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UTILITIES COMMISSION

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August 23, 2021

VIA ELECTRONIC FILING

Jan Noriyuki, Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg 8,
Suite 201-A (83714)
Boise, Idaho 83720-0074

Re: Case No. IPC-E-21-04
In the Matter of Idaho Power Company's Application for a Determination of 2020
Demand-Side Management Expenses as Prudently Incurred

Dear Ms. Noriyuki:

Attached for electronic filing, pursuant to Order No. 34781, in the above matter please find Idaho Power Company's Reply Comments.

If you have any questions about the enclosed document, please do not hesitate to contact me.

Sincerely,

Adam Lowney

cc: IPC-E-21-04 Service List (via email)

Enclosure

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Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR A)	CASE NO. IPC-E-21-04
DETERMINATION OF 2020 DEMAND-SIDE)	
MANAGEMENT EXPENSES AS)	IDAHO POWER COMPANY'S
PRUDENTLY INCURRED.)	REPLY COMMENTS
)	

Idaho Power Company ("Idaho Power" or "Company") respectfully submits the following Reply Comments in response to Comments filed by the Idaho Public Utilities Commission ("Commission") Staff ("Staff"), and the city of Boise City ("Boise City") on August 2, 2021.

I. REPLY COMMENTS

In its Comments, Staff recommends the Commission approve \$47,008,618 in expenditures related to Demand-Side Management ("DSM") including \$40,474,884 in Idaho Energy Efficiency Tariff Rider ("Rider") expenses (which includes an adjustment of

\$2,159 to reflect the exclusion of an expense that should have been allocated to the Company's Oregon jurisdiction) and \$6,533,734 in Demand Response ("DR") program incentives. Staff also provided positive feedback on overall program management and offered potential items to explore with the Energy Efficiency Advisory Group ("EEAG"). In their Comments, Boise City commends Idaho Power on its 2020 DSM achievements, signals support for an increase in funding for the Rider, and recommended programmatic topics to be explored with the EEAG. In these Reply Comments, the Company briefly responds to items raised by Staff and Boise City.

A. Energy Efficiency Rider Balance

Idaho Power appreciates Boise City's support for appropriate cost recovery of the current under-collected Rider balance and for a Rider adjustment that may increase funding above the current funding level. While Idaho Power believes an adjustment to the Rider collection percentage may ultimately be warranted, the Company takes into consideration the timing and impact of other rate adjustments, especially during the difficult environment created by the COVID-19 pandemic. At this point in time, the Company does not anticipate taking near-term action with a filing to modify the Rider collection but will continue to monitor the balance. As expressed in previous cases,¹ stakeholder discussions, and through its actions, Idaho Power is committed to funding all cost-effective energy efficiency regardless of the Rider balance.

¹ *In the Matter of Idaho Power Company's Application for Authority to Revise the Energy Efficiency Rider, Tariff Schedule 91, Case No. IPC-E-20-33, Reply Comments, p. 1-2.*

B. Northwest Energy Efficiency Alliance (“NEEA”) Evaluation, Measurement, and Verification (“EM&V”)

Idaho Power’s customers have funded its participation in NEEA since 1997, and between 1997 and 2020, Idaho Power’s allocated portion of NEEA savings were 407,509 megawatt-hours or 46.52 average megawatts. In its comments, Staff stated it “is concerned that NEEA claims savings it is not directly responsible for producing” and highlighted that “if savings from codes and standards are removed, NEEA would not be cost-effective.”² While the Company believes its customers benefit from participation in NEEA, in Case No. IPC-E-19-34, the Company highlighted concerns regarding the amount of savings attributed to codes and standards, the allocation methodology of savings to Idaho Power customers, and cost-effectiveness impacts of declining avoided costs as it pertained to participation in the 2020-2024 NEEA cycle.³ Further, newly negotiated terms in the 2020-2024 Funding Agreement help ensure the Company can terminate funding for the remainder of the funding cycle if concerns regarding cost-effectiveness materialize.⁴ The Company supports Staff’s recommendation that an independent EM&V should be conducted to clarify (1) the savings NEEA claims, (2) the allocation of those savings to its member utilities, and (3) the cost-effectiveness of those savings to the member utilities.

In Order No. 35129, the Commission recently directed Avista “to conduct an independent EM&V to clarify the NEEA claimed savings.”⁵ The Company intends to

² Staff comments, p. 10

³ *In the Matter of Idaho Power Company’s Application for NEEA Agreement 2020-2024*, Case No. IPC-E-19-34, Richins Direct, p. 9.

⁴ *In the Matter of Idaho Power Company’s Application for NEEA Agreement 2020-2024*, Case No. IPC-E-19-34, Application, Attachment 3, Section 2, p. 1-2.

⁵ *In the Matter of Avista’s Applications for a Prudency Determination for its 2018-2019 Electric and Gas Energy Efficiency Expenditures*, Case Nos. AVU-E-20-13 and AVU-G-20-08, Order No. 35129, p. 9.

coordinate with Avista, to the extent possible, on contracting and co-funding an independent evaluator to verify savings that will inform the cost-effectiveness of NEEA participation.

As directed by the Commission in Order No. 34556, if the Company ultimately concludes NEEA is no longer a cost-effective resource, prudent, or in the best interest of rate payers, it will notify the Commission as soon as possible.⁶

C. Stakeholder Collaboration

Parties acknowledge generally that Idaho Power continues to make improvements in its implementation of cost-effective energy efficiency. The Company is committed to continuing to work with the EEAG to improve program implementation, development, delivery, and the pursuit of new energy efficiency opportunities. Over the course of the next several EEAG meetings, Idaho Power will bring program specific items raised by Boise City and Staff to the EEAG for discussion and to consider potential solutions.

II. CONCLUSION

Idaho Power respectfully requests that the Commission issue an Order finding Idaho Power's 2020 DSM expenditures of \$40,474,884 in Rider funds and \$6,533,734 of DR program incentives, for a total of \$47,008,618, as prudently incurred.

Respectfully submitted this 23rd day of August 2021.



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Attorneys for Idaho Power Company

⁶ *In the Matter of Idaho Power Company's Application for NEEA Agreement 2020-2024*, Case No. IPC-E-19-34, Order No. 34556, p. 7.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 23rd day of August 2021, I served a true and correct copy Idaho Power Company's Reply Comments upon the following named parties by the method indicated below, and addressed to the following:

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