

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	CASE NO. IPC-E-25-12
OF IDAHO POWER COMPANY FOR A	)	
DETERMINATION OF 2024 DEMAND-SIDE	)	
MANAGEMENT EXPENSES AS	)	ORDER NO. 36834
PRUDENTLY INCURRED	)	
	)	
	)	

On March 14, 2025, Idaho Power Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting an order designating expenditures of \$25,922,708 in Idaho Energy Efficiency Rider (“Rider”) funds, and \$8,950,583 of demand response program incentives, as prudently incurred demand-side management (“DSM”) expenses. In its Application the Company included its 2024 DSM Annual Report (“Annual Report”) and two associated supplements (“Supplement 1” and “Supplement 2”).

On April 8, 2025, the Commission issued a Notice of Application and Notice of Intervention Deadline. Order No. 36535. No parties intervened. On May 12, 2025, the Commission issued a Notice of Modified Procedure, establishing a September 18, 2025, deadline for public and Commission Staff (“Staff”) comments, and an October 2, 2025, deadline for the Company to file reply comments. Order No. 36597. No public comments were received.

On June 30, 2025, the Company filed a supplement to its Application (“Supplemental Application”) containing a completed follow-up evaluation of the Company’s Residential New Construction (“RNC”) program. In its Supplemental Application, the Company requested that the Commission find that the Company complied with the directive outlined in Order No. 36331. Supplemental Application at 6.

We now issue this Order approving the Company’s Application, as modified by the Supplemental Application, and acknowledging that the Company complied with the directives outlined in Order No. 36331.

THE APPLICATION

The Company reported that, during 2024, it expended \$25,922,708 of Rider funds and \$8,950,583 in demand response program incentives funded through base rates and tracked annually through the Power Cost Adjustment (“PCA”) mechanism. Application at 1. During 2024,

the Company reported it achieved total energy savings of 143,599 Megawatt hours (“MWh”) through its annual energy efficiency programs, which included savings generated from initiatives of the Northwest Energy Efficiency Alliance. *Id.* at 7. The Company further stated that its overall energy efficiency portfolio realized a year-over-year increase of 5,815 MWh in total savings. *Id.* In addition, the Company represented that its energy efficiency portfolio continued to demonstrate cost-effectiveness, achieving a Utility Cost Test ratio of 1.72, a Total Resource Cost ratio of 1.67, and a Participant Cost Test ratio of 2.18. *Id.* at 7-8.

The Company also reported attaining a total non-coincident demand reduction of 257 Megawatts (“MW”) through its demand response programs in 2024, out of an available capacity of 323 MW. *Id.* at 3. Further, the Company indicated that its demand response portfolio provided capacity exceeding eight and one-half percent of its all-time system peak load, which was available to respond to “system peak load events” during summer periods. *Id.*

Additionally, the Company reported achieving energy savings of 24,472 MWh within the residential sector, 90,336 MWh within the commercial and industrial sector, and 4,290 MWh within the irrigation sector. *Id.* at 7.

SUPPLEMENTAL APPLICATION

The Company requested that the Commission issue an order confirming its compliance with the directive established in Order No. 36331 by conducting a follow-up to the impact evaluation of the RNC program utilizing billing data. Supplemental Application at 1.

The Company reported that it undertook actions to satisfy the Commission’s directive by meeting with Staff to discuss the RNC follow-up evaluation and to establish a timeline for submitting the results. *Id.* at 4. The Company explained that the parties agreed that a study design incorporating a non-participant control group would be the most suitable approach, though it would still present certain limitations and require additional time and resources to complete. Consequently, the Company submitted the evaluation as a supplement to its 2024 prudence filing. *Id.*

The Company further stated that it retained a third-party evaluator (“Evaluator”) to perform a billing analysis aimed at determining differences in energy consumption between RNC program participants and non-participant all-electric homes constructed within the Company’s service area during the same period. *Id.* at 5. The results of this follow-up evaluation were provided in the “RNC Follow-Up Evaluation,” filed as Exhibit No. 4 to the Nesbitt Supplemental Testimony. The

Company asserted that the analysis results supported the conclusion that the RNC program achieved measurable energy savings by encouraging residential customers and builders to construct homes exceeding code requirements. *Id.*

Additionally, the Company reported that, based on the Evaluator's recommendation, it continued coordinating with the Regional Technical Forum ("RTF") regarding modeling practices for estimating the energy use of newly constructed homes. *Id.* at 6. The Company also indicated that it intended to continue calculating savings for the RNC program in alignment with the model requirements and guidelines set forth in the New Homes Standard Protocol. *Id.* at 6. The Company planned to submit the "RNC Follow-Up Evaluation" to the RTF analyst team, which it believed would contribute to future process improvements. *Id.*

STAFF COMMENTS

Staff believed that the Company's DSM programs had been effectively administered and demonstrated cost-effectiveness. Staff Comments at 2. Staff recommended that the Commission approve the Company's Application and determine that \$34,873,291 in DSM expenses for 2024 had been prudently incurred. *Id.* at 12. Staff further recommended that the Commission find the Company's Supplemental Application to be in compliance with Order No. 36331. *Id.*

Staff noted that the Company's 2023 General Rate Case ("GRC") and Integrated Resource Plan ("IRP") filings introduced several modifications that affected the Company's DSM programs. *Id.* at 2. Staff believed that revisions to the Company's avoided cost methodologies and load shape time blocks for its DSM portfolio would allow the programs to more accurately align with the Company's overall system operations and planning processes. *Id.* at 3. In addition, Staff noted that the updated DSM program savings load shapes, which reflected revised seasonal and hourly risk periods, expanded the non-summer mid- and off-peak time blocks into an off-season, low-risk block for the shoulder months, and into low-, medium-, and high-risk blocks for the winter months. *Id.* Staff also highlighted that Order No. 36042 in the 2023 GRC reallocated \$1,324,853 in income-qualified weatherization and low-income education funding from base rates to the Rider, while transferring approximately \$3.5 million in energy efficiency ("EE") Rider-funded labor costs into base rates. *Id.*

In its review of the Company's EE Rider and demand response ("DR") expenditures, Staff believed that the expenses had been thoroughly documented and that appropriate internal controls were in place, and adjusted as necessary, to ensure accurate payment of incentives and other costs.

Id. at 3. Staff also believed that the Company's internal review process effectively identified and corrected errors prior to the submission of its DSM reports. *Id.* Based on its audit findings, Staff believed that the Company's EE Rider expenses had been prudently managed. *Id.*

Staff conducted a detailed review of the Company's various DSM programs. *Id.* at 6–11. Staff did not recommend modifications to the Heating and Cooling Efficiency program but noted that future adjustments to specific measures could be warranted depending on 2025 program performance. *Id.* at 7. Staff expressed concerns regarding the design of the Home Energy Reports program, asserting that it excluded participation by certain customer groups. *Id.* at 8. Staff stated its intent to evaluate the results of the Company's 2025 program assessment when those findings were presented in a subsequent prudence filing. *Id.* Staff also found that the evaluation of the RNC program reasonably verified the actual savings achieved by RNC participants on the Company's system and recommended that the Company, in its next evaluation, consider the incremental costs and adequacy of participant data. *Id.* at 9. Finally, Staff offered no specific recommendations regarding the Shade Tree, Small Business Lighting, or Low-Income Weatherization programs. *Id.* at 10–11.

COMPANY REPLY

The Company stated that it identified two duplicated transactions during 2024, which resulted in the 2024 DSM prudence request being overstated by \$527. Company Reply Comments at 2. The Company requested the Commission issue an order finding \$34,872,764 in 2024 DSM expenditures prudently incurred. *Id.*

The Company also stated that it will continue to monitor the Rider balance and if adjustment is warranted, will seek to time the adjustment coincident with other rate changes. *Id.*

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, -502 and -503. 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.

Having reviewed the record, the Commission finds that the Company's 2024 DSM expenditures, as modified in the Company's Reply Comments—\$25,922,181 in Rider funds and

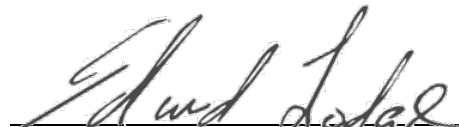
\$8,950,583 in DR program expenses, for a total of \$34,872,764—were prudently incurred and that the Company complied with the directives outlined in Order No. 36331.

ORDER

IT IS HEREBY ORDERED that the Company's Application is approved, and the Company's 2024 DSM expenditures, as modified in the Company's Reply Comments—\$25,922,181 in Rider funds and \$8,950,583 in DR program expenses, for a total of \$34,872,764—were prudently incurred.

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 about 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.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 6th day of November 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Laura Calderon Robles
Interim Commission Secretary

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