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IDAHO PUBLIC UTILITIES COMMISSION

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Attorney for the Commission Staff

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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

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**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Weldon B. Stutzman, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 33007 on April 2, 2014, submits the following comments.

### BACKGROUND

On March 7, 2014, Idaho Power Company filed a Petition requesting approval of the third amendment to the Company's Agreement with EnerNOC, Inc. EnerNOC pursuant to the Agreement provides a demand response program for Idaho Power's commercial and industrial customers, identified as its Flex Peak Management Program. The objective of the Flex Peak Program is to reduce demand on Idaho Power's system during peak load times through customers' voluntary reduction in electrical use. EnerNOC is responsible for developing and

implementing all marketing plans, securing participants, installing and maintaining all equipment beyond Idaho Power's meter necessary to reduce demand, track participation, and report results to the Company. Petition, p. 2.

The Commission approved the initial Agreement between Idaho Power and EnerNOC in May 2009, and approved the first amendment to the Agreement in June 2010. In March 2013, the Company filed a petition seeking Commission approval of a second amendment to the Agreement allowing the Company and EnerNOC 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 Company filed a Petition in this case seeking approval of the third amendment that modifies the Agreement to comply with the terms of the settlement approved by the Commission in October 2013. Order No. 32923.

## **STAFF REVIEW**

Staff has review the Company's petition and supports its proposal to extend its arrangement with EnerNOC. Idaho Power's five-year contract with EnerNOC terminated February 2014 and the current proposal extends the contract to the end of the 2014 season. The proposal reduces payments to EnerNOC, aligns the contract to comply with the demand response (DR) Settlement, along with additional changes. Staff believes the amendment comports with the DR Settlement approved by Commission Order No. 32923 and is in the best interest of customers for the 2014 season.

Due to the contract modifications, the Company forecasts a reduction in annual expenditures from \$2.7 million in 2013 to approximately **(This section of Staff's comments contains confidential information subject to protective agreement.)** in 2014. To facilitate the lower annual cost, the amendment reduces EnerNOC's weekly committed load reductions from its 2013 commitment levels. The Company asserts the change was necessary to reduce the amount EnerNOC charges Idaho Power, but anticipates weekly nominations and actual load reductions will be similar to 2013 results.

The contract also changes the operating parameters following the third mandatory event. Specifically, FlexPeak is subject to additional dispatch only if **(This section of Staff's comments contains confidential information subject to protective agreement.)**

Staff does not believe the modification will harm the viability of the program, nor unduly burden FlexPeak participants. While the operating

parameter was not discussed in the DR Settlement negotiations, it was brought to the attention of the Company's Energy Efficiency Advisory Group (EEAG) as a **(This section of Staff's comments contains confidential information subject to protective agreement.)**

#### **STAFF RECOMMENDATIONS**

Staff recommends the Commission approve the Third Amendment between Idaho Power and EnerNOC.

Respectfully submitted this <sup>23<sup>rd</sup></sup> day of April 2014.



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Weldon B. Stutzman  
Deputy Attorney General

Technical Staff: Nikki Karpavich

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 23<sup>rd</sup> DAY OF APRIL 2014, SERVED THE FOREGOING **NON-CONFIDENTIAL COMMENTS OF THE COMMISSION STAFF** IN CASE NO. IPC-E-14-02, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:


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