

## **Idaho Public Utilities Commission**

Case No. IPC-E-12-29, Order No. 32713

January 11, 2013

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### **Utility seeks one-year suspension of load control programs**

Idaho Power Company is asking state regulators to suspend for one year two programs that pay participating customers to reduce use of their air conditioners and irrigation sprinklers during times of peak energy use in the summer months.

Due to the economic downturn, the utility claims its own generating plants can now meet summer peak demand up until at least 2016. Suspending the programs for one summer will benefit all customers, Idaho Power said, because it will reduce the annual Power Cost Adjustment (PCA) by \$11.75 million. The PCA surcharge or credit is adjusted every June 1. The one-year suspension would allow time for Idaho Power to modify the programs to make them more cost-effective, the company said.

Idaho Power wants its request approved by the Idaho Public Utilities Commission by March 1 to allow it time to make adjustments before the summer cooling and irrigation season. The commission set an intervention deadline of Jan. 22 for parties who want to present evidence and cross-examine witnesses and scheduled a Jan. 29 pre-hearing conference to determine whether the case should be processed by written comments or formal hearing. The Idaho Irrigation Pumpers Association has already intervened and requested a hearing.

The "A/C Cool Credit" and "Irrigation Peak Rewards" programs were created in 2003 and 2004, respectively, to reduce demand on Idaho Power's generation system during those peak periods during the summer when Idaho Power did not have enough generation on its own system to meet demand. During 2012, these two programs and another program targeted to commercial and industrial customers, provided about 367 MW of peak reduction, according to Mark Stokes, Idaho Power's manager of power supply planning. (For comparison, the recently constructed Langley Gulch natural gas plant has a capacity of 330 MW. One megawatt is enough electricity to provide power to about 650 average-sized homes.)

The downturn in the economy has reduced demand on Idaho Power's generation system, the company claims, and its own forecast does not show a peak-hour capacity deficit until 2016.

Idaho Power claims it spent about \$5.5 million on the A/C Cool Credit program in 2012 and about \$12.3 million on Irrigation Peak Rewards. Much of that expense is in direct payments to customers who volunteer to participate in the programs.

Residential customers who signed up for the air conditioning program are credited \$7 each month for the three summer months to allow Idaho Power to remotely cycle air conditions or heat pumps on and off during peak use periods. The company installed direct-load control devices on or near participating customers' air conditioning units.

In the irrigation program, Idaho Power is able to turn off irrigation pumps through the use of an electric switch connected to customers' electrical panels. Irrigators also receive a monthly credit for agreeing to participate.

The pre-hearing conference will begin at 1:30 p.m. on Tuesday, Jan. 29, in the commission's hearing room at 472 W. Washington St.

Documents related to the case, including the company's application and direct testimony by company employees Stokes and Theresa Drake, can be read on the commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the electric icon, then on "Open Electric Cases," and scroll down to Case No. IPC-E-12-29.

To submit comments from the Website, click on "Comments and Questions About A Case," and enter the above case number. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

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