

IDAHO POWER RESIDENTIAL PROGRAMS

LOW-INCOME PROGRAMS

Weatherization Assistance for Qualified Customers

The Weatherization Assistance for Qualified Customers (“WAQC”) program provides financial assistance to regional Community Action Partnership (“CAP”) agencies in the Idaho Power Company service area. This assistance helps cover weatherization costs of electrically heated homes belonging to qualified customers with limited incomes.

Idaho Power provides \$1,212,534 in annual financial assistance to these CAP agencies which include the Canyon County Organization on Aging (“CCOA”)-weatherization, El-Ada CAP, Eastern Idaho CAP, South Central CAP, and South Eastern Idaho Community Action Agency. Any unused funds are carried forward for use in the following year.

Idaho Power allows the CAP Agencies to spend up to \$2,826.00 (up to 85 percent of the job cost) of Idaho Power funds per weatherization job with a minimum of 15 percent of any job being funded by the state weatherization assistance program. This is an annual average allowing the weatherization manager flexibility to spend more dollars in one home and less in another home as needed for a whole-house approach to weatherization.

Idaho Power monitors cost effectiveness by requiring that CAP agencies ensure each total project has a savings to investment ratio (“SIR”) of 1.0 or better. The total project’s SIR reflects all project measure costs, including measure costs that have no kWh savings. Measures with no kWh savings are referred to as “health and safety measures.” These measures are limited to 15 percent annually of the total costs and facilitate the effective performance of those measures yielding energy savings.

Idaho Power provides materials to each CAP agency to educate special needs customers about energy efficiency. Topics include information about compact fluorescent light (“CFL”) bulbs, ways to save energy, and winter and summer energy saving tips—all of which help customers save on their monthly electric bill.

Home Weatherization Pilot

The Home Weatherization Pilot is a residential energy efficiency program designed to serve customers just above the Idaho State poverty income level (150 percent of Federal Poverty Guidelines) who heat their homes electrically. The program follows the State of Idaho’s Weatherization Assistance Program in current established technical aspects and WAQC in all aspects except: (1) the participant selection criteria and (2) Idaho Power’s 100 percent funding of each qualifying home weatherization job.

Whereas WAQC is designed to serve customers with income up to 150 percent of Federal Poverty Guidelines, the Home Weatherization Pilot is designed to serve customers who earn between 151 percent and 250 percent of Federal Poverty Guidelines. This will enable Idaho Power to target customers with financial needs who may not be currently investing in energy efficiency. The pilot will explore the ability to leverage the infrastructure and collect savings while maintaining costs.

The pilot will provide weatherization services to 20 electrically heated homes of Idaho Power customers. Home Energy Management, LLC, will provide weatherization services to customers in the Southern region for the pilot.

The pilot will be funded with \$66,000 Energy Efficiency Rider funds. Each weatherization job will cost an average \$3,000 for a total of \$60,000. A 10 percent administrative fee will be paid to Home Energy Management, LLC, for a grand total of \$66,000 for the program. Idaho Power administration costs should be minimal because the program will use established procedures for invoice payment as well as documentation. Physical audits will be completed mostly by regional Idaho Power employees.

Customers will be selected from a pool of individuals who have placed applications with the CAP agencies through the federal Low Income Home Energy Assistance Program ("LIHEAP"). Applications that do not qualify for that program and are above the state's poverty income level requirement are forwarded to Community Action Partnership Association of Idaho ("CAPAI"). CAPAI then sends a denial letter explaining why the household was denied energy assistance. Home Energy Management, LLC, will receive names of applicants located within the Southern region and offer weatherization services to the electrically heated customers who fall within 151 percent to 250 percent of poverty income level.

Idaho Power expects to weatherize homes of 20 customers before the end of December 2008.

Project Share

Project Share is a year-round home energy assistance program developed by Idaho Power to provide families with emergency funds to assist with energy costs without regard to heating source. Assistance is provided through contributions from customers, employees, and IDACORP shareowners. The funds are administered primarily through the Salvation Army of Ada County and Salvation Army outreach offices throughout the service area. Customers of Idaho Power; Intermountain Gas; City of Burley, Weiser, Heyburn, and Rupert utilities; and United Electric Co-op. Inc. may qualify for the program.

Idaho Power launched Project Share in 1982 with funding provided mostly through Idaho Power customer donations and some matching funds by IDACORP shareowners. Since the 1998/1999 plan year, Idaho Power customers and IDACORP shareowners have contributed a total of \$2,371,996 to the Salvation Army for Project Share, an average of \$237,200 annually. Additionally, customers of other participating utilities are encouraged to contribute to Project Share.

Idaho Power solicits donations using a variety of methods. Throughout the year we communicate with customers through at least one Idaho Power bill insert and one bill message, usually in October and November of each year. Radio advertisements are periodically purchased by IDACORP shareowners. In December 2007, Idaho Power participated in a \$10,000.00 IDACORP shareowner-funded "Season of Hope" campaign sponsored by KTVB to raise awareness around Project Share and increase contributions.

Additionally, in 2007, Idaho Power developed the Comfort Café promotion to raise awareness for and contributions to Project Share. Teaming with White Cloud Coffee, lines of coffee, hot chocolate and lemonade were created and sold under the Comfort Café label. The campaign included advertisements, point-of-purchase displays, and news coverage.

Upcoming communication:

- Direct mail solicitation scheduled for October 2008 to all current Project Share donors.
- Radio spot scheduled to run on radio stations throughout the service area in November and early December 2008.
- Article about Project Share to run in *Customer Connection* in November to be received by all Idaho Power customers.
- 2008 "Season of Hope" sponsorship. Campaign launching in November 2008 continuing through January 2009.

PAYMENT PLANS

Budget Pay

The Budget Pay option allows customers flexibility when paying their bills. It helps them budget for utility bills throughout the year and prepare for months when usage may be higher.

Customers with no past due balance (no arrears) may choose to have their electricity charges spread out evenly over a 12-month period. The monthly payment is based on the customer's average 12-month billing history or an estimate of future charges. The payment amount is reviewed at least once a year against actual usage and an adjustment in the monthly payment is made accordingly.

PAYMENT ARRANGEMENTS

Standard Payment Arrangement

This options allows eligible customers who have past due balances to pay half of the past due amount or the 61-90 day balance (whichever is greater) now, with the remaining balance plus the current bill due in 30 days.

Winter Payment Program

This option allows customers to lower winter heating costs for five months with lower monthly payments. November through March payments are equal to half of the participant's Levelized Pay amount. Balances remaining after March can be eligible for a Standard Payment Arrangement or Levelized Payment plan.

Eligible customers include those who declare they are unable to pay their utility bill in full and whose households include children, elderly, or infirm persons.

For the 2007/2008 winter season, there were 2,563 accounts for which a Winter Payment Plan was established.

Levelized Pay

This option allows customers to pay their past due balance over a 12-month period. The monthly payment is equal to one-twelfth of the past due balance in addition to their current monthly billing which is based on the Budget Pay Plan.

ENERGY EFFICIENCY RESIDENTIAL PROGRAMS

Several of Idaho Power's energy efficiency programs can help low-income customer reduce their monthly electric bills:

- Rebate Advantage
- Energy House Calls
- ENERGY STAR® Home Products
- A/C Cool Credit program
- Heating and Cooling Efficiency Program
- ENERGY STAR® Lighting

Rebate Advantage

This program offers incentives to eligible customers who purchase a new electrically-heated ENERGY STAR® manufactured home. ENERGY STAR® homes are designed to be more energy efficient than standard ones, providing customers with additional comfort and more affordable power bills.

Idaho Power Company offers a \$500 sales rebate to customers purchasing a new ENERGY STAR® home and connecting that home to an Idaho Power residential account. Additionally, the sales consultant who sells the home is eligible for a \$100 sales bonus.

Idaho Power recognizes there are up-front costs affiliated with choosing a more efficient home and wants to help customers with these costs and allow them to reap the long-term benefit of lower electric bills. In addition, Idaho Power wants to encourage sales consultants to discuss energy efficiency with their customers.

Eligibility requirements: Any customer who signs a sales agreement for a new, all-electric ENERGY STAR® home and who establishes an Idaho Power residential account to serve that home is eligible to apply for a rebate. Sales of used homes or indirect sales of new homes are not eligible for this program.

Energy House Calls

This program includes a free package of services, including duct sealing, designed to help save energy for residents of manufactured homes heated by an electric furnace or heat pump.

Idaho Power has arranged to provide the following services to eligible customers:

- Test electric heating system ducts for air leaks
- Seal the leaks
- Install compact fluorescent light bulbs
- Replace air filters, check hot water temperature and more

Approximately 90 percent of manufactured homes have leaky ducts. By sealing them, customers enjoy a more comfortable home and save money on electricity bills.

ENERGY STAR® Home Products

This program offers incentives to Idaho Power residential customers living in single and multi-family residences, including manufactured and modular homes. Products must be installed in homes within Idaho Power's service area.

Qualifying products:

- Clothes washers - \$50. Must have been purchased on or after April 1, 2008.
- Refrigerators - \$30. Must have been purchased on or after August 1, 2008. Refrigerators must be larger than 7.75 cubic feet to qualify for an incentive.
- Light fixtures - Up to \$15 per fixture. Incentive not to exceed purchase price. Must have been purchased on or after August 1, 2008.
- Ceiling fans - Up to \$20 per fixture. Incentive not to exceed purchase price. Must have been purchased on or after August 1, 2008. Only ceiling fans with light kits and ceiling fan light kits will qualify for incentives. Ceiling fans without lights do not qualify.

Idaho Power routinely evaluates opportunities to add new products to the list of items that receive incentives.

A/C Cool Credit

This program incents customers with a \$7 monthly credit for allowing Idaho Power to cycle their air conditioning system during June, July, and August afternoons when demand is at its highest.

A remote-controlled switch is installed on or near participating customers' air conditioners. On selected summer weekdays usually between 2 and 8 p.m., Idaho Power may activate the switch, cycling the air conditioner off and on in 15- to 20-minute intervals over a two- to four-hour period. Switches must be installed by the 15th of June, July, or August in order to receive a credit on the following month's bill.

ENERGY STAR® Lighting

Idaho Power partners with manufacturers and retailers to offer promotional pricing on select ENERGY STAR® qualified compact fluorescent light bulbs (“CFLs”). These efficient light bulbs use about 75 percent less energy than incandescent bulbs and last up to 10 times longer while providing the same amount of light, saving customers money in the long run.

Price, product availability, and selection varies by retailer.

ENERGY STAR® Homes Northwest

ENERGY STAR® Homes Northwest is a residential construction program providing incentives to builders, suppliers, and subcontractors building energy efficient homes. ENERGY STAR® homes are 30 percent more efficient than those built to Idaho energy code.

Advantages of ENERGY STAR® certified homes:

- **Reduced Utility Bills**—Spend less on monthly utility bills, thanks to the energy-efficient construction, effective insulation, and features of ENERGY STAR® homes. Up to 30 percent savings on heating, cooling and hot water costs.
- **More Value Per Square Foot**— ENERGY STAR® homes are built in all price ranges, styles, and features. ENERGY STAR® builders work with customers to construct the home they want at the price they can afford.
- **Healthier Indoor Air**—Breathe easier in ENERGY STAR® Homes, built to reduce indoor pollutants that contribute to allergies and asthma. Proper ventilation and sealed ductwork also protect against the build up of moisture and unhealthy air.
- **Low Maintenance**— ENERGY STAR® homes come with durability advantages like energy-efficient windows that reduce sun damage to furniture and window coverings. High-quality heating and cooling equipment will last longer and perform better than standard equipment.
- **Comfortable and Quieter Homes**—Tight construction and improved insulation not only will keep out excessive heat, cold and noise, but also ensure consistent temperatures between and across rooms. Properly sized heating and cooling equipment also cycles on and off less frequently, which removes more humidity and provides uniform comfort.
- **Tested and Certified**—All ENERGY STAR® qualified homes are certified to meet the U.S. Environmental Protection Agency’s strict guidelines for energy efficiency, and an independent third party verifies this exemplary performance.

Heating and Cooling Efficiency Program

The residential Heating and Cooling Efficiency Program provides incentives for the purchase of qualified high-efficiency heating and cooling equipment and services.

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Eligibility requirements: residential customers, builders of new construction homes, and property owners or managers who reside in, build, or own homes within Idaho Power's service area; and

- Have purchased and installed qualified equipment or had services completed on or after March 1, 2008 (for Idaho applications) and on or after August 27, 2008, for Oregon applications).
- Have installed their equipment or had services completed by a participating contractor trained by the program and has signed an HVAC Contractor Participation Agreement with Idaho Power (for all incentives except evaporative coolers).