



Case No: IPC-E-19-06

Order No: 34264

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State regulators set comment deadline for Idaho Power proposal to lower efficiency surcharge

BOISE (March 5, 2019) – Idaho Power has proposed slightly lowering the surcharge its customers pay to fund the utility’s efficiency and conservation programs.

The Idaho Energy Efficiency Rider is currently set at 3.75 percent of the energy charges on a customer’s bills. Idaho Power has proposed lowering the surcharge to 2.75 percent, effective June 1.

If approved by the Idaho Public Utilities Commission, the change would lower the bill of the typical residential customer who uses 950 kilowatt-hours per month by 83 cents, or 0.9 percent.

The rider, which appears as “Energy Efficiency Services” on customer bills, funds the implementation and analysis of the utility’s Demand-Side Management (DSM) programs, so-called because of the fact that they target customer demand for energy rather than supply.

Decreasing the surcharge to 2.75 percent would better align the DSM programs’ funding with expenditures reflected in current projections, the utility said in [its application](#).

If the Commission approves the proposal in full, the utility’s annual revenue collection would decrease by about \$10.4 million, according to the application.

The change would not impact Idaho Power’s DSM programs or offerings.

The Commission authorized the rider’s implementation in 2002, as a means to fund Idaho Power’s DSM programs.

These programs, which include 16 energy efficiency programs, educational initiatives and three demand response programs designed to shift energy use from periods of peak demand, help the company lower the demand for energy in order to avoid costs associated with increasing its supply.

Costs associated with the DSM programs are scrutinized annually by the Commission for cost-effectiveness. The costs can only be recovered from customers if the Commission determines the costs are prudent, or that all customers would pay more for energy if the programs did not exist.

Upon its implementation in 2002, the rider was set at 0.5 percent of energy sales.

It increased to 4.75 percent in 2009.

The current rate, 3.75 percent, was authorized in 2016 and collects approximately \$40 million annually.

At the end of 2018, the company said the rider account had a surplus balance of approximately \$5.3 million. A recently completed forecast conducted by the utility found that, absent an adjustment, the balance will increase to approximately \$11.6 million at the end of 2019.

The Commission is accepting written comments on the proposal through April 9. Go [here](#) to submit a comment. Or go to the Commission's web site, www.puc.idaho.gov and click on "Case Comment Form" under the "Electric" heading. Please include the case number, IPC-E-19-06.

Comments can also be mailed to P.O. Box 83729, Boise, ID 83720-0074 or faxed to (208) 334-3762.

All documents filed in this case can be viewed [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-19-06.