

Jean Jewell

From: kmiller@snakeriveralliance.org
Sent: Friday, April 23, 2010 7:40 AM
To: Jean Jewell; Beverly Barker; Gene Fadness
Subject: PUC Comment Form

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IDAHO PUBLIC
UTILITIES COMMISSION

A Comment from Ken Miller follows:

Case Number: IPC-E-10-04
Name: Ken Miller
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Contact E-Mail: kmiller@snakeriveralliance.org Name of Utility Company: Snake River Alliance
Add to Mailing List: yes

Please describe your comment briefly:
April 24, 2010

TO: Jean Jewell
Idaho Public Utilities Commission Secretary
472 West Washington
Boise, ID 83702

FROM: Ken Miller
Snake River Alliance
Box 1731
Boise, ID 83701
Ph: (208) 344-9161

RE DOCKET IPC-E-10-04: IDAHO POWER COMPANY'S APPLICATION FOR AUTHORITY TO FUND ITS CONTINUED PARTICIPATION IN THE NORTHWEST ENERGY EFFICIENCY ALLIANCE FOR THE PERIOD 2010-2014 THROUGH THE ENERGY EFFICIENCY RIDER

COMMENTS FROM THE SNAKE RIVER ALLIANCE

Dear Ms. Jewell:

Please accept the following comments on behalf of the Snake River Alliance (SRA) relative to the Commission's docket, IPC-E-10-04, Idaho Power Co.'s application for authority to fund its continued participation in the Northwest Energy Efficiency Alliance (NEEA) for the period 2010-2014 through the energy efficiency rider.

The Snake River Alliance is an Idaho-based non-profit organization established in 1979 to address Idahoans' concerns about nuclear safety issues. In early 2007, the Alliance expanded the scope of its mission by launching its Clean Energy Program. The Alliance's energy initiative includes advocacy for renewable energy resources in Idaho; expanded conservation and efficiency programs offered by Idaho utilities and the Bonneville Power Administration; and local, state, regional, and national policies and initiatives that advance sustainable and affordable energy policies. The Alliance pursues these programs on behalf of its members, many of whom are customers of Idaho Power Company. Furthermore, the Alliance works closely with the NW Energy Coalition and other Pacific Northwest public interest groups to promote

energy efficiency efforts in NEEA's territory throughout the Pacific Northwest. The Alliance also participated in NEEA's June 2008 Regional Strategic Planning Workshop in Boise.

The Alliance fully supports the joint Idaho Power-NEEA request to continue the company's participation in NEEA's regional energy efficiency and market transformation efforts. We also believe Idaho Power's new participation level of 8.62 percent of NEEA's \$191.7 million budget for 2010-2014 is reasonable and represents a prudent investment of customer dollars. The utility funding level is comprised of 1) Idaho Power's regional share of total customers weighted at 12.5 percent and 2) its regional share of energy sales weighted at 87.5 percent. It should reasonably establish Idaho Power's share of NEEA contributions.

We note that the proposed funding levels represent an increase from past funding periods. This increase is noteworthy in light of the fact that as recently as last year, Idaho Power was proposing "a number of reductions in the scope and cost of future NEEA activities," (Idaho Power Energy Efficiency Advisory Committee Minutes, Feb. 19, 2009). The minutes from that meeting show Idaho Power had some reservations about certain NEEA activities:

"Idaho Power feels that these reductions are warranted due to the expanded role of utilities in delivering energy efficiency savings to the region, the increase in funding for energy efficiency by the federal government, the current economic situation, and our regulatory environment. Idaho Power supports three areas of focus over the next five years: Regional research, regional training and education, and alliances and partnerships with national energy efficiency organizations and businesses. There were some areas that Idaho Power believes should not be part of NEEA's role in the Northwest. These areas include program implementation and associated activities such as marketing, measurement, and potential impacts of programs. NEEA is proposing programs whose savings rely on behavioral standards and changes, rather than measures such as replacing inefficient equipment, where savings are more easily verified..."

The Company has also noted that Idaho Power's share of overall NEEA contributions as measured as a percentage has increased as some of the region's larger utilities are filling the gaps left by reductions in Bonneville Power Administration's contribution share.

It is our understanding that Idaho Power's historic participation in NEEA since 1997 has been funded through various mechanisms, including using revenue sharing funds and the current request to fund the participation through the company's Demand Side Management (DSM) rider account. Whether the funding comes from rates or from the rider account, the ultimate result is that Idaho Power customers fund the participation and benefit from it. We agree with Idaho Power and NEEA (Joint Application at P. 3) that "Idaho Power can better leverage its market transformation investment by building on NEEA's pooled resources, suppliers, market research, and program design in the four-state area" and that "Idaho Power's participation in NEEA enables it to influence the direction of NEEA's activities to bring direct benefit to Idaho customers."

In addition, Idaho Power, like all of Idaho investor-owned electric utilities, is bound by Commission mandate to secure all cost-effective energy efficiency. This obligation would presumably encompass the energy efficiency measures accorded Idaho Power by its participation in NEEA.

The success of Idaho Power's participation in NEEA has resulted in myriad energy efficiency gains that may have not occurred absent NEEA's role in Idaho - or that may not have occurred as quickly as they did. They include, but are not limited to:

- The ongoing success of the Idaho Integrated Design Lab, which is funded in part by Idaho Power and NEEA;
- Increases in the percentage of Energy Star Northwest residential programs;
- Partnerships with large Idaho Power customers to promote additional energy efficiency measures and to promote marketing of energy efficient appliances and electronic devices;

- Development of the Idaho Energy Codes Collaborative to promote and implement progressive energy codes.

Our initial hesitation in offering full support for this application stemmed from our concern that tapping the DSM rider account for \$16,522,800 over the five-year period would reduce the total amount of rider dollars available for Idaho Power's own DSM programs. However, we are satisfied that this investment is more than worthwhile, particularly given the Commission's Order 30814 in IPC-09-05 raising Idaho Power's tariff rider from 2.5 percent to 4.75 percent and given NEEA's ability to leverage utility, Energy Trust of Oregon, and Bonneville Power Administration contributions to achieve greater regional gains and market transformation success than if those efforts were made by each participant individually.

Finally, we reiterate our expectation as expressed in other dockets such as IPC-E-09-09 (Idaho Power's application to determine 2002-2007 DSM expenditures as prudent) that the Commission will continue to ensure Idaho Power's NEEA contributions and the programs they are funding are verifiably prudent and in the best interests of Idaho Power customers. We believe this verification will be furthered by the Regional Energy Efficiency Initiative Agreement crafted by Idaho Power and NEEA. However, we believe that given the amount of funding involved, the Commission should give strong consideration to the merits of an independent monitoring and evaluation process to provide customers the confidence they deserve that their energy dollars are being deployed as effectively as possible.

While the Alliance is aware there is an intervenor in this docket, we believe this case can likely be resolved through Modified Procedure and written comments. The Alliance is not requesting a hearing in this case.

If you have questions about these comments, please do not hesitate to contact me or the Alliance at (208) 344-9161.

Respectfully submitted,

Ken Miller
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The form submitted on <http://www.puc.idaho.gov/forms/ipuc1/ipuc.html>
IP address is 70.102.111.178
