BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

) CASE NO. PAC-E-16-14
)
) NOTICE OF APPLICATION
)
) NOTICE OF
) INTERVENTION DEADLINE
)
) ORDER NO. 33639

On October 11, 2016, PacifiCorp dba Rocky Mountain Power applied for an Order establishing that it prudently incurred demand-side management (DSM) expenditures in 2014 and 2015 of \$7,460,715. Generally, DSM refers to utility activities and programs that encourage customers to use less overall energy or use less energy during peak usage hours. Rocky Mountain's DSM programs include: Low Income Weatherization/Education (Schedule 21); Refrigerator Recycling (Schedule 117); Home Energy Saver (Schedule 118); Home Energy Reports (no tariff); Non-Residential Energy Efficiency/wattsmart Business (Schedule 140).

BACKGROUND

The Company declares that it has offered a variety of DSM programs to its customers since the 1970s. In 2006, the Commission approved a set of DSM programs and provided the Company with a cost recovery mechanism. Typically, DSM programs have two parts. First, the utility designs and implements DSM programs to promote energy efficiency and conservation, or reduce customer demand during periods of peak demand and/or in times of supply constraint. Second, utilities periodically report on the effectiveness of their DSM programs and seek permission to recover the deferred costs of the DSM programs.

In Order No. 29976 issued in March 2006, the Commission authorized Rocky Mountain to establish a DSM tariff rate (or "rider") as a separate line item on customers' bills under tariff Schedule 191. The DSM tariff rider is the mechanism used to recover the costs of the DSM programs. The Company was authorized to defer the costs of its DSM programs until

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¹ Energy FinAnswer; FinAnswer Express; and Agricultural Energy Services have been consolidated into a single "wattsmart Business program." See Order No. 33178. Also, in 2011, the Company's Irrigation Load Control program was cancelled and treated as a system-wide benefit. As such, the performance results of this program are not included in annual DSM reports, but are instead submitted as a confidential document to the Commission. See Order No. 32760.

such time as the Commission finds that the "Company's DSM expenditures and programs are or will be found to be reasonably and prudently incurred and executed." Order No. 29976 at 6.

NOTICE OF APPLICATION

A. The DSM Programs

YOU ARE HEREBY NOTIFIED that during the period under consideration, Rocky Mountain offered five distinct DSM/energy efficiency programs. Application at 2-3. The programs are summarized below:

<u>Home Energy Saver</u> – this program is designed to provide a number of products and services to customers in new or existing homes, multi-family housing units, or manufactured homes for customers taking service under Schedules 1 and 36. Services and products under this program include insulation, duct sealing, energy efficient windows, CFL and LED lighting, and other services. Application attachment 1 at 18-21.

Refrigerator Recycling – this program is designed to decrease electric usage through the voluntary removal and recycling of inefficient refrigerators and freezers. Customers receive a \$50 incentive for each qualifying appliance and an energy saving kit which includes two CFL bulbs, a refrigerator thermometer card and other energy-saving educational materials. This program is administered by JACO Environmental, which is one of the largest recyclers of household appliances in the United States. *Id.* at 22-24.

<u>Low Income Weatherization</u> – this program provides energy efficiency services through local non-profit agencies to residential customers meeting income-eligible guidelines. Services are provided at no cost to eligible customers. Services provided under this program include insulation, furnace repair, air infiltration, replacement door/windows, and other services. The Company's non-profit program administrators include the Eastern Idaho Community Action Partnership and Southeastern Idaho Community Action Partnership. *Id.* at 24-26.

<u>Low Income Conservation Education</u> – this program targets customers receiving low-income home energy assistance funds and provides information about how to better conserve energy and understand their bill. It also provided customers with measures aimed at furthering those goals. *Id.* at 26-28

Non-Residential Energy Efficiency – In 2014, commercial and industrial energy efficiency programs were consolidated into a single portfolio labeled as *watts*mart. The *watts*mart program is aimed to help commercial and industrial customers to improve the efficiency in lighting, HVAC, motors, building envelopes, and other equipment.

B. The Deferred Expenses

YOU ARE FURTHER NOTIFIED that Rocky Mountain asserts that the DSM programs resulted in energy savings in 2014 and 2015. The utility reports that overall the programs were cost-effective. Application at 5. However, the Company states that its Low Income Weatherization Program was not cost-effective under the TRC or UCT tests. *Id.* at 6.

YOU ARE FURTHER NOTIFIED that Rocky Mountain requests authorization to recover \$7,460,715 in DSM expenses from the DSM rider account and asserts these expenses were "prudently incurred." Application at 1. This request includes \$3,222,115 for expenditures made in 2014, and \$4,238,600 in 2015.

YOU ARE FURTHER NOTIFIED that in support of its Application, the Company submitted prefiled testimony, an annual DSM report for each year, the results of its cost-effectiveness analysis, and the third-party program evaluation reports.

YOU ARE FURTHER NOTIFIED that the Company has requested that its Application be processed under Modified Procedure.

YOU ARE FURTHER NOTIFIED that the Application and supporting documents have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate in this matter must file a Petition to Intervene no later than twenty-one (21) days from the service date of this Order. Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

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NOTICE OF APPLICATION NOTICE OF INTERVENTION DEADLINE ORDER NO. 33639 YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, the Commission Staff will convene an informal prehearing conference for the parties to discuss a schedule to process this case and other issues as may be raised by the parties.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Rocky Mountain Power representatives in this matter:

Ted Weston
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Michael S. Snow
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ted.weston@pacificorp.com daniel.solander@pacificorp.com michael.snow@pacificorp.com

Data requests in the matter should be addressed to:

Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232 Email (preferred)

> datarequest@pacificorp.com michael.snow@pacificorp.com

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq*.

ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene with the Commission no later than twenty-one (21) days from the service date of this Order.

IT IS FURTHER ORDERED that once a Notice of Parties is issued, Staff shall convene an informal prehearing conference to discuss a schedule to process this case and other issues as may be raised by the parties.

IT IS FURTHER ORDERED that discovery is available pursuant to the Commission's Rules of Procedure 221-234.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31^{st} day of October 2016.

PAUL KJELLANDER, PRESIDENT

KRISTINE RAPER, COMMISSIONER

ERIC ANDERSON, COMMISSIONER

ATTEST:

Jean D. Jewell Commission Secretary

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