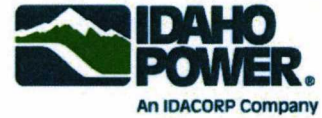


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IDAHO PUBLIC  
UTILITIES COMMISSION



LISA D. NORDSTROM  
Lead Counsel  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

May 4, 2022

Jan Noriyuki, Secretary  
Idaho Public Utilities Commission  
11331 W. Chinden Boulevard  
Building 8, Suite 201-A  
Boise, Idaho 83714

Re: Case No. IPC-E-22-15  
Application of Idaho Company for Modifications to Schedule 79,  
Weatherization Assistance for Qualified Customers

Dear Ms. Noriyuki:

Attached for electronic filing is Idaho Power Company's Application in the above-entitled matter.

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

Sincerely,

A handwritten signature in cursive script that reads "Lisa D. Nordstrom".

Lisa D. Nordstrom

LDN:sg

Enclosures

LISA D. NORDSTROM (ISB No. 5733)  
Idaho Power Company  
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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR	)	CASE NO. IPC-E-22-15
MODIFICATIONS TO SCHEDULE 79,	)	
WEATHERIZATION ASSISTANCE FOR	)	APPLICATION
QUALIFIED CUSTOMERS.	)	
_____	)	

Idaho Power Company ("Idaho Power" or "Company"), in accordance with *Idaho Code* § 61-503 and RP 52, hereby respectfully applies to the Idaho Public Utilities Commission ("Commission") for an order authorizing modifications to Tariff Schedule 79, Weatherization Assistance for Qualified Customers ("Schedule 79"). The update will allow the Company to utilize the program's carryover funds to pay up to 100 percent of HVAC upgrades on homes that were previously weatherized under Schedule 79 but did not receive HVAC upgrades. The objective of this proposal is to proactively address the growing amount of surplus funds that have accumulated as a result of the COVID-19 pandemic, supply chain limitations, and labor shortages. This proposal will serve to benefit qualifying low-income customers and was developed through mutual and extensive collaboration with the Company's Energy Efficiency Advisory Group ("EEAG") and other stakeholders. The tariff changes are outlined in Attachment 1 to this Application.

In support of this Application, Idaho Power represents as follows:

## **I. PROGRAM HISTORY**

1. Idaho Power Company began offering the Low-income Weatherization Assistance ("LIWA") program in 1989 in conjunction with the State of Idaho's Weatherization Assistance Program ("WAP"). Through the LIWA program, the Company provided supplementary funding to state designated Community Action Partnership ("CAP") agencies for the weatherization of homes occupied by qualified low-income customers as well as buildings occupied by non-profit organizations. The program was renamed Weatherization Assistance for Qualified Customers ("WAQC") in 2005. Currently, the Company oversees the program in Idaho through five regional CAP agencies: Eastern Idaho Community Action Partnership ("EICAP"), El Ada Community Action Partnership ("EL ADA"), Metro Community Services ("Metro Community"), South Central Community Action Partnership ("SCCAP"), and Southeastern Idaho Community Action Agency ("SEICAA").

2. The WAQC program has gone through several changes since its inception in 1989. Significant program modifications were made in 2004 following the May 2004 issuance of Commission Order No. 29505 in Case No. IPC-E-03-13. The Commission directed the Company to increase the \$0.2 million of annual program funding by \$1 million through June 2007. The Commission also directed the Company to carry forward to the following year any unpaid funds; to negotiate with Community Action Partnership Association of Idaho ("CAPAI") regarding structural modifications to the program; and to report annually on program activities in a separate report outside of the Company's Demand-Side Management Annual Report.



3. Shortly after the Commission issued Order No. 29505, the Company entered into discussions with CAPAI and its member agencies to negotiate several modifications to the program. The Company signed new contracts with each of the CAP agencies effective August 1, 2004. The new contracts served to allocate the increased funding as well as to put into process the program modifications.

4. In addition to the contract modifications, the Company implemented several internal changes related to program operation. The invoice payment process was automated, and enhancements were made to the Company's program database. The structural changes more closely aligned the Company's program with the State of Idaho's WAP specifications and allowed the CAP agencies to more effectively administer the program. A new program specialist primarily dedicated to overseeing the operation of this program was hired in 2004.

5. In order No. 30350 issued in 2007, the Commission directed that "Idaho Power shall continue its annual funding of this program at \$1.2 million per year," which remains the current level of funding for the program. In January of each year, the Company continues to renew its contract with each agency detailing the funding allotment, billing requirements and program guidelines for both qualifying homes and non-profit organizations.

## **II. WAQC PROGRAM OVERVIEW**

6. The WAQC program provides financial assistance to regional CAP agencies in Idaho Power's service area. This assistance helps fund weatherization costs of electrically heated homes occupied by qualified customers who have limited incomes. Weatherization improvements enable residents to maintain a more comfortable, safe, and

energy-efficient home while reducing their monthly electricity consumption and are available at no cost to qualified customers who own or rent their homes. These customers also receive educational materials and ideas on using energy wisely in their homes. Local CAP agencies determine participant eligibility according to federal and state guidelines. The WAQC program also provides limited funds to weatherize buildings occupied by non-profit organizations that serve primarily special needs populations, regardless of heating source, with priority given to electrically heated buildings.

7. Annually, Idaho Power verifies a portion of the homes weatherized under the WAQC program through two methods. The first method uses Idaho's monitoring processes for weatherized homes. The state of Idaho hires the quality-control inspector, who ensures measures were installed to Department of Energy ("DOE") and state WAP specifications. Utility representatives, weatherization personnel from the CAP agencies, CAPAI, and a Building Performance Institute-certified quality control inspector review homes weatherized by each of the CAP agencies.

8. For the second verification method, Idaho Power contracts with two companies that employ building performance specialists to verify the installed measures. After verification, any required follow-up is done by CAP agency personnel. Idaho Power reports the activities related to the WAQC each March in the Company's Demand-Side Management Annual Report per Order No. 33702.

### **III. PROGRAM FUNDING, CARRYOVER, & ACTIVITY**

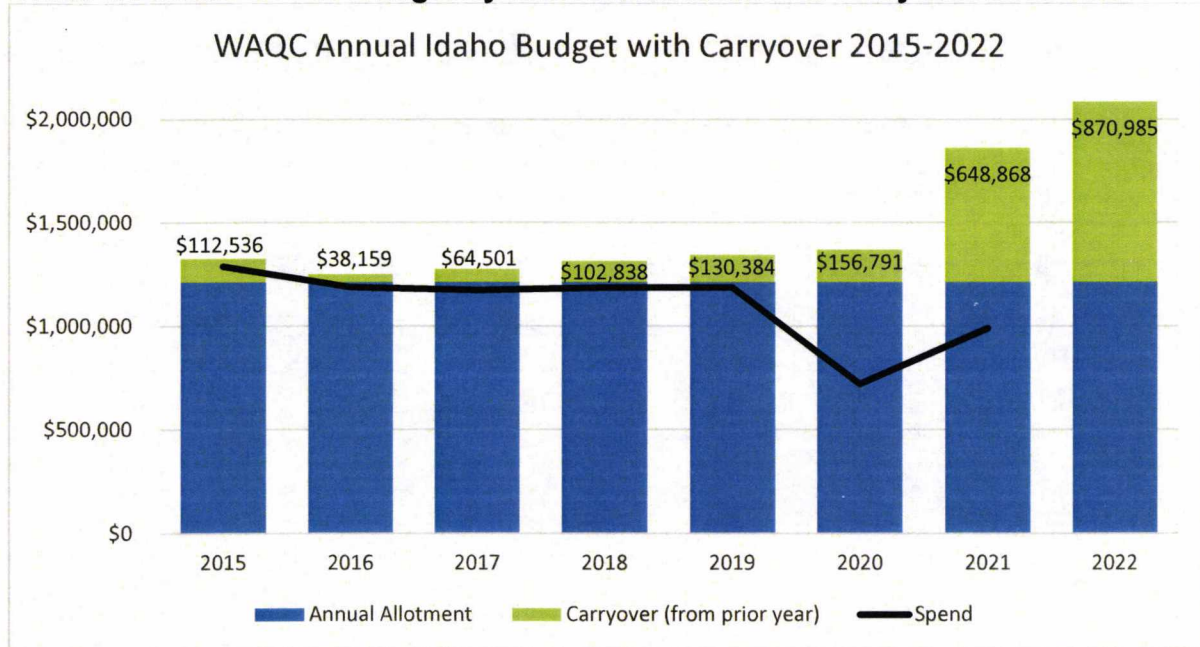
9. The base funding for the WAQC program is \$1,212,534 annually, which does not include carryover from the previous year. Idaho Power's agreements with CAP agencies include a provision that identifies a maximum annual average cost per home up

to a dollar amount specified in the agreement between each CAP agency and Idaho Power. The intent of the maximum annual average cost allows the CAP agency flexibility to service some homes with greater or fewer weatherization needs. It also provides a monitoring tool for Idaho Power to forecast year-end outcomes. The average cost per home weatherized is calculated by dividing the total annual Idaho Power production cost of homes weatherized by the total number of homes weatherized that the CAP agencies billed to Idaho Power during the year. This excludes CAP agency administration fees that are equal to 10 percent of Idaho Power's per-job production costs. The maximum annual average cost per home in the 2021 agreement was \$6,000. In 2021, Idaho CAP agencies had a combined average cost per home weatherized of \$5,592.

10. As directed by the Commission on page 32 of Order No. 29505, "[a]ny unpaid funds shall carry over and be available in the next year." In 2021, Idaho Power made \$1,861,402 available to Idaho CAP agencies, of which \$648,868 were unspent from 2020. Of the funds provided, \$990,416 were paid to Idaho CAP agencies, while \$870,985 were accrued for future funding in 2022. Chart 1 shows the base funding plus the carryover funds that combine to make the annual budget of the WAQC program since 2015.



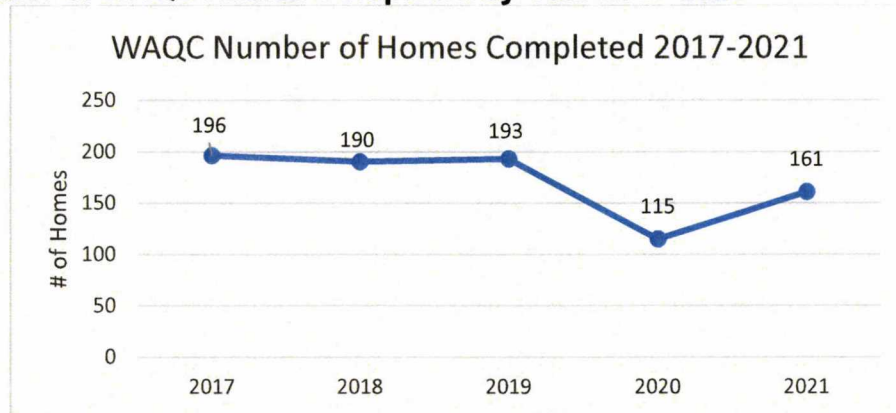
**Chart 1. Annual WAQC Budget by Annual Allotment and Carryover 2015-2022**



11. The increase in carryover over the past couple of years has been primarily driven by COVID-19 in-home activity restrictions, supply chain limitations, and labor shortages limiting the number of homes CAP agencies weatherized. To help keep weatherization crews and customers safe from exposure to COVID-19, CAP agencies suspended weatherization activities for Idaho Power's WAQC program in March 2020, and most resumed work starting in May 2020. The DOE also required CAP agencies to follow Centers for Disease Control and Prevention ("CDC") and DOE COVID-19 guidelines. Various CAP agencies performed certain weatherization activities under CDC and DOE guidelines throughout 2021. Because weatherization personnel provided services for the state WAPs between March and December, Idaho Power partnered with CAP agencies within its service area to leverage state and federal funding along with its funding.

12. Chart 2 illustrates the decrease in the number of homes weatherized by the WAQC program in 2020 and 2021 as compared to 2017-2019. The decrease in the number of homes weatherized is directly correlated with the increase in carryover funds for the WAQC program with the 2022 budget exceeding \$2.0 million.

**Chart 2. Number of WAQC Homes Completed by Year 2017-2021**



#### **IV. RE-WEATHERIZATION PROJECTS PROPOSAL**

13. The Company's re-weatherization proposal is designed to address the increasing amount of carryover funds that have accumulated over recent years and to proactively provide CAP agencies flexibility in using those funds to improve low-income customers' living conditions and their quality of life. This proposal does not impact the current WAQC program structure and can be considered a separate addition to the program.

14. Idaho Power is requesting a change to Schedule 79 that will allow the Company to fund up to 100 percent of re-weatherization projects using only the program's carryover funds for HVAC upgrades. In collaboration with stakeholders, the Company is proposing to define "re-weatherization projects" as homes that have previously been weatherized through WAQC within a rolling 14-year period and did not have an HVAC



replacement or had an inoperable heat system. Under the current tariff structure, at least 15 percent of the total cost of qualifying conservation measures must be funded by the DOE, and DOE funds cannot be used at the same site within a rolling 14-year period. Therefore, re-weatherization projects will not utilize DOE funds and sites weatherized with DOE funds within a rolling 14-year period will not be eligible for re-weatherization. Homes outside of the 14-year period would be able to re-qualify for the standard WAQC program. Idaho Power estimates that there are approximately 1,000 homes eligible for re-weatherization.

15. Eligibility. The full list of eligibility requirements developed and discussed with stakeholders is provided as Attachment 2 to this Application. Generally, eligible customers would include those who previously qualified for the WAQC program but did not receive an HVAC replacement at the time. Some of the requirements in Attachment 2 may be subject to change once re-weatherization projects begin and more information is gathered through stakeholder collaboration and feedback.

16. Funding. The Company proposes that re-weatherization projects only be funded by surplus carryover funds that have accumulated in accordance with Order No. 29505. As shown in the charts above, the accumulation of carryover funds has increased over the past two years due to a decrease in the number of homes weatherized. Re-weatherization projects will only be considered and completed if carryover funds are available. If carryover funds are not available, the standard WAQC program remains available to qualified customers. This proposal also does not prohibit the standard WAQC program from using carryover funds.

17. The Company will work with the CAP agencies to appropriately prioritize projects and account for the type of funding utilized for both standard WAQC projects and re-weatherization projects. If approved, the Company will report the re-weatherization project results in its Demand-Side Management Annual Report.

## **V. STAKEHOLDER INPUT**

18. In developing the proposal in this case, the Company collaborated with weatherization personnel from CAP agencies, CAPAI, and its EEAG. All parties recognized the growing amount of carryover funds and mutually agreed to proactively address the situation in a way that would enhance the WAQC program to the benefit of low-income customers. The Company believes the collaborative efforts, and resulting proposal, is consistent with the Commission's expectations as outlined on page 32 of Order No. 29505: "Furthermore, we believe ... the CAP agencies should be allowed to submit reimbursements up to the full cost of weatherizing a home, [...], and other program design changes should be negotiated between Idaho Power and CAPAI."

19. Through several formal and informal meetings and conversations, the Company has incorporated substantial stakeholder input into the proposal with the objective of using the excess carryover funding to the benefit of low-income customers outside of the current WAQC program structure. Options were discussed at both the November 2021 and February 2022 EEAG meetings with the current proposal outlined in this Application receiving the majority of the EEAG stakeholders' support.

## **VI. MODIFIED PROCEDURE**

20. Idaho Power believes that a technical hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed

under Modified Procedure, i.e., by written submissions rather than by hearing. RP 201, *et. seq.*

## **VII. COMMUNICATIONS AND SERVICE OF PLEADINGS**

21. Communications and service of pleadings with reference to this Application should be sent to the following:

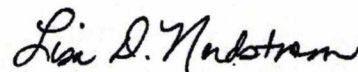
Lisa D. Nordstrom  
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[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)  
[dockets@idahopower.com](mailto:dockets@idahopower.com)

Connie Aschenbrenner  
Zack Thompson  
Idaho Power Company  
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[caschenbrenner@idahopower.com](mailto:caschenbrenner@idahopower.com)  
[zthompson@idahopower.com](mailto:zthompson@idahopower.com)

## **VIII. REQUEST FOR RELIEF**

22. As described in greater detail above, Idaho Power respectfully requests that the Commission issue an order accepting the proposed tariff changes to Schedule 79, Weatherization Assistance for Qualified Customers, to include re-weatherization projects.

Respectfully submitted this 4th day of May 2022.



---

LISA D. NORDSTROM  
Attorney for Idaho Power Company



## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 4<sup>th</sup> day of May 2022 I served a true and correct copy of IDAHO POWER COMPANY'S APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

**Commission Staff**

Dayn Hardie  
Deputy Attorney General  
Idaho Public Utilities Commission  
472 West Washington (83702)  
P.O. Box 83720  
Boise, Idaho 83720-0074

☐ Hand Delivered  
☐ U.S. Mail  
☐ Overnight Mail  
☐ FAX  
☒ Email [Dayn.Hardi@puc.idaho.gov](mailto:Dayn.Hardi@puc.idaho.gov)

**Eastern Idaho Community Action Partnership**

Jay Doman  
Chief Executive Officer  
P.O. Box 51098  
Idaho Falls, ID 83405

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☐ U.S. Mail  
☐ Overnight Mail  
☐ FAX  
☒ Email [jdoman@eicap.org](mailto:jdoman@eicap.org)

**El-Ada Community Action Partnership**

Tim Lopez  
Chief Executive Officer  
701 E. 44<sup>th</sup> Street, #1  
Boise, ID 83714

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**Metro Community Services**

Grant Jones  
Chief Executive Officer  
4307 Skyway Drive  
Caldwell, ID 83605

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☐ U.S. Mail  
☐ Overnight Mail  
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☒ Email [Grant@metrocommunityservices.net](mailto:Grant@metrocommunityservices.net)

**South Central Community Action Partnership**

Ken Robinette  
Chief Executive Officer  
P.O. Box 531  
Twin Falls, ID 83303

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**South Eastern Idaho Community Action Agency**

Shantay Bloxham  
Chief Executive Officer  
641 North 8<sup>th</sup> Ave.  
Pocatello, ID 83201

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☐ FAX  
☒ Email [SBloxham@seicaa.org](mailto:SBloxham@seicaa.org)

**Community Action Partnership  
Association of Idaho**  
Evie Scrivner  
Chief Executive Officer  
3350 W. Americana #360  
Boise, ID 83706

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☐ Overnight Mail  
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☒ Email [EScrivner@capai.org](mailto:EScrivner@capai.org)

*Stacy Gust*

---

Stacy Gust, Regulatory Administrative  
Assistant



**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**  
**CASE NO. IPC-E-22-15**

**IDAHO POWER COMPANY**

**ATTACHMENT 1**

**TARIFF SCHEDULE 79**  
**(Clean & Legislative)**



**SCHEDULE 79**  
**(CLEAN)**

SCHEDULE 79  
WEATHERIZATION ASSISTANCE  
FOR QUALIFIED CUSTOMERS

AVAILABILITY

Funding under this schedule is available to state designated Community Action Partnership (CAP) agencies throughout the Company's service area within the State of Idaho participating in the State of Idaho Weatherization Assistance Program administered by the Idaho Department of Health and Welfare. Funding under this schedule is subject to the provisions of the signed Agreement between the individual CAP agencies and the Company.

APPLICABILITY

Funding under this schedule is applicable to qualifying energy conservation measures installed in single- and multi-family residential dwellings, including mobile homes, which are electrically heated (Qualifying Dwellings). Funding is also applicable to qualifying energy conservation measures installed in buildings which are occupied by private, non-profit organizations which serve primarily low-income clientele, and which have obtained a 501(c)(3) tax exempt status (Qualifying Buildings). Energy conservation measures installed in Qualifying Dwellings and Qualifying Buildings must meet the specifications of the State of Idaho Weatherization Assistance Program.

GRANTS TO AGENCIES

The Company will determine the amount of annual grant funds available to each participating CAP agency each year in accordance with the provisions of the Agreement. Funds will be distributed to a participating CAP agency upon demonstration by the agency that qualifying conservation measures have been installed in a Qualifying Dwelling or Qualifying Building. Grant funds made available to a CAP agency but not distributed to that agency during the current year may be carried forward to the next year.

In addition to weatherization funds, the Company will provide to each CAP agency an administrative payment equal to 10 percent of the portion funded by the Company for each Qualifying Dwelling or Qualifying Building for which weatherization was completed with the assistance of Company funds.

Qualifying Dwellings: The Company grant funds may be used to fund up to 85 percent of the total cost of qualifying conservation measures installed in a Qualifying Dwelling provided at least 15 percent of the total cost of qualifying conservation measures is funded by the Department of Energy, except in the case where carryover funds are being used for re-weatherization. Re-weatherization applies to homes that were previously weatherized under Schedule 79 within a rolling 14-year period. For those homes, the program's carryover funds may be used to pay up to 100 percent of HVAC upgrades.

Qualifying Buildings: The Company grant funds may be used to fund the installation of weatherization measures in Qualifying Buildings in accordance with the provisions of the Agreement. The Company provided funds may be used to fund up to 100 percent of the total cost of qualifying conservation measures installed in Qualifying Buildings.

**SCHEDULE 79**  
**(LEGISLATIVE)**



SCHEDULE 79  
WEATHERIZATION ASSISTANCE  
FOR QUALIFIED CUSTOMERS

AVAILABILITY

Funding under this schedule is available to state designated Community Action Partnership (CAP) agencies throughout the Company's service area within the State of Idaho participating in the State of Idaho Weatherization Assistance Program administered by the Idaho Department of Health and Welfare. Funding under this schedule is subject to the provisions of the signed Agreement between the individual CAP agencies and the Company.

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**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-22-15**

**IDAHO POWER COMPANY**

**ATTACHMENT 2**



## **Weatherization Assistance for Qualified Customers ("WAQC") Re-Weatherization Project Requirements**

### **Customer Eligibility:**

- Idaho Power Residential account number except for multi-family accounts per Idaho Weatherization Operation Manual ("IWOM") guidelines.
- Qualified as Low Income as defined by the federal poverty level defined in the current IWOM guidelines or previously qualified for the WAQC program.
- Home previously weatherized using WAQC funding or any combination of Idaho Power, state, private, and/or federal funding.
- Landlord consent authorizing re-weatherization on rental homes with cost sharing option.

### **Dwelling Eligibility:**

- Previously weatherized without HVAC replacement or inoperable heat system.
- Primarily heated with electricity provided by Idaho Power.

### **HVAC Replacement Eligibility:**

- Inefficient, inoperable, or non-existent electric heating system as deemed by Agency Energy Auditor.
- Follow IWOM standards for HVAC replacement and efficiency upgrades or run heat load calculator.
- Use of licensed/certified HVAC subcontractor and certified Agency crew member.

### **Final Inspection:**

- Final mechanical inspections of equipment installed are required by the authority issuing the applicable mechanical permit.
- A job completion form will be signed off by the Community Action Partnership ("CAP") Agency inspector noting consistency with the contractor bid.

### **Re-Weatherization Funding:**

- Re-Weatherization projects to be funded with each agency's carryover funds only.

### **Billing and Payment:**

- Re-weatherization jobs to be kept separate from WAQC jobs for accounting and tracking purposes.

### **Re-Weatherization Funding:**

- Production job costs will be limited to a \$9,000 maximum annual job average plus the administrative fee of 10% of the production cost per job.
- Re-Weatherization projects available until carryover funds run out or until the CAP Agency contracts end in 2025, whichever happens first.