

## Jean Jewell

---

**From:** Ed Howell  
**Sent:** Friday, February 21, 2003 7:16 AM  
**To:** Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark  
**Subject:** Comment acknowledgement

WWW Form Submission:

Friday, February 21, 2003  
7:15:30 AM

Case: IPC-E-02-13  
Name: Pike Teinert  
Street\_Address: 834 Harcourt Road  
City: Boise  
State: ID  
ZIP: 83702

Home\_Telephone: (208) 429-0808  
E-Mail: pteinert@cableone.net  
Company: Idaho Power Company  
mailing\_list\_yes\_no: yes

Comment\_description: 1) Idaho Power's Application for Approval of Tariff Schedule 81, Residential Air Conditioner Cycling Pilot Program proposes to use funds collected from all rate payers under Idaho Power' Schedule 91, Energy Efficiency Rider which "is designed to fund the Company's expenditures for the analysis and implementation of energy conservation programs." The Residential Air Conditioning Pilot Program proposed by Idaho Power states that the program is a "dispatchable load control program". It also states, "This program is a dispatchable load control program that attempts to manage load, not energy". Energy efficiency and conservation programs are focused on energy (kWh) management. Load control programs are significantly different in that they are focused on peak load, demand (kW), control. The following explanations of these two program categories from NARUC and the DOE help provide clear distinction between them.

DOE

Conservation program: A program in which a utility company furnishes home weatherization services free or at reduced cost or provides free or low cost devices for saving energy, such as energy efficient light bulbs, flow restrictors, weather stripping, and water heater insulation.

Load control program: A program in which the utility company offers a lower rate in return for having permission to turn off the air conditioner or water heater for short periods of time by remote control. This control allows the utility to reduce peak demand.

NARUC

Energy Efficiency: Using less energy/electricity to perform the same function. Programs designed to use electricity more efficiently -- doing the same with less. For the purpose of this paper, energy efficiency is distinguished from DSM programs in that the latter are utility-sponsored and -financed, while the former is a broader term not limited to any particular sponsor or funding source. "Energy conservation" is a term which has also been used but it has the connotation of doing without in order to save energy rather than using less energy to do the same thing and so is not used as much today. Many people use these terms interchangeably.

These distinctions are generally accepted by the electric energy industry. It is clear that use of Idaho Power's Schedule 91 funds for Idaho Power's Residential Air Conditioner Cycling Pilot Program would be a misuse of Schedule 91 funds. To address this problem, the

IPUC could choose to amend Energy Efficiency Rider, Schedule 91 to allow use of the proceeds to fund peak load control programs as well as energy conservation programs.

2) In Case No. IPC-E-02-2 & IPC-E-02-3, Order No. 29026 the IPUC stated:

Furthermore, Idaho Power shall consult with the Energy Efficiency Advisory Group regarding the need to initiate a comprehensive DSM study of the IPC service territory Relative to the priority for DSM funds to identify: (1) cost effective DSM opportunities in each customer class; (2) estimated costs to fully fund these opportunities; and (3) opportunities for reductions in peak loads as well as reductions in total energy consumption.

IPC and the EEAG falls short of its role as stated.

For example, the proposed Residential Air Conditioner Cycling Pilot Program is clearly not the result of a comprehensive DSM study given that residential air conditioner cycling technology and programs are more than 20 years old and several successful programs are in operation today in California, Florida and other states. Idaho Power need not implement an expensive, \$820,000 pilot program.

Additionally, direct load control programs can be accurately modeled using existing, reliable analytical models combined with readily available weather, cycling scenarios, incentive and end-use load data for the program foot print. Therefore an expensive pilot program is not needed. Models are easily adjusted to analyze other potential direct load control programs and are scalable to fit any size residential customer base. In summary, models can effectively and efficiently predict the success of the proposed direct load control program for a small fraction of the cost of an actual pilot program.

3) The requirement that participants have only one central AC unit and one controlling thermostat is overly restrictive and promotes diminished program results because it disqualifies a statistically significant number of residences with two central units and two thermostats that could contribute more to load reduction than single unit residences. Additionally, significantly more single unit residences are owned by lower income families than multiple unit homes and therefore the proposed program would place a disproportionate burden on lower income households during hot summer peaking months.

4) The \$5 per month per participant incentive is overly simplistic because it fails to recognize that residential units vary in size from 2+ to 5+ tons. Therefore larger tonnage units will contribute more than twice the load reduction of smaller units. A more equitable incentive would be based on unit tonnage and recognize the relative contribution to load reduction of different sized units. Incentives that are more reflective of relative load reduction contribution are much more favorably received by customers and offer enhanced opportunity for program success.

5) Additional non-complex program elements of successful programs that could contribute to enhanced program success are; (1) non-intrusive hardware installation (installed outside of the residence) (2) incentives based on cycling scenarios, e.g. 100% cycling provides a higher incentive than 50% cycling and (3) cash incentives rather than hardware incentives (thermostats) that are proven to be more effective in ensuring program participation and retention.

In summary, if the IPUC amends Energy Efficiency Rider, Schedule 91 to allow funds for load control programs, the proposed residential air conditioner cycling pilot program remains an expensive and hastily constructed proposal. In its present form it does not appear to be the result of a comprehensive study by IPC and the EEAG and the approval of this pilot program would be an inefficient use of the Schedule 91 funds since existing analytical models can provide a much greater range of analysis for a fraction of the costs.

Transaction ID: 221715.30  
Referred by: <http://www.puc.state.id.us/scripts/polyform.dll/ipuc>  
User Address: 24.117.22.54  
User Hostname: 24.117.22.54