



Case No: IPC-E-19-11

Order No: 34301

Contact: Matt Evans

Office: (208) 334-0339

Cell: (208) 520-4763

matt.evans@puc.idaho.gov

Idaho Power seeks prudence declaration on \$40.7 million investment in efficiency programs, regulators set deadline to intervene in case

BOISE (April 9, 2019) – Idaho Power has asked state regulators to declare that the nearly \$41 million it spent on efficiency and demand-response programs in 2018 was prudently incurred.

The prudence determination by the Idaho Public Utilities Commission does not immediately impact rates.

The programs are funded primarily through the [Energy Efficiency Rider](#), which is currently set at 3.75 percent of the energy charges on a customer's bill although Idaho Power has proposed lowering that to 2.75 percent effective June 1.

Rider funds covered \$33,560,433 of the \$40,712,164 that Idaho Power spent in 2018 on its portfolio of 16 energy efficiency programs, which are also referred to as demand-side management (DSM) resources since they target the demand for energy rather than the supply.

The balance of the utility's DSM expenses in 2018, approximately \$7,151,730, was incurred as incentives for participants in the company's three demand-response programs. These incentives, which include bill credits and discounted rates, are funded through base rates and the [Power Cost Adjustment](#).

Demand-response programs are designed to shift energy use away from peak periods in order to minimize or delay the need for new generation. These programs reduced demand by 359 megawatts (MW) in 2018 out of the programs' total available capacity of 382 MW, which is more than 11 percent of the Idaho Power's all-time system peak load.

Idaho Power said its DSM programs saved 183,378 megawatt-hours (MWh) in 2018, including estimated savings from educational initiatives and market transformation activities offered through the Northwest Energy Efficiency Alliance (NEEA).

That is enough to power more than 16,000 average homes in its service territory for a year, and the savings exceeded annual targets identified in Idaho Power's most recent [Integrated Resource Plan](#).

The 2018 results represent a 4.6-percent decrease from 2017, however. Idaho Power's efficiency programs were credited with saving 191,471 MWh in 2017, while the three demand-response programs reduced demand by a total of 383 MW, at a total Commission-approved cost of \$44,145,316.

The Commission has consistently said cost-effective DSM is in the public interest and has admonished regulated utilities to develop and implement these programs in order to promote energy efficiency.

To determine the prudence or cost-effectiveness of DSM-related expenses, the programs are subjected to three tests - the Total Resource Cost test, Utility Cost Test and Participant Cost Test. The company's goal is for all of the tests to achieve a benefit/cost ratio of at least 1.0.

Twelve of the energy efficiency programs met this threshold, while four fell short in at least one of the tests - the Weatherization Assistance for Qualified Customers, Weatherization Solutions for Eligible Customers, Heating & Cooling Efficiency Program and the Shade Tree Project.

When a test indicates a program is not cost-effective, Idaho Power collaborates with stakeholders in its Energy Efficiency Advisory Group to enhance the offering.

More information about Idaho Power's programs can be found [here](#).

Parties seeking to intervene in this case in order to present testimony and exhibits, and cross-examine witnesses, must do so by April 29.

The Commission is accepting written comments on Idaho Power's proposal. A comment deadline has not been set. Go [here](#) to submit a comment electronically. Please include the case number, IPC-E-19-11. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

All documents filed in this case, including Idaho Power's [DSM report](#), can be accessed [here](#). Or go to the Commission's web site, www.puc.idaho.gov. Click on "Open Cases" under the "Electric" heading and scroll down to case number IPC-E-19-11.

Savings breakdown:

43,651 MWh - Residential

95,759 MWh - Commercial/Industrial

19,002 MWh - Irrigation

24,966 MWh - NEEA initiatives (estimated savings)

- 30 percent of the total direct program savings came via the Custom Projects option in the Commercial and Industrial Energy Efficiency Program.

- 22 percent of the direct program savings (and 80 percent of the savings in the residential sector) came from the Energy Efficient Lighting and Educational Distributions programs.