

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-22-15
COMPANY’S APPLICATION FOR)	
AUTHORITY TO MODIFY SCHEDULE 79—)	
WEATHERIZATION ASSISTANCE FOR)	ORDER NO. 35583
QUALIFIED CUSTOMERS)	
)	

On May 4, 2022, Idaho Power Company (“Company”) applied for Commission authorization to modify Schedule 79—Weatherization Assistance for Qualified Customers (“Schedule 79” or “WAQC”), to include re-weatherization projects for qualifying customers. The Company requested its application be processed by Modified Procedure.

On June 3, 2022, the Commission issued a Notice of the Application and set a deadline for interested parties to intervene. Order No. 35424. The city of Boise City (“Boise City”) intervened. Order No. 35456.

On July 29, 2022, the Commission issued a Notice of Modified Procedure establishing public comment and Company reply deadlines. Order No. 35478. The Commission Staff (“Staff”) and Boise City filed comments to which the Company replied. No other comments were received.

Having reviewed the record in this case, we now issue this Order approving the Company’s Application as discussed below.

THE APPLICATION

The Company requests authority to modify Schedule 79 to fund up to 100% of re-weatherization projects using carry-over funds for eligible customers.¹ Eligible customers will include those who have previously qualified for the Schedule 79 weatherization program but did not receive an HVAC replacement at the time.² The Company estimates approximately 1,000 homes will be eligible for re-weatherization. If approved, the Company would report project results in its annual Demand-Side Management report.

¹ The Company proposes to define re-weatherization project as “homes that have previously been weatherized through [Schedule 79] within a rolling 14-year period and did not have an HVAC replacement or had an inoperable heat system.” Application at 7-8.

² Currently, the Department of Energy (“DOE”) pays for at least 15% of the total cost of qualifying conservation measures under Schedule 79, but DOE guidelines preclude DOE funds from being used at the same site with a rolling 14-year period. Under the current tariff structure any home inside the 14-year window would be ineligible for re-weatherization.

The Company has experienced an increase in carry-over funds during the past two years due to COVID-19, supply chain issues, and labor and staffing shortages. In 2021, the Company made \$1,861,402 available to Idaho Community Action Partnerships (“CAP”) agencies, with \$648,868 of those funds carrying over from 2020. Of the funds available in 2021, \$870,985 carried over to 2022. The 2022 WAQC budget exceeds \$2 million due to addition of carry-over funds.

The Company’s Application is designed to address the carry-over funds that have accumulated recently and to give CAP agencies flexibility in using those funds to help low-income customers without impacting the current WAQC program structure.

THE COMMENTS

Staff

Staff recommended the Commission approve the Company’s Application, approve Schedule 79 as filed, and direct the Company to notify the Commission when the surplus funds are exhausted or to provide notice of the unspent balance within six months of the CAP agency contract’s expiration. Staff believed the Company’s proposal that includes using the carry-over funds to cover all or part of the cost of HVAC upgrades for qualifying homes is reasonable.

Staff noted that CAP agencies will be tasked with contacting customers who previously qualified for weatherization upgrades but did not receive an HVAC upgrade. According to Staff, the re-weatherization project will only be offered until 2025 or when the carry-over funds are exhausted. Staff recommended that if surplus funds continue to accrue in 2023 and 2024, despite the addition of the re-weatherization program, that those funds be added to the program funds which can be used for either WAQC or re-weatherization.

Staff explained that the Company anticipates about 100 homes will receive HVAC re-weatherization and CAP agencies will manage and report the average job cost throughout the year. Staff noted that since CAP agencies have flexibility to offer services to homes with different degrees of need which allows them to create an average cost for re-weatherization, like other WAQC programs.

Finally, Staff registered its concerns that carry-over funds might continue to accrue and asked that the Company continue to adjust the use of carry-over funds if the trend continued until 2025. On the other hand, if carry-over funds run out, Staff recommended the Company notify the

Commission at that time or provide a balance of surplus funds within six months of the 2025 CAP agency contract expiration.

Boise City

Boise City supported the Company’s Application and recommended approval of the proposed modification to Schedule 79. Notably Boise City supported the increased flexibility and streamlined approach proposed through re-weatherization. Boise City recommended “the Commission introduce additional flexibility and accountability into the funding allocation process to CAP agencies.” Boise City Comments at 2. Specifically, Boise City suggested that carry-over funds available to CAP agencies for re-weatherization “be subject to review and potential re-allocation each contract year at the Company’s discretion.” *Id.* Boise City argued that if the carry-over balance continues to grow the Company should be able to direct those funds to other CAP agencies that were able to reduce the carry-over balance.

Company reply

The Company replied to Staff’s and Boise City’s comments. Based on Staff’s suggestion, the Company committed to notifying the Commission when carry-over funds run out or provide a balance of carry-over funds within six months of the expiration of the CAP agency contract in 2025. Additionally, the Company stated it would continue discussions with interested entities about additional opportunities that may help reduce the carry-over balance.

The Company agreed with Boise City’s recommendation to review and, if appropriate, re-allocate carry-over funds each year at its discretion. The Company noted that it will continue to allocate WAQC funds on a pro-rata basis to CAP agencies.

COMMISSION DISCUSSION AND FINDINGS

The Commission has jurisdiction over this matter under Title 61 of the *Idaho Code*. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* § 61-502 and 61-503. The Company is an electrical corporation under *Idaho Code* § 61-119 and a public utility under *Idaho Code* § 61-129.

We appreciate the Company and its partners working to develop a solution to ensure that the carry-over funds are deployed for customers’ benefit. We find that using these funds to

provide HVAC upgrades for qualifying homes provides an opportunity to increase energy efficiency at customers' homes who might not otherwise be able to complete the HVAC upgrades. These upgrades, when coupled with the earlier upgrades, allow greater energy savings at targeted homes.

We direct the Company to monitor the unspent, carry-over funds and provide notice to the Commission when the funds are exhausted, or to report if the carry-over balance continues to grow before the current CAP contract ends. Additionally, the Company shall annually review the various CAP agencies' spending on the re-weatherization program and reallocate the funds accordingly as the Company deems reasonable to achieve the twin aims of re-weatherizing homes and reducing the carry-over balance in Schedule 79.

ORDER

IT IS HEREBY ORDERED that the Company's Application to modify Schedule 79 is approved.

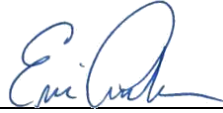
IT IS FURTHER ORDERED that the Company shall report to the Commission when the carry-over funds being directed to the re-weatherization program are exhausted, or to report if the carry-over balance continues to grow before the current CAP contract expirations end.

IT IS FURTHER ORDERED that the Company may reallocate the carry-over funds to different CAP agencies if it determines some are under- or over-performing in an effort to ensure the carry-over balance is reduced as planned.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 4th day of November 2022.



ERIC ANDERSON, PRESIDENT

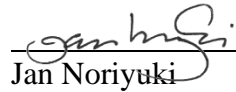


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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