√Gen. Ack sent 4/25/06 √To A.V. √To Commrs. 5 H

DRAM

DEMAND RESPONSE *and* ADVANCED METERING *Coalition*

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VIA IPUC WEBSITE AND EMAIL

Commission Secretary
Idaho Public Utilities Commission

John R. Gale
Barton L. Kline
Idaho Power Company

Re: CASE NO. IPC-E-06-1

Dear Public Utilities Commission:

The Demand Response and Advanced Metering Coalition (DRAM) is a national organization focused on education and outreach on demand response and its enabling technologies and products. DRAM's members[1] include the leading providers of advanced metering and other demand response technologies as well as the leading providers of demand response capacity. We applaud the Idaho Public Utilities Commission for its progressive actions with respect to demand response and advanced metering, subjects that Congress has asked each of the States to address in EPACT Section 1252.

Per IPUC Order No. 29959, we welcome this opportunity to provide comments on Idaho Power Company's (IPC's) report to the IPUC regarding Idaho Power's AMR project, submitted in December 2005.

First, we applaud IPC for conducting a thorough and wide ranging pilot. We would simply note the following:

- Regarding the Time of Day (TOD) program, IPC's consultant found no statistical difference in peak vs. off-peak consumption for participants. This is not surprising, given that there was a very small ratio in peak to off-peak prices

[1] DRAM Members participating in this filing include: Cellnet, Comverge, Echelon, Elster Electricity, eMeter, EnergySolve, EnerNOC, Itron, Landis + Gyr, Sensus Metering Systems, Silver Spring Networks, and SmartSynch.

(1.2:1). This is not to say that customers are not price responsive where and when differences between peak and off-peak prices are greater. There is extensive literature regarding customer response to higher peak to off-peak ratios.

- Regarding the Energy Watch Program, we are unable to comment given the lack of details in the report (e.g., the critical peak price was not specified). However, we would note that some critical peak programs have resulted in residential customer peak load reductions of approximately 13 to 15%. We look forward to receiving the final report to be submitted by IPC (p. 36 of the IPC report).

Regarding cost effectiveness, we note, as IPC did, that the costs and benefits are not reflective of an expanded deployment, and respectfully suggest that the IPUC should review a full-scale business case prior to reaching any policy conclusions for such a deployment. Evidence from other states such as California and Pennsylvania indicate that broad scale AMI deployment can pay for itself over time through operational savings alone. When the additional benefits of DR programs are added in, such a deployment is leveraged to increase its cost-effectiveness. Pilots can play an essential role in phasing in advanced metering and demand response, but do not always yield a direct and clear understanding of all of the benefits that would occur via a full AMI deployment. Pilots can be inherently inefficient due the small scale of the deployment and the significant efforts that are required to set up and integrate systems. For the best assessment of costs and benefits, a full-scale business case is warranted.

Regarding next steps, we would suggest IPC and IPUC continue to monitor technology development and results from other jurisdictions. A specific project we note is a critical peak rebate program conducted by Anaheim Public Utilities. In this project, customers received rebates for load reductions during critical peak hours and otherwise paid their standard rates. Anaheim refers to the concept as "a carrot rather than a stick." Anaheim found a 13% peak reduction from residential customers in return for rebates of 35 cents per kWh. SDG&E is proposing a similar program for rollout to its customers.

Finally, in regards to technology, we believe that utilities should be allowed to determine what is best suited to meet their particular needs and that regulators should provide the framework and flexibility necessary for this to take place. Again, we suggest that this can be effectively accomplished via a business case analysis that examines and evaluates a broad scale AMI deployment.

We appreciate the opportunity to comment.

Thank you,

Dan Delurey

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