



*Case No. IPC-E-17-03*

*Order No. 33908 Final Order*

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## **PUC approves expenses tied to Idaho Power efficiency programs**

**BOISE (Oct. 17, 2017)** – State regulators have found that more than \$40 million Idaho Power spent on efficiency programs was prudently incurred.

Money spent on efficiency programs must be shown to be cost effective in order to be funded by the Energy Efficiency Rider paid by Idaho Power customers. For residential customers, the rider equals 3.75 percent of the energy-related charges on the monthly bill.

All of Idaho's major investor-owned utilities have efficiency riders to pay for programs designed to modify the demand for energy among customers.

Also referred to as demand side management (DSM), the efficiency programs target the demand for energy rather than its supply, or generation.

The programs are subjected to multiple tests to gage their cost-effectiveness, or that their savings is greater than their cost.

If the cost is found to exceed the benefit to customers, it is borne by shareholders rather than customers.

Idaho Power offers its customers 22 efficiency programs, several educational initiatives and three demand-response programs.

The goal of the demand-response programs is not to cut energy use but rather to shift it away from periods of peak demand for energy among customers, in order to reduce demand on a utility's generation system and prevent or delay the need for new generation.

Idaho Power's demand-response programs provided the company with 392 MW of load-shedding capacity in 2016.

Its efficiency programs saved a total of 170,792 megawatt-hours (MWh) in 2016 – enough to power 14,000 "average" homes for a year.

The savings represents a 4-percent increase over 2015 and consisted of 88,161 MWh from commercial and industrial customers, 42,269 MWh from the residential sector, 15,747 MWh from irrigators and an estimated 24,616 MWh of energy-efficiency market transformation savings through the Northwest Energy Efficiency Alliance.

The utility had asked the Commission to approve approximately \$31.32 million spent on the programs for Idaho customers in 2016, in addition to \$7.06 million in incentives awarded through the demand-response programs.

The company also requested Commission approval to recover approximately \$1.86 million in incremental labor costs incurred on the programs between 2011 and 2016.

The Commission's order approved \$40,225,286 in DSM-related expenses, slightly less than the \$40,242,182 requested.

While the bulk of the funding for the DSM programs is through the Energy Efficiency Rider collected directly from customers at 3.75 percent of base rate revenues (energy use and \$5 monthly service charge), funding for the demand-response programs is included in base rates.

To read the Commission's decision or review documents filed in the case, go to the Commission's website, [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "Open Cases" under the "Electric" heading, scroll down to Case Number IPC-E-17-03. Or go [here](#).