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IDAHO PUBLIC UTILITIES COMMISSION

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February 26, 2010

IPC-E-09-02

Ms. Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

RE: FlexPeak Management Demand Response Program Report

Dear Ms. Jewell:

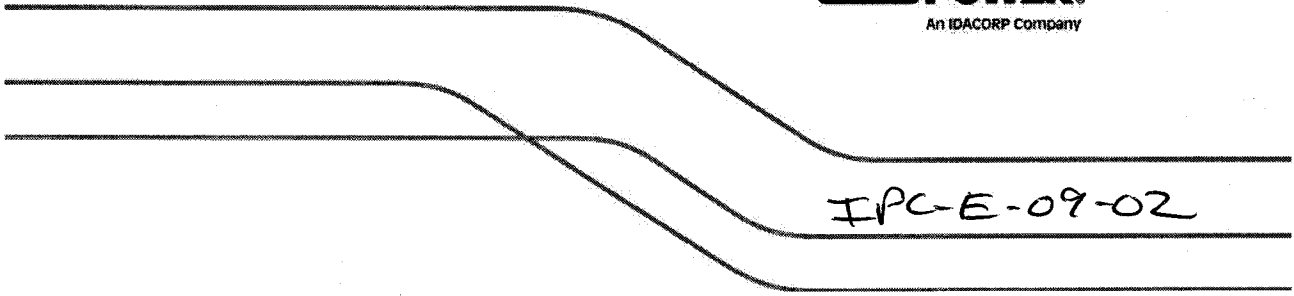
Enclosed please find a copy of the FlexPeak Management 2009 Preliminary Report. In accordance with the provision in Idaho Public Utilities Commission Order No. 30805, this report addresses the Commission's request for a preliminary evaluation of the program prior to making a request for a Commission determination of the prudence of the Company's expenditures for the FlexPeak Management Program. In light of the fact that the program has been in effect for only one season, a full scale evaluation is premature. The Company will report further on the Program in the 2010 DSM Annual Report to be filed March 15, 2010, and intends to request a prudence determination for 2009 expenditures for the FlexPeak Program subsequent to the March 15, 2010, filing.

If you have any questions regarding this report, feel free to contact Billie McWinn at 208-388-5871 or myself at 208-388-2505.

Sincerely,

Darlene Nemnich

cc: Randy Lobb
Lynn Anderson



IPC-E-09-02

**FlexPeak Management
2009 Preliminary Report**

February 24, 2010

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Program Summary

FlexPeak Management is a voluntary demand response program targeting Idaho Power's industrial and large commercial customers that are capable of reducing their electrical energy loads for short periods during summer peak days. The program became available to the company's Idaho customers in May 2009. The program objective is to reduce the demand on Idaho Power's system during peak times through customers' voluntary electrical use reduction. The program is active June 1 to August 31, between the hours of 2:00 p.m. to 8:00 p.m. on non-holiday weekdays. Customers receive notification of a demand reduction event two hours prior to the start of the event, and events will last anywhere between two to four hours, with a maximum of 60 hours per season.

In November 2008, Idaho Power selected EnerNOC, Inc. through a competitive Request for Proposal (RFP) process, to implement the program. Idaho Power entered into a five-year agreement with EnerNOC in February 2009, pending the Idaho Public Utilities Commission (IPUC) approval. In May 2009, the IPUC approved the contract in Order No. 30805 and requested that Idaho Power submit a preliminary report.

EnerNOC is responsible for developing and implementing all marketing plans, securing all participants, installing and maintaining all equipment behind Idaho Power's meter used to reduce demand, tracking participation, and reporting results to Idaho Power. Idaho Power initiates demand response events by notifying EnerNOC, who then supplies the requested load reduction to the Idaho Power system.

EnerNOC meets with prospective customers to identify their potential to reduce electrical energy load during active program hours without negative impact to their business operations. Customers enroll in the program by entering into a contract with EnerNOC. EnerNOC then installs energy monitoring equipment at the customer site, simulates a demand response event to ensure customer satisfaction and performance, and officially enrolls the facility in the program.

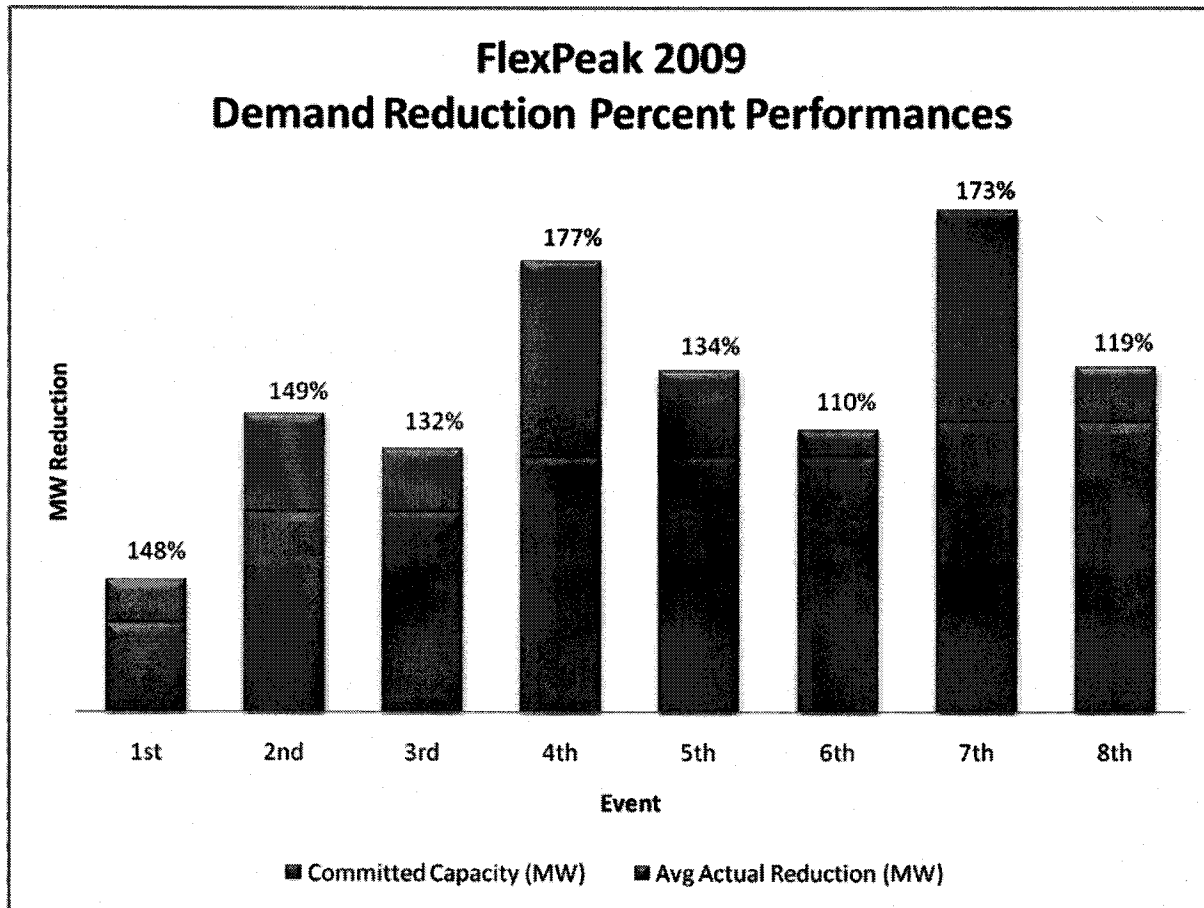
Contractually, EnerNOC has agreed to a target annual demand reduction amount for the five year contract length. Each week, EnerNOC commits a demand reduction level in megawatts (MWs) to Idaho Power that EnerNOC is obligated to meet in a demand reduction event. When Idaho Power anticipates the need for capacity, it schedules the date and time of the event and notifies EnerNOC.

Idaho Power has access to an EnerNOC web site that shows near real-time energy usage data of the aggregated load, and can continually monitor the success of the demand reduction event. Customers can also continuously monitor their demand reduction performance using their individual near real-time energy usage data available to them through the EnerNOC web site.

2009 Demand Reduction Event Results

During 2009, the first customers enrolled in the program in May and EnerNOC committed their initial reduction amount of 0.30 MW to Idaho Power by the second week of June. The target reduction for the season was 2 MW. By the end of the season, EnerNOC had enrolled 22 participants across 33 facility sites and had committed to a maximum weekly reduction of 15.2 MW. In July, participants achieved an actual reduction of 17.1 MW, surpassing the program target reduction by more than eight times.

Idaho Power initiated eight demand response events in July. In each case EnerNOC exceeded the committed MW reduction by the percentages shown in the table below.



Marketing and Public Relations

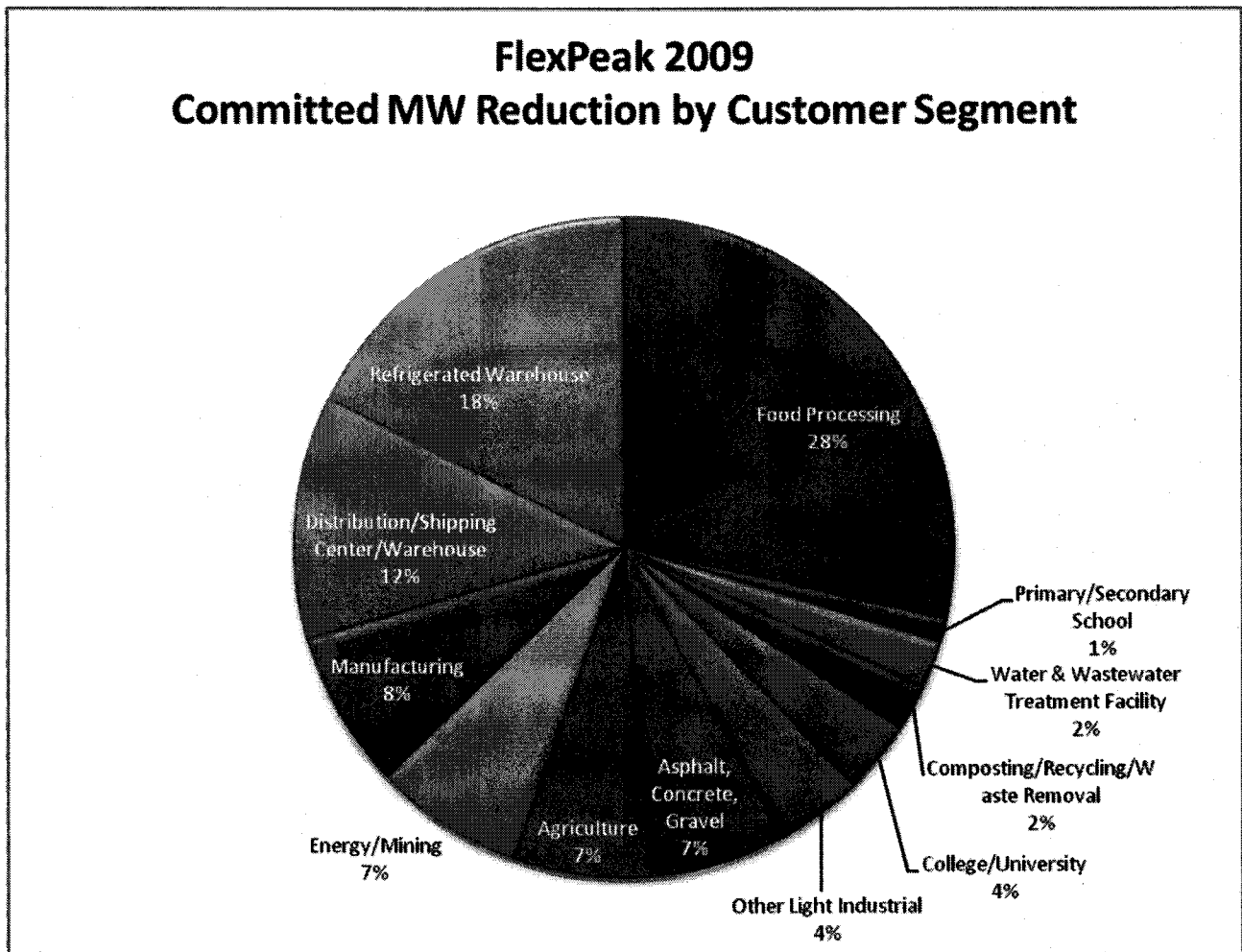
EnerNOC was responsible for the development of all marketing collateral. Idaho Power worked with EnerNOC to co-brand marketing materials, and reviewed and edited materials such as a “Frequently Asked Questions” Sheet and press releases. Idaho Power continues to work with EnerNOC on the development of a Utility Case Study, which will discuss the program development and rapid ramp-up process.

Customer Recruitment

EnerNOC began the recruitment process by engaging customers with a demand of 500 kW and above. Idaho Power Customer Representatives contacted most of these customers prior to contact from EnerNOC in order to inform them of the program. EnerNOC employees reached out to customers first by phone, and then set up on-site meetings to determine a customer's potential for demand reduction. Idaho Power Customer Representatives often attended the on-site meetings.

EnerNOC worked with each participant to develop a demand reduction plan that could be implemented at the site without negatively impacting the participant's business. Customers then were invited to sign a contract with EnerNOC to enroll in the program.

A breakdown of MW reduction committed by customer segment for 2009 is shown below.



Metering

Once customers enrolled in the program by signing a contract with EnerNOC, EnerNOC submitted requests to Idaho Power to enable the customers' electric meters to transmit KYZ-pulse outputs. Some customer's meters were already enabled for pulse outputs. For each customer not receiving pulse outputs, Idaho Power metering technicians enabled the meters to transmit these outputs, and EnerNOC reimbursed Idaho Power for the associated costs. EnerNOC then installed monitoring equipment to obtain and transmit the pulse output to their servers. By using EnerNOC's proprietary software, PowerTrak, customers could then monitor their near real-time energy use on a continual basis. Below are examples of information participants can access at all times through the EnerNOC web site using their unique login and password. In these examples the reduction in energy use occurs on a Saturday and Sunday.

