



## Idaho Public Utilities Commission

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Case No. IPC-E-14-04, Order No. 33161  
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# Commission says Idaho Power expenditures toward conservation programs are prudent

**BOISE (Nov. 13, 2014)** – The Idaho Public Utilities Commission is ruling that Idaho Power Company’s \$26 million of investment in energy efficiency and demand-response programs during 2013 was prudently incurred.

The application does not increase rates because the programs are primarily funded through an existing 4 percent Energy Efficiency Rider on customer bills.

Idaho Power’s 18 energy efficiency programs and educational initiatives contributed toward an estimated 107,284 megawatt-hours in energy savings during 2013. One demand-response program resulted in a 48-megawatt reduction in demand on Idaho Power’s generation system. *(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. Combined, all these programs are called Demand Side Management programs, or DSM.)*

While the commission said the company’s expenditures were prudently incurred, it withheld judgment on claims by commission staff, the Idaho Conservation League and the Industrial Customers of Idaho Power that the company’s commitment to DSM “seems to be waning,” and it allegedly does not do enough to market the programs to customers.

The commission chose to rule on the prudence issue alone, determining that the other issues raised are significant enough to warrant a more in-depth review before Idaho Power submits its next Integrated Resource Plan filing. That plan, filed every two years, lays out how the company will meet customer demand over the next 10 and 20 years.

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 third-party evaluators’ more stringent methods of measuring the programs to determine their effectiveness and due to the one-year suspension of two

demand-response programs. Further, the company notes, customer participation is up even though actual energy savings are down.

“The commission is cognizant of the recent decline in energy savings ... and notes that Idaho Power issues a strong rebuttal of these claims, offering several reasons to explain the recent decline in its DSM expenditures and a defense of its marketing efforts,” the commission said. “We are encouraged that the reply comments seem to demonstrate the company’s renewed interest in procuring all cost-effective DSM.”

The programs must pass cost-effectiveness tests to ensure that the cost of the programs does not exceed their benefit to customers.

Some of Idaho Power’s energy efficiency programs include offering rebates to customers for increased use of heating and cooling efficiencies, energy efficient lighting and 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. The demand-response programs suspended were a residential air conditioner cycling program and an irrigation control program that allowed volunteer customers to shift some air conditioning and irrigation to non-peak periods of the day. Both those programs have been renewed but with changes to make them more cost-effective.

The commission’s order, along with comments filed by other parties to the case and Idaho Power’s DSM report, are available on the commission’s Website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "Open Cases" under the "Electric" heading and scroll down to Case No. IPC-E-14-04.

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