



Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

C.L. Butch Otter, Governor

Paul Kjellander, Commissioner
Kristine Raper, Commissioner
Eric Anderson, Commissioner

Case No. PAC-E-16-14, Order No. 33766

Contact: Matt Evans, (208) 334-0339 or 520-4763

www.puc.idaho.gov

Commission finds Rocky Mountain Power efficiency expenses to be prudently incurred

BOISE (May 19, 2017) – State regulators have approved Rocky Mountain Power’s \$7.46 million investment in efficiency programs in 2014 and 2015.

The programs encourage customers to use less energy or shift their energy use to off-peak hours in an effort to help reduce or eliminate generation costs. They are geared toward all customer classes and include low-income weatherization and education, Refrigerator Recycling, Home Energy Saver and Home Energy Reports.

The decision by the Idaho Public Utilities Commission does not impact base rates. Instead, it allows the company to recover expenses related to the programs through funds generated by an efficiency rider paid by Rocky Mountain Power’s customers. The rider appears on bills as “Customer Efficiency Services” and is set at 2.7 percent of the monthly bill amount.

Costs deemed ineffective are borne by the company’s shareholders rather than customers.

Rocky Mountain Power, a division of PacifiCorp, provides electric service to approximately 75,000 eastern Idahoans.

In addition to gaging the program’s cost-effectiveness, the commission determines whether the programs benefit all customers, not just those who directly participate. To do so, commission staff audited the company’s internal controls and processes and interviewed program managers.

The programs generated 27,102 MWh of savings over the two-year period, exceeding established targets both years. This savings not only reduces expenses related to power purchases and generation but also eliminates or delays the need to build costly new generation facilities, the company said.

Energy savings realized by the programs increased by 38 percent from 2014 to 2015 (11,410 MWh to 15,692 MWh), largely as a result of changes to the residential programs.

The company said its expenses increased over that period, from \$3,222,115 in 2014 to \$4,238,600 in 2015, due to increased customer participation.

Three tests were conducted to determine the programs' cost-effectiveness.

Documents related to this case, including the commission's final order, are available on the commission's Website at www.puc.idaho.gov. Under the "Electric" heading click on "Closed Cases" and scroll down to Case No. PAC-E-16-14.