DECISION MEMORANDUM

TO: **COMMISSIONER KJELLANDER**
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: **STACEY DONOHUE**

DATE: **FEBRUARY 1, 2012**

RE: **STAFF'S COMPLIANCE FILING CONCERNING AVISTA'S, ROCKY MOUNTAIN POWER'S , AND IDAHO POWER'S LOW INCOME WEATHERIZATION AND CONSERVATION EDUCATION PROGRAMS**

AVISTA GENERAL RATE CASE NO. AVU-E/G-11-02;
IDAHO POWER GENERAL RATE CASE NO. IPC-E-11-08;
PACIFICORP GENERAL RATE CASE NO. PAC-E-11-12;
PACIFICORP REQUEST TO SUSPEND FUTURE SCHEDULE 21 PROGRAM EVALUATIONS CASE NO. PAC-E-11-13

The Commission recently heard four cases which identified issues surrounding the funding, implementation, and evaluation of Avista's, Idaho Power's, and Rocky Mountain Power's Low Income Weatherization and Energy Conservation Education Programs. As described below, the Commission issued an order in all four cases instructing the companies to participate in public workshops to resolve these issues.

On September 30, 2011, the Commission issued Order No. 32371 in Avista's General Rate Case No. AVU-E/G-11-01 which approved the Stipulation signed by all parties and resolved all issues. Regarding low income weatherization, the Order reads:

> The Company and interested parties will meet and confer prior to the Company's next general rate filing in order to assess the Low Income Weatherization and Low Income Energy Conservation Education Programs and discuss appropriate levels of low-income weatherization funding in the future. (p. 5)

On December 30, 2011, the Commission issued Order No. 32426 in Idaho Power's General Rate Case No. IPC-E-11-08 which reads:

> We find it reasonable to open a case and convene public workshops for stakeholders and other interested parties to discuss ways of determining the relative need for low-income weatherization programs. The workshops will also be an effective tool for allowing stakeholders to analyze and evaluate the various cost-effectiveness measures and non-[energy][1] benefits derived from low-income weatherization. Consequently, it is our intent to convene public workshops, as soon as possible, to discuss and resolve these weatherization issues." (p. 16)

The Order goes on to state:

> The Commission intends to open a generic investigation with public workshops to examine the common issues of need and determining the appropriate mechanisms to measure the cost-effectiveness of low-income weatherization programs. (p. 36)

On January 10, 2012, the Commission issued Order No. 32432 in Rocky Mountain Power's General Rate Case No. PAC-E-11-12 which reads:

> Thus, consistent with our ruling in IPC-E-11-08, the Commission finds that it is reasonable to open a separate docket for all stakeholders and interested Parties to participate in public workshops with a goal of determining appropriate criteria for establishing funding levels for the utilities' low-income weatherization programs. In the public workshops, the Commission envisions that the Parties will examine and discuss various methodologies and tools to assess program cost-effectiveness, including the appropriate measurement of non-[energy][2] benefits associated with the programs, and submit a report to the Commission outlining their findings and recommendations. (p. 17)

On January 18, 2012, the Commission issued Order No. 32440[3] in Rocky Mountain's Request to Suspend Future Program Evaluations of Schedule 21 in Case No. PAC-E-11-13 which reads:

> Thus the Commission finds it reasonable and appropriate to defer any final decision regarding Rocky Mountain's request to suspend its obligation to perform program evaluation of its Schedule 21 – Low Income Weatherization Services Option for Income Qualifying Customers Program in order to conduct "public workshops to examine the common issues of need and determine the appropriate mechanisms to measure the cost-effectiveness of low-income weatherization programs." Order No. 32432 at 22. Consistent with our final Order

[1] Order No. 32426 mistakenly reads "non-economic benefits". It should read "non-energy benefits".
[2] Order No. 32426 mistakenly reads "non-economic benefits". It should read "non-energy benefits".
[3] Order No. 32440 references the previously-issued general rate case order (Order No. 32432).

> following the Company's last general rate case, PAC-E-11-12, the Commission directs Rocky Mountain to participate in the workshops with a "goal of determining appropriate criteria for establishing funding levels for the utilities' low-income weatherization programs... and submit a report to the Commission outlining their findings and recommendations. *Id.* at 17. (p. 9)

STAFF RECOMMENDATION

Staff recommends that the Commission initiate a generic case instructing Avista, Idaho Power, and Rocky Mountain Power to participate in public workshops so that all interested parties may address unresolved issues regarding funding, implementation, and evaluation of each utility's Low Income Weatherization and Energy Conservation Programs. At the conclusion of these workshops, Staff will submit a report to the Commission with its findings and recommendations.

COMMISSION DECISION

Does the Commission wish to initiate a generic case instructing Avista, Idaho Power, and Rocky Mountain Power to participate in public workshops so that all interested parties may address unresolved issues surrounding funding, implementation, and evaluation of each utility's Low Income Weatherization and Energy Conservation Education Programs? At the conclusion of the workshops, should Staff submit a report to the Commission with its findings and recommendations?

Stacey Donohue

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