIDED TO
THE APPROPRIATE
PARTIES
UPON EXECUTION
OF THE PROTECTIVE
AGREEMENT**

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-14-02**

IDAHO POWER COMPANY

**ATTACHMENT 2
EXPLANATION OF THIRD AMENDMENT**

**THE EXPLANATION OF
THE THIRD AMENDMENT
IS CONFIDENTIAL
AND WILL BE PROVIDED
TO THE PARTIES UPON
REQUEST AND
EXECUTION OF THE
PROTECTIVE
AGREEMENT**