

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF PACIFICORP DBA )  
ROCKY MOUNTAIN POWER'S ) CASE NO. PAC-E-15-14  
APPLICATION FOR AUTHORITY TO )  
CANCEL ELECTRIC SERVICE SCHEDULE )  
NO. 71 – ENERGY EXCHANGE PROGRAM ) ORDER NO. 33445  
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On November 20, 2015, PacifiCorp dba Rocky Mountain Power (the “Company”) filed an Application asking the Commission for authority to cancel Electric Service Schedule No. 71, Energy Exchange Program. The Commission issued a Notice of Application and Notice of Modified Procedure. Staff timely filed the only written comments in the case. Rocky Mountain did not file a reply. As discussed below, the Commission approves the Company’s request.

**BACKGROUND**

In response to the western energy crisis of 2000-2001, the Company implemented the Energy Exchange Program (Schedule No. 71), offering its customers an optional program “to reduce energy usage as quickly as possible.” Application at 2; *see also* Order No. 28628. Customers who wished to participate had to “execute an energy exchange customer agreement with the Company,” under which they would “voluntarily reduce their electricity usage in exchange for a payment at times and prices determined by the Company.” *Id.* The program was available only to customers “with a monthly demand exceeding 1,000 kilowatts at least once during the [prior] twelve-month billing period.” *Id.* at 2. Participants had to agree to have a Company-provided meter “capable of recording usage intervals no less than 15 minutes.” *Id.*

Under the Exchange Program, Rocky Mountain notified participating customers “of an exchange event when market prices were such that it was economic for the Company to encourage customers to reduce energy usage.” *Id.* In such event – called a “curtailment event” – those customers “had to maintain their electricity usage below the customer’s baseline service for the duration of the specified event.” *Id.* at 2-3.

Rocky Mountain purchases an Energy Profiler Online (“EPO”) energy management product, to help its commercial and industrial customers more efficiently use energy, and monitor energy usage. *Id.* at 3. As part of its EPO contract, the Company purchases a “load curtailment module” which enables it to offer the Schedule 71 Energy Exchange Program. *Id.* Rocky Mountain’s current EPO contract expires at the end of 2015. *Id.*

## THE APPLICATION

Rocky Mountain seeks to cancel Electric Service Schedule No. 71, the Energy Exchange Program. In support, the Company cites limited customer participation since the program began, and a lack of any customer participation since 2008. *Id.* The Company also notes that no curtailment events have been offered since 2010. *Id.* at 2-3. If its request is granted, Rocky Mountain would stop purchasing the load curtailment module of the EPO program with its new EPO contract beginning in 2016. *Id.* at 3.

## STAFF COMMENTS

Staff supported the Company's proposal to cancel the Energy Exchange Program. To assess whether the program should be discontinued, Staff evaluated: (1) the Company's currently-available options for reducing demand in an emergency; (2) historical customer participation in the program, and prior curtailment events; and (3) customer benefits from incentive payments, and the program's costs. Comments at 3.

Regarding options for reducing demand in an emergency, Staff learned that the Company "has two special contracts with interruption capability in addition to the right to implement the Irrigation Load Control Program as a voluntary event as needed from June 1 through September 30 each year." *Id.*, citing Company Response to IPUC Data Request 1. Also, the Company's updated curtailment plan, currently under review in Case No. PAC-E-15-10, includes provisions for emergency load-shedding. Comments at 3.

As to current customer participation, Staff confirmed with the Company that the program has had limited participation. Only one Idaho customer participated in the program's initial offering in 2001, and no Idaho customers have participated since. *Id.* Outside of Idaho, seven customers participated in the initial 2001 offering, no customers participated from 2002 to 2004, and two Utah customers enrolled in 2005 then cancelled enrollment in 2008. *Id.* Currently, there are no customers participating in the program. *Id.* Staff further confirmed that there was only one curtailment event, in 2001, and no other curtailment events offered to Idaho customers. *Id.* at 4.

Finally, Staff investigated the program's customer benefits and costs. Staff learned that customer benefits are received as incentive payments or "exchange credits" based on an "hourly credit rate" that is multiplied by the customers' "exchange amount" during a curtailment event. *Id.* Applying the credit rate to the 2001 curtailment event, the sole Idaho participant received a total of \$9.66 for its participation in the event.

Examining the program's costs, Staff asked about the Company's Energy Profiler Online (EPO) energy management product. In order to offer the Energy Exchange Program, the Company purchased the "load curtailment module" as a component of the EPO. Application at 3. The Company's current EPO contract expires at the end of 2015, thus the Company proposes to stop purchasing the load curtailment module with its new EPO contract beginning in 2016. *Id.* Staff learned that the annual cost of the Energy Profiler Online (EPO) energy management product is \$85,428, of which the load curtailment module is \$19,908 – or 23% of the total cost. Comments at 4.

### **DISCUSSION AND FINDINGS**

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp dba Rocky Mountain Power, an electric utility, and the issues raised in this matter under the authority and power granted it under Title 61 of the Idaho Code, in particular *Idaho Code* §§ 61-129, 61-307, 61-503, and 61-622. We have thoroughly reviewed the Application and its attachments, as well as Staff comments, and find that granting Rocky Mountain's request is reasonable and in the public interest.

The purpose of the Energy Exchange Program was to "reduce electric demand during the energy crisis of 2001, which was triggered by the onset of poor hydropower conditions in the late spring of 2000." *See* Comments at 3. We find that the program was able to achieve modest goals at its outset, with eight participants in a single curtailment event. Only one of those participants was an Idaho customer. Although two additional customers – in Utah – participated from 2005 to 2008, no Idaho customers have participated in the program since its inception, and there are currently no participants in the program.

We also find that Rocky Mountain has other means in place to reduce electric demand: two special contracts with interruption capability and the right to implement its Irrigation Load Control Program. We find that these are two reasonable and adequate alternatives to Schedule 71 for addressing energy emergencies. We also note that the Company has recently requested Commission approval of updates to its curtailment plan. *See* Case No. PAC-E-15-10.

We further find that the costs of the program outweigh its demonstrated benefits. Over its 15-year implementation, the only incentive payment in Idaho was a \$9.66 payment to Idaho's participating customer. The load curtailment module that Rocky Mountain purchases as part of its EPO contract in order to offer Schedule 71 is \$19,908 per year – 23% of the total cost of the Company's EPO contract. The Company has indicated that it will no longer purchase the load

curtailment module if its request to cancel Schedule 71 is granted. We find that canceling Schedule 71 would benefit Rocky Mountain Power customers system-wide with the \$19,908 annual savings.

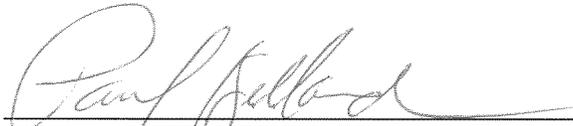
For these reasons, we approve the Company's request, and authorize cancellation of Electric Service Schedule No. 71, Energy Exchange Program.

**ORDER**

IT IS HEREBY ORDERED that PacifiCorp's Application is approved. We grant the Company's request to cancel Electric Service Schedule No. 71, Energy Exchange Program.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

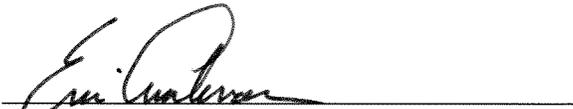
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5<sup>th</sup> day of January 2016.



PAUL KJELLANDER, PRESIDENT

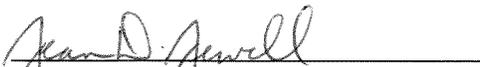


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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