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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER'S)	
APPLICATION FOR A DETERMINATION OF)	CASE NO. IPC-E-14-04
2013 DEMAND SIDE MANAGEMENT (DSM))	
EXPENSES AS PRUDENTLY INCURRED)	
)	COMMENTS OF THE
)	COMMISSION STAFF
)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Neil Price, Deputy Attorney General, and in response to the Notice of Application, Notice of Modified Procedure, and Notice of Intervention Deadline in Order No. 33032 issued on April 30, 2014, submits the following comments.

BACKGROUND

On March 17, 2014, Idaho Power Company ("Idaho Power" or "Company") submitted its Demand-Side Management 2013 Annual Report (DSM 2013 Annual Report) and makes Application to the Idaho Public Utilities Commission (Commission) for an Order designating Idaho Power's expenditures of \$21,748,331 in Idaho Energy Efficiency Rider (Rider) funds and \$4,203,155 of demand response (DR) program incentives included in the 2014 Power Cost Adjustment (PCA), for a total of \$25,951,486, as prudently incurred demand-side management

(DSM) expenses. In support of its request, Idaho Power included a copy of its 2013 DSM Annual Report and Supplements 1 and 2.

Idaho Power offered 18 energy efficiency programs in 2013, one active demand response program, several educational initiatives, and savings to customers through market transformation programs. Idaho Power estimated that annual energy savings from its energy efficiency activities totaled 107,284 megawatt-hours (MWh), including 18,346 MWh (preliminary estimate) stemming from the Company's participation with Northwest Energy Efficiency Alliance (NEEA) in 2013.

Overall, the Company's energy savings are down this year. The DSM 2013 Annual Report states that this reduction in energy savings in 2013 is due, in part, to Idaho Power and the region's increased evaluation, measurement, and verification activities. Idaho Power's expenditures on DSM-related activities decreased in 2013, largely due to the suspension of two demand response programs. In 2013, the Company's total system-wide expenditures on DSM-related activities totaled \$26,841,379. The \$26,841,379 of system-wide, DSM-related expenses in 2013 includes expenditures for customers in Oregon and other operations and maintenance expenses that are not before the Commission as part of this prudence request.

Idaho Power seeks a determination that a total of \$25,951,486 expenditures were prudently incurred in 2013 (\$21,748,331 in Rider expenses and \$4,203,155 in DR program expenses included in the 2014 PCA). The Company requests that the Commission accept Custom Efficiency Transfer Adjustments, Adjustments for Rider-Funded Labor-Related Expenses, Adjustments for A/C Cool Credit Switch Expenses, Prior Year-End Adjustments, and Current Year-End Adjustments.

The 2013 DSM Annual Report calculates cost-effectiveness from the Rate Impact Measure (RIM), the Participant Cost Test (PCT), the Utility Cost Test (UCT), and the Total Resource Cost Test (TRC) perspectives at the program level, except for those programs with no customer costs, in which case the PCT is not applicable. This includes DR and low-income weatherization programs, which are evaluated from the UCT and TRC perspectives.

Two programs had benefit/cost ratios less than 1.0 for the TRC but greater than 1.0 for the UCT, two programs had benefit/cost ratios less than 1.0 for both the TRC and UCT, and one program had a benefit/cost ratio of less than 1.0 for the PCT. The cost-effectiveness calculation for the FlexPeak Management program shows benefit/cost ratios greater than 1.0 from the TRC and the UCT perspective when evaluated from a five-year life-cycle perspective; cost/benefit

analyses were not performed on the A/C Cool Credit and Irrigation Peak Rewards programs because they were suspended in 2013.

In 2013, independent third-party consultants conducted process evaluations on six programs and an impact evaluation on one program. In addition, Idaho Power conducted its annual internal analysis and reports for the FlexPeak Management and the Irrigation Peak Rewards programs. Copies of these reports can be found in the DSM 2013 Annual Report, Supplement 2.

STAFF ANALYSIS

Staff reviewed the Company's Application and accompanying testimony and exhibits. Staff also audited the 2013 DSM expenditures and reviewed the Company's internal processes of paying incentives to customers. Based on Staff's review, Staff supports the Company's DSM programs and expenditures. However, Staff's support comes with increasing concerns about the Company's compliance with the Commission's directive to pursue all cost-effective energy efficiency. These concerns will be discussed in greater detail in the comments below. Staff recommends that the Commission rule that the Company prudently incurred \$25,951,486 in 2013 DSM-related expenses. This amount consists of \$21,748,331 in Rider expenses and \$4,203,155 in Demand Response (DR) program expenses that have been included for recovery in the 2014 Power Cost Adjustment (PCA).

Staff has calculated the appropriate Rider balance as of December 31, 2013 as follows:

2013 Beginning Balance	\$ 4,040,622
2013 Funding plus Accrued Interest	<u>37,113,246</u>
Total 2013 Funds	41,153,868
2013 Booked Expenses and Activity	<u>(34,468,123)</u>
2013 Ending Balance	<u>\$ 6,685,745</u>

The Company's 2013 DSM Rider-funded expenditures are different than the reported Booked Expenses. The Booked Expenses reflect various accounting entries that occurred during 2013. It is necessary to account for those amounts to accurately determine the total 2013 DSM-Rider funded expenditures. Though the Booked Expenses are used to determine the Rider account's appropriate ending balance, they do not always reflect the actual amount of expenditures for which the Company seeks a prudency determination. The following table

illustrates the 2013 Rider-funded expenditures that Staff recommends the Commission deem prudently incurred:

Booked Expenses and Activity	\$ 34,468,123
2011-2012 Custom Efficiency Payments ¹	(13,037,494)
2011-2012 Labor Increases Transferred from Rider ²	263,412
2012 A/C Switch Installation ³	32,090
Prior Year Accounting Adjustments ⁴	
Energy House Calls Accounting Correction	17,113
Energy Star Homes Northwest Correction	4,000
Other Miscellaneous Accounting Corrections	839
2013 Home Energy Audit Correction ⁵	248
Actual Expenditures to be Deemed Prudent in 2013	<u>\$ 21,748,331</u>

Staff believes the approximately \$22 million in expenditures charged to the Rider account were prudently incurred, but what may not be prudent is the decision to not spend customer funds in the pursuit of cost-effective DSM. In the Company's last DSM prudence filing (Case No. IPC-E-13-08), Staff noted that the Company's commitment to DSM seemed to be waning. The Company's request to suspend its demand response programs, intent to withdraw from NEEA, failure to analyze the impact of a 40% fall in avoided costs on its cost-effective energy savings, and refusal to participate in partnership funding of an Idaho-based energy efficiency

¹ On June 1, 2013, the Company transferred \$14,200,174 in Custom Energy Efficiency Program payments from the regulatory asset account to the DSM Rider. The \$13,037,494 represented on this line is the amount spent in 2011 and 2012 which has already been deemed prudent in prior cases. The difference of \$966,319 is program expenses incurred from January 1 – May 31, 2013 which have yet to be deemed prudent. A prudence determination on the 2013 amount is requested in this case.

² In Order Nos. 32667, 32690, and 32953 the Commission declined to decide the prudence of incremental Rider-funded labor increase in 2011 and 2012. Because the 2011 and 2012 labor increases were removed from the Rider account in 2013, it is necessary to add these amounts back in to determine the actual amount of Rider expenses in 2013. The Company is not seeking a prudence determination of the 2013 Rider-funded labor increases. The 2013 Rider-funded labor increases have been removed from the Company's 2013 Booked Expenses and Activities.

³ Last year, in Case No. IPC-E-13-08, the Company withheld requesting a prudence determination on 481 A/C switches that were installed after the A/C Cool Credit program was temporary suspended. The program has been redesigned and is no longer suspended as per Order No. 32923. Those 481 switches will now be in use for the Summer of 2014 and provide value to the program. Because this amount was removed in the previous prudence filing, it is necessary to add it back in to the current filing for prudence determination.

⁴ The Prior Year Accounting Corrections totaling \$21,952 were adjustments from 2012 that were not discovered and corrected until 2013. Because the corrections occurred in 2013, it is necessary to add these amounts back to the Booked Expenses to determine the proper amount of actual expenditures to be deemed prudent.

⁵ A labor charge of \$248 for the Home Energy Audit Program was initially charged to the Oregon Rider. Upon review it was determined that it should have been charged to the Idaho Rider. This adjustment adds back the \$248 to the Booked Expenses to determine the actual expenditures to be deemed prudent.

research and development effort led to Staff's conclusion that the Company was not actively pursuing all cost-effective DSM (See Staff Comments, Page 8). With the dramatic reduction in energy savings reported in the Company's 2013 Demand Side Management Report, Staff's perceptions have been confirmed.

The 2013 DSM Report shows that the Company's non-NEEA energy efficiency acquisitions declined for the third straight year with 2013 seeing the steepest decline yet. The Company's energy savings peaked in 2010 at about 172,000 MWh and have been declining ever since, with about 163,000 MWh in 2011 and 152,000 MWh in 2012. In 2013, the Company acquired only 89,000 MWh of energy efficiency, which is approximately half the amount achieved just three years earlier and a 42% decrease from 2012.

The Company defended the energy savings reduction in its 2013 DSM Annual Report by asserting that five main factors contributed to the 2013 decline. The decline "was due, in part, to new lower deemed-savings amounts approved by the Regional Technical Forum (RTF) and Idaho Power continuing to offer some programs only to customers with electrically heated homes, . . . the natural ebb and flow of projects" in the industrial sector, "some trade allies report that the improved economy decreases the amount of retrofit projects . . . turning their attention to new construction projects," and that "overall reduced savings in 2013 may be caused, in part, by Idaho Power's and the region's increased evaluation, measurement, and verification (EM&V) activities." (DSM 2013 Annual Report, page 10). Staff does not believe these factors fully explain the decline in program performance.

First, Staff has reviewed the RTF changes to savings estimates and analyzed the effect on Idaho Power's programs. During the 2012-2013 program years, the RTF changes affected six programs offered by Idaho Power. Residential energy savings decreased by about 8,600 MWh due to revised RTF savings estimates. However, this decrease was partially offset by an *increase* in savings estimates of about 5,000 MWh for the irrigation sector and smaller increase of 19 MWh for the Green Motors program for industrial projects. Overall, the net decrease in energy savings attributed to changes made by the RTF is just over 3,000 MWh. This is only 5% of the total 63,500 MWh decrease experienced in 2013.

Second, Idaho Power states that offering some programs only to customers with electrically heated homes has also contributed to reduced savings. However, Idaho Power instituted this restriction of its own volition in 2011—so while the restriction has contributed to an ongoing reduction in savings, the 28% decrease in residential savings decrease between 2012

and 2013 is not the direct result of this change. The Company may remove this self-imposed restriction at any time and quantify the value of natural gas savings as a non-electric benefit for inclusion in cost-effectiveness tests. Unlike some non-electric benefits, natural gas savings can be as rigorously quantified as electric savings. Staff notes that this change would allow access to a large amount of untapped electric energy savings.

Third, if the “natural ebb and flow” of industrial projects through Idaho Power’s programs were a primary cause of the decline, Staff would expect to see savings variations of this magnitude in the past. However, Idaho Power’s energy savings have been on a steady—and now severe—slide since 2010.

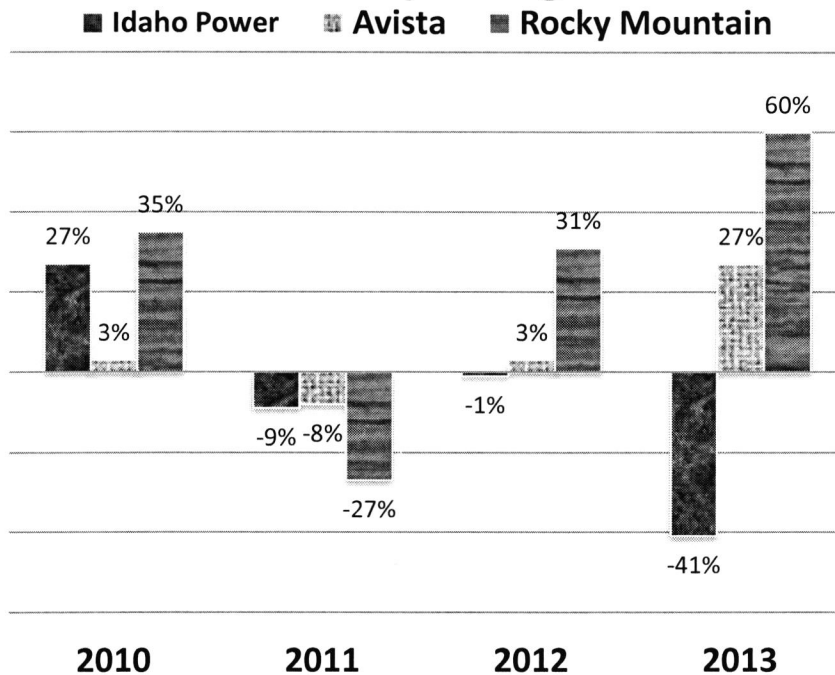
Fourth, Idaho Power claims that an improving economy decreases commercial savings as trade allies focus on new construction rather than retrofits. But Idaho Power offers a program for new construction projects—Building Efficiency—in order to capture these savings. Building Efficiency posted significantly above-average savings in 2012, but 2013 savings were back in line with the recessionary years of 2009 and 2010.

Fifth, more stringent EM&V could not be the cause of the single-year decline because all but one of Idaho Power’s evaluations conducted in 2013 were process evaluations—which examine program management—rather than impact evaluations which verify energy savings.

Lastly, the factors cited by Idaho Power as reasons for the dramatic reduction in savings are regional, rather than utility-specific, but other utilities have not seen similar decreases in savings. Rocky Mountain Power recently filed an Application requesting a prudence determination for DSM Rider funds spent in Idaho for the years 2010-2013.⁶ Though Staff has yet to fully investigate the information provided in that filing, Rocky Mountain Power reports an increase of 60% in energy efficiency acquisitions in 2013 over 2012. Avista saw an increase of 27% for the same time period. The following graph illustrates the annual percentage change in acquired energy efficiency savings for each of Idaho’s three large investor owned utilities.

⁶ Case No. PAC-E-14-07

Annual Percentage Change in Energy Efficiency Savings



While all three utilities experienced a decrease in energy savings in 2011, Idaho Power is the only one that failed to rebound. While the Company would like to point to factors beyond its control to justify the decrease in energy savings, Staff believes the Company's reluctance to effectively market and drive demand for its existing programs, adapt its program delivery to the changing DSM landscape, and implement new programs that have been proven to be cost-effective for other utilities are the main reasons behind such a dramatic decrease.

MARKETING

Staff believes a central cause in the Company's declining savings can be attributed to ineffective marketing of its DSM programs. Clearly, participation in Company-sponsored programs requires customers to be aware that the program exists. The effectiveness of Idaho Power's marketing was revealed in the 2013 J.D. Power and Associates Customer Satisfaction Study which concluded that after 10 years of energy efficiency programs 50 percent of all residential customers and 45 percent of all business customers were not aware that Idaho Power offers any energy efficiency programs (DSM 2013 Annual Report, page 18-19).

The 2013 HANSA GCR Non-Participant Survey analyzed non-participants (customers who had not participated in DSM programs) at the sector level and concluded that 71% of commercial, 60% of residential, and 45% of irrigation customers were not aware that Idaho Power offers energy efficiency incentives (HANSA, page 9). While the vast majority of customers from all sectors believe energy efficiency programs are highly important, the survey found that “unfamiliarity is the top barrier to participation across audiences.” (HANSA, page 9).

Several third party evaluations demonstrated that the low customer awareness is likely related to uncoordinated and insufficient marketing practices. TRC Energy Services conducted a process evaluation and found that the Company’s largest residential program—Energy Efficient Lighting, which had a 40 percent decline in savings last year—suffers because “Customer Reps reported that they have reduced the amount of in-store interaction they have with customers in recent years for this program. Their reason for this is that they understand that the 3rd party implementer has taken over the primary responsibility of program marketing. The Program Specialist reports that this is not a new development, and that marketing was always conducted by the 3rd party implementer.” (TRC, page 34). Idaho Power’s customer representatives do not seem to be sufficiently educated on programs to effectively promote them.

In a separate evaluation for the commercial energy efficiency program, Easy Upgrades—which experienced a 49 percent decline in savings—Opinion Dynamics concluded that the program “is marketed through a relatively limited set of activities” and it is “difficult to track effectiveness of [Easy Upgrades] marketing tactics because there is no Easy Upgrades hotline, and website traffic is not regularly reviewed. Finally, all program marketing is general across the Commercial and Industrial (C&I) market sector and is not targeted based on business type” (p. 14).

Staff notes the Company relies heavily upon traditional marketing methods which include bill inserts and newsletters, having only recently expanded into social media and online advertisements, and did not advertise through high-viewership methods such as TV or billboards, and offered few radio spots. Idaho Power may claim that that its practices align with its customers’ preferences: the non-participant survey found that the majority of respondents in all customer classes prefer to learn about programs through bill inserts or other mailings (HANSA, page 11). However, Idaho Power has used those methods to advertise its programs for many years, with the result being that about 61% of non-participants have no idea that Idaho Power offers efficiency programs. Instead of relying on customer-preference based marketing

techniques that are losing effectiveness, Idaho Power should independently, or with the help of external experts, determine and fully fund effective marketing techniques to drive demand for programs.

Staff also determined that the Company is not investing sufficiently in its marketing effort when compared to national averages. The Company historically spends 2 to 3 percent of its overall DSM budget on marketing, whereas the national averages are 4 to 8 percent. Opinion Dynamics found that the Easy Upgrades marketing budget is inconsistent with national averages as well. While national averages for marketing commercial programs are 3 to 10 percent of total program expenses, Easy Upgrades marketing investment ranges from 1 to 1.5 percent.

Opinion Dynamics observed that “Contractors are critical to the success of the Easy Upgrades program”, but the “program does not have outreach staff dedicated to working with contractors,” and “the current staff are not able to conduct as much outreach as they would like due to time constraints and the difficulty of covering a large geographic area.” (Opinion Dynamics, page 2). They recommended that a “prudent use of marketing funds would be to boost contractor outreach.” (*Id.*) With approximately \$20 million in annual tariff rider surpluses,⁷ Staff believes the Company has sufficient resources to generate uptake for this cost-effective resource (UCT 4.71).

In addition to ineffective marketing practices and insufficient budgets, Staff discovered counterproductive marketing materials during its review. Staff has attached the second page of the Company’s 2013 Spring Commercial newsletter as an example. At the top of the page, the Company recommends energy efficiency lighting as a cost-saving measure for businesses. Directly below that ad, the Company promotes itself as having the lowest commercial rates in the nation. A commercial customer reading the advertisement might question the value of investing in energy efficiency when it already enjoys the “lowest electric rates in the nation.” Staff believes that the conflicting ad placement undermines the message to invest in energy efficiency.

PROGRAM ADAPTATION AND IMPLEMENTATION

In addition to ineffective marketing, Idaho Power has failed to sufficiently adapt its program delivery and expand its program offerings to succeed in the changing DSM landscape. Idaho Power correctly points out that increasing baseline efficiencies from federal standards and

⁷ Case No. IPC-E-14-05, Application, page 9.

code requirements make acquiring cost-effective energy efficiency more difficult than in past years. Contrary to the ever-evolving delivery strategies and program offerings of Avista and Rocky Mountain Power, Idaho Power's programs remain largely unchanged.

For example, Avista generated significant energy savings in its commercial lighting program by simultaneously increasing incentives and establishing a deadline on its T12 to T8 lamp incentive program. With the window of opportunity closing, commercial customers flooded the program and Avista successfully transformed the lighting market in its service territory. Meanwhile, Idaho Power's commercial lighting program—Easy Upgrades—has not appreciably altered its delivery methods or incentives, and savings have plummeted. In addition to its commercial lighting effort, Avista also direct-mailed each of its residential customers a package of eight free CFLs. The initiative was very well received by customers and generated an enormous amount of cost-effective energy savings.

Rocky Mountain Power has also developed innovative approaches to program delivery, even in its rural Idaho service territory. The Company has extended its refrigerator recycling program to include residential-sized appliances used in commercial break rooms and is currently working to consolidate all of its business programs into one over-arching program to reduce complexity for customers and thereby increase participation.

Most notably, both Avista and Rocky Mountain have either already or are in the process of implementing behavior-based residential energy efficiency programs. These programs are unique in that do they not require any proactive effort or capital investment from the customer. High-use residential customers selected for participation are periodically mailed home energy reports which compare their electrical consumption to a representative sample population. In response to this clear, comparative information about their energy use, many utilities have found that customers in aggregate reduce their energy consumption between 1 and 3 percent.

Idaho Power has consistently refused to implement behavior-based programs despite the success of these programs in generating cost-effective energy savings from the challenging residential and multi-family customer segments. Instead, the Company has repeatedly asserted to the EEAG that its online bill payment system, which compares some customer-specific consumption data to average Idaho Power customers, is the equivalent of a behavioral efficiency program even though it has not been shown to produce any energy savings.

FINANCIAL IMPACT TO CUSTOMERS

As evidenced by declining energy savings and stagnant programs, the Company's commitment to the Commission's directive to pursue all cost-effective demand-side management is more questionable today than ever before. Customers are harmed when the Company does not acquire the least cost resource. After comparing the Company's energy savings to the 2013 Integrated Resource Plan (IRP) target, Staff discovered savings achieved only 73% of the target for the past year. Staff calculated the financial impact to customers of not acquiring 36,368 MWhs of additional energy savings identified in the 2013 IRP. Depending on the characteristics of the measures acquired, customers could have saved approximately \$474,000 to \$2,164,000 in 2013 if Idaho Power had met its IRP target.⁸

Staff also compared the Company's 2013 IRP target to the achievable energy efficiency potential savings identified for that year in its Conservation Potential Assessment (CPA).⁹ Generally, CPA results guide the target acquisition for energy savings included in IRPs, but Idaho Power's IRP targets are nearly 60 percent greater than what was identified in the CPA. The Company has not explained why it increased the achievable CPA estimates for the IRP, but Staff shares the Company's implicit concern that the CPA significantly understated Idaho Power's achievable potential.

Achievable potential is estimated as a subset of economic (cost-effective) potential based on a utility's past program performance, also known as market adoption rates or ramp rates. Idaho Power's achievable potential as a percentage of economic potential is very low compared to other regional and national utilities. The EEAG has questioned the Company about the gap between the economic and achievable potential, but no solid evidence has been presented to justify why Idaho Power's achievable potential drastically deviates from the rest of the region.

⁸ Staff subtracted the Company's reported savings from the IRP target (per the Company's response to Production Request No. 10), and then multiplied the savings difference by the Company's avoided energy rates, both for Non-Summer Off-Peak and Summer On-Peak. Staff then subtracted the Company's 2013 levelized utility cost of portfolio implementation (per 2013 DSM Annual Report, Appendix 3 at 143) from both Non-Summer Off-Peak and Summer On-Peak.

⁹ Conservation Potential Assessments generally identify three types of energy efficiency potential: technical, economic, and achievable potential. Technical potential "assumes that customers adopt all feasible measures regardless of cost." Economic potential "represents the adoption of all cost-effective energy efficiency measures." Achievable potential "establishes a realistic target for energy... savings that a utility can hope to achieve through its programs" and takes into account "past DSM achievements and program history... as well as the Northwest Power and Conservation Council ramp rates". (EnerNoc Utility Solutions, Idaho Power Energy Efficiency Potential Study, February 2013, pages v- vi.)

In addition to being very low, the CPA assessment of achievable potential also appears very subjective. In response to discovery, Idaho Power stated that EnerNoc (now AEG) “does not have any work papers to support the process” of developing market adoption rates for Idaho Power’s service territory. This process is critical to determining how much achievable potential is derived from economic, or cost-effective, potential. Staff believes this is an area that deserves significant attention in order for the Company to develop program delivery strategies and offerings to overcome the barriers to acquiring all cost-effective energy efficiency.

In the CPA, the total economic potential for 2013 was about 270,000 MWhs, but only 85,500 MWhs was identified as achievable. The opportunity cost¹⁰ of the Company not achieving the full economic potential identified in the CPA could have saved customers anywhere from \$2,235,156 to \$10,212,708 in 2013.¹¹ In the future, if Staff believes the Company fails to pursue and reasonably acquire economic potential, Staff will quantify and propose an adjustment that compensates customers for that failure. In the 2013 IRP Application, Idaho Power said “the growing population in its service area will require the Company to add physical resources to meet energy demands to use in combination with demand-side measures.” (2013 IRP, Application at p.3). Cost-effective energy efficiency is the least cost alternative to adding resources, particularly when population is expected to grow in the service area.

Staff believes it is unreasonable for the Company to forgo investing in energy efficiency that is economic but not considered achievable due to factors within the Company’s control particularly when the failure to acquire cost-effective DSM results in acquisition of more costly supply-side resources.

CONCLUSION AND RECOMMENDATION

Staff recommends that the Commission find that the Company prudently incurred DSM-related expenditures of \$25,951,486. This amount consists of \$21,748,331 in Rider expenses, and \$4,203,155 of demand response program incentive payments included in the annual PCA.


¹⁰ The term opportunity cost refers to value of the best forgone alternative, particularly in situations when long term choices need to be made between several mutually exclusive alternatives. For example, the opportunity cost of investing in production instead of some alternative like energy efficiency, is called the opportunity cost of capital.

¹¹ Staff subtracted the Company’s reported savings from the savings identified as being economical in the CPA (per the Company’s response to Production Request No. 10). Staff then multiplied the savings difference by the Company’s avoided energy rates, both for Non-Summer Off-Peak and Summer On-Peak. Staff then subtracted the Company’s 2013 levelized utility cost of portfolio implementation (per 2013 DSM Annual Report, Appendix 3 at 143) from both Non-Summer Off-Peak and Summer On-Peak.

Staff also recommends that the Commission find that the appropriate Rider balance as of December 31, 2013 is \$6,685,745, and direct that the Company accrue carrying charges on this balance as of that date.

Given the rapidly decreasing energy savings, the third-party critique of the Company's marketing activities, and Staff's concerns about program delivery and offerings, Staff further recommends that the Commission direct Idaho Power to provide the EEAG with a DSM action plan explaining how the Company will increase its acquisition of cost-effective energy efficiency over the next year. The plan should include, but not be limited to, pilot programs and program delivery adaptations designed to address difficult to serve customer populations, independent third-party evaluation recommendations that will be adopted, new strategies to increase marketing effectiveness (including customer representative training, contractor outreach, and trade ally partnerships), as well as projections for program budgets, marketing budgets, energy savings acquisitions, and cost-effectiveness ratios.

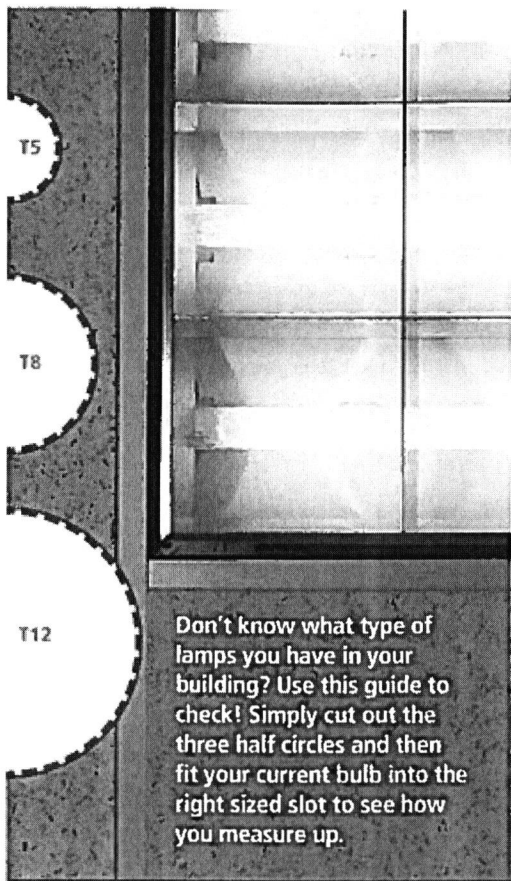
Respectfully submitted this 29th day of July 2014.



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T12 Lamps Are So Yesterday

To improve lighting energy efficiency, new national standards for the manufacture of linear fluorescent lamps became effective on July 14, 2012. Many T12 linear fluorescent lamps did not meet the new requirements and can no longer be manufactured or imported for sale in the United States.

If you have T12 lamps in your commercial building, don't wait to start saving more energy and experiencing better-quality lighting. Upgrade now to the more efficient T8 or T5 fixtures. Efficient T8 technology provides better light quality, requires less maintenance and gives off less heat, reducing air-conditioning load. In addition, Idaho Power has energy efficiency programs

that offer cash incentives to qualifying projects that make the upgrade this year. The combination of reduced energy use and cash incentives for qualifying projects, makes for an attractive return on your investment when upgrading to more efficient lighting systems.

Why wait to make the switch from T12 to T8 lighting? Take this step to reduce your operating costs, increase light quality and receive a cash incentive from Idaho Power.

To check eligibility requirements and available incentives, talk with your Idaho Power customer representative, your electrical contractor or visit us online.

www.idahopower.com/business

Medium Commercial Electric Service

Monthly cost for 40 kW and 14,000 kWh, as of July 1, 2012



our commercial rates:
LOWEST
in the nation



Source: Edison Electric Institute,
Typical Bills and Average Rates Reports

Attachment A
IPC-E-14-04
Staff Comments
07/29/14

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 29th DAY OF JULY 2014, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-14-04, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:


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