Idaho Public Utilities Commission
Case No. IPC-E-14-04, Order No. 33032
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Idaho Power seeks prudency declaration on $26 million investment in energy efficiency

BOISE (July 10, 2014) – Idaho Power Company is asking state regulators to determine that nearly $26 million of company investment in energy efficiency and demand-response programs during 2013 was prudently incurred.

The application does not impact rates. The Idaho Public Utilities Commission is taking public comment on Idaho Power's application through July 29.

The efficiency programs are primarily funded through a 4 percent Energy Efficiency Rider on customer bills. The demand-response programs are included in the annual Power Cost Adjustment, which is part of the Annual Adjustment Mechanism listed on customer bills. An energy-efficiency program is one in which less energy is used to perform the same function. A demand-response program is one that shifts use to non-peak times of day, reducing demand on a utility's generation system.

Idaho Power's 18 energy efficiency programs and educational initiatives contributed toward an estimated 107,284 megawatt-hours in energy savings during 2013, the company reports. About 18,346 MWh of that savings came from Idaho Power's participation in market transformation programs offered by the Northwest Energy Efficiency Alliance. One demand-response program resulted in a 48-megawatt reduction in demand on Idaho Power's generation system.

The company's energy savings and demand reduction are down from the 2012 totals of 170,220 MWh in energy efficiency savings and 438 MW in demand response. Idaho Power says part of that reduction is attributable to the region's more stringent methods of evaluating, measuring and verifying the programs to determine energy efficiency. The reduction in demand response is due primarily to the one-year suspension of two demand-response programs: an air conditioner cycling program for residential customers and a load control program for irrigation customers. Modified versions of the air conditioner cycling and irrigation load control programs are being resumed this summer.

The company also spent less money on energy efficiency and demand response programs, about $26.8 million during 2013 compared to $46.3 million during 2012.

The programs must pass cost-effectiveness tests to ensure that the cost of the programs does not exceed the benefit to customers. One of the tests, the Total Resource Cost test, must show that all customers benefit from the programs, not just those who directly participate.

Since Idaho Power made the application on March 17, commission staff has been conducting its own review of the programs.

Some of Idaho Power's energy efficiency programs include offering customer rebates for increased use of heating and cooling efficiencies and energy efficient lighting and appliances as wells as creating efficiencies in commercial and industrial buildings. The one demand-response program used during 2013, called Flex Peak, allows large commercial and industrial customers to reduce their electric loads for short periods during peak summer days.

Idaho Power said it retains independent third-party consultants to provide impact and process evaluations of the programs, recommend improvements and validate energy savings. It also uses a 14-member Energy Efficiency Advisory Group to assist with the development of the programs. The EEAG represents a cross-section of customers from the residential, industrial, commercial and irrigation sectors, other stakeholders and staff members from the Idaho and Oregon public utility commissions.

Comments are accepted via e-mail through July 29 by accessing the commission's homepage at www.puc.idaho.gov and clicking on "Open Cases" under the "Electric" heading. Fill in the case number (IPC-E-14-04) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

Electric utilities are required to file an annual report of their energy efficiency and demand-response programs. Idaho Power's report is available by going to the case file above on the PUC website and clicking on "DSM Annual Report 2013."

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