

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF PACIFICORP DBA)	
ROCKY MOUNTAIN POWER'S)	CASE NO. PAC-E-12-14
APPLICATION FOR AUTHORITY TO)	
CANCEL ELECTRIC SERVICE SCHEDULE)	
NOS. 72 AND 72A IRRIGATION LOAD)	
CONTROL TARIFFS AND APPROVE A)	
NEW DEMAND SIDE MANAGEMENT)	ORDER NO. 32760
CONTRACT)	

On December 7, 2012, PacifiCorp dba Rocky Mountain Power (the "Company") applied to the Commission for an Order: (1) authorizing the Company to cancel Electric Service Schedule 72, Irrigation Load Control Credit Rider, and Electric Service Schedule 72A, Dispatchable Irrigation Load Control Credit Rider; and (2) approving a new demand-side management (DSM) contract with third party aggregator, EnerNoc, Inc., for delivery of the Company's Irrigation Load Control Program ("ILCP"). The Company asked for the changes to take effect on February 1, 2013. Application at 1 and 12. On December 28, 2012, the Commission issued a Notice of Application setting a January 11, 2013 intervention deadline. With the Company's consent, the Commission also suspended the proposed effective date until August 3, 2013, or such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter. *See* Order No. 32703. The Idaho Conservation League, Monsanto Company, and Idaho Irrigation Pumpers Association, Inc. ("IIPA") intervened in the case.

On February 8, 2013, the Company and the IIPA recommended the Commission approve the Application with certain modifications. On February 12, 2013, the Commission issued a Notice of Modified Procedure setting a March 1, 2013 comment deadline. *See* Order No. 32742. Commission Staff filed comments supporting the Application as modified by Company/IIPA Stipulation, and Monsanto filed comments noting that the ILCP and new DSM contract would not work if applied to Monsanto, but that they do not apply to Monsanto and so Monsanto does not oppose the Company's Application. No other comments were received.

Having reviewed the record, the Commission grants the Company's Application, authorizes the Company to cancel Schedule Nos. 72 and 72A, and approves the DSM contract as modified by the Stipulation.

THE APPLICATION

The Application describes the Company's ILCP and the EnerNoc DSM contract as follows:

A. The ILCP

In 2003, the Company implemented Electric Service Schedule 72 (Irrigation Load Control Credit Rider tariff) to provide irrigation customers with an alternative to receiving firm service under Electric Service Schedule 10 (Irrigation and Soil Drainage Pumping Power Service). Schedule 72 lets irrigators opt to participate in a load control program that enables them to manage their energy costs through curtailment. Application at 2-3. Offerings are made to program participants based on avoided kilowatts for each of the three summer months. The amount of credit is based on the price that the Company would have to pay for an equivalent amount of power on the open market for a block purchase of 30 megawatts (MW).

When the Schedule 72 program began, it had 207 customers with 401 sites, representing 45 MW of peak reduction. Program participation then increased to a high of 489 customers, 1,065 sites, and 54 MW of peak reduction capability in 2005. Program participation has since declined, and in 2012 only 68 customers with 77 sites participated, representing 2.3 MW of peak reduction capability. *Id.* at 3.

During the 2007 irrigation season, the Company successfully piloted a fully dispatchable load control solution; while the Company expected 45 MW of participating load, 76 MW ultimately participated in the program under contract. In light of this success, in 2008 the Company implemented Electric Service Schedule 72A as a full enrollment program. Schedule 72A is a voluntary load reduction program available to irrigators who receive service under Schedule 10. The program enables the Company to control demand and manage summer peaks by periodically turning off program pumps. *Id.* at 4. Participation in the Schedule 72A program has grown, and participation was capped at 283 MW for the 2011 and 2012 seasons. *Id.* Following a series of stipulations between the Company, IIPA, and Commission Staff, an agreed-to load control credit was extended through the end of the 2012 irrigation season. *Id.* at 5.

During the 2012 season, the Company called 12 control events. *Id.* Incentive payments or credits to 2012 participants were based on 244 MW of load. *Id.* at 6. The average realized load reduction for the 2012 season was 139 MW, or 57% of participating load. During

the 10-year system peak period, the 2012 average realized load reduction was 117 MW, or 48% of the participating load. *Id.*

B. The EnerNoc DSM Contract

In 2012, the Company requested proposals for the cost-efficient delivery of the ILCP. *Id.* at 7. The Company sought proposals on two alternatives: (1) a pay-for-performance model in which the contractor delivers the dispatchable irrigation load control program and provides capacity, monitoring and load control devices, and incentives to customers while accepting the risks associated with the program; and (2) an equipment-and-service model in which the Company continues to operate the program while the contractor provides the customer service and equipment installation, operation, and maintenance associated with the program. *Id.* at 7.

After reviewing five proposals from two qualified vendors, the Company decided that EnerNoc’s pay-for-performance proposal would provide the least-cost option. *Id.* at 8. The Company thus entered a DSM contract with EnerNoc. The DSM contract provides:

General Term	Description
Term of Agreement	10 years with ability to terminate early
Eligible Customers	Schedule 10 customers
Average Demand Response Capacity	145 MW 40 MW
Capacity Basis	Average available capacity measured during the guarantee period
Pricing	Confidential
Performance Guarantees	Confidential
Dispatch Limitations	52 hours per year, 20 events per year, 1 to 4 hours per event
Guarantee Period	June 15 – August 15 Weekdays excluding holidays 12 p.m. – 8 p.m. MST
Non-Guaranteed Capacity	May dispatch an event anytime beyond the Dispatch Limitations and Guaranteed Capacity Limits, load reductions will not be guaranteed

Id. at 9. Under the DSM contract, EnerNoc is responsible for installing, operating, and maintaining the irrigation load control devices, dispatching services as directed by the Company,

recruiting customers, providing customer service, and issuing the irrigation credits. *Id.* EnerNoc will be paid based on the average load available for curtailment, less any performance shortfall adjustments during program events. EnerNoc also receives an incentive to optimize load curtailment during historical peak times. *Id.* at 10. Participant curtailment amounts, incentives, and terms and conditions are to be negotiated by EnerNoc and qualifying customers. *Id.* Consistent with existing ILCP structure, customers will be notified the day before program dispatch and will be able to opt-out of event participation before loads are controlled. *Id.*

THE IIPA/COMPANY STIPULATION

After the Company filed its Application, the Company and IIPA filed a Stipulation under which the Company agrees to change three paragraphs in the EnerNoc DSM contract. The Company also stipulated that irrigation customers may resolve disputes with EnerNoc by contacting the Company or Commission, and that the Company will include ILCP information in the Company's annual DSM report. *See* Stipulation at 2-3. The Company and IIPA represent that the Stipulation is fair, just and reasonable and in the public interest, and that the Commission approve the Company's Application as modified by the Stipulation. *Id.* at 1, 3 and 4.

THE COMMENTS

After the Company and IIPA filed the Stipulation, Staff and Monsanto filed written comments supporting (or at least not opposing) the Application as modified by the Stipulation.

In its comments, Monsanto explains it is interested in this proceeding because it has its own contract with the Company for interruptible service and is the Company's largest interruptible customer. Monsanto stresses that the proposed DSM contract under which the program for the irrigators would be delivered by EnerNoc contains terms that would not be suitable if proposed for Monsanto. Nevertheless, if the irrigators and the Company believe the program and new DSM contract suit their needs, then Monsanto "does not oppose ... or make any recommended changes to the Stipulation between the Company and [IIPA] or the proposed Contract between the Company and EnerNoc, provided that approval by the Commission does not establish any precedent or adverse impact on the future pricing or terms of Monsanto's curtailment products nor allocate additional costs to Monsanto's cost of service." *Id.*

In its comments, Staff notes that it has consistently supported the ILCP, recognizing the benefits it has provided to the Company's customers for a number of years. Staff believes that moving to a third party aggregator like EnerNoc is in the best interest of all customers,

specifically because: (1) the program costs are essentially fixed, providing certainty for all parties; (2) administrative and equipment expenses are internalized by the vendor, EnerNoc; and (3) customers will pay for only deliverable capacity rather than contracted capacity. Staff also supports the Company's commitment to continue providing an annual performance report for the ILCP. Staff views these reports as essential for ongoing program oversight and to provide guidance for any beneficial program modifications in the future. Staff thus recommended the Commission approve the Company's Application, cancel tariff Schedule Nos. 72 and 72A, and approve the EnerNoc DSM contract as modified by the Company/IIPA Stipulation.

DISCUSSION AND FINDINGS

We have reviewed the filings in this case, including the Company's Application, the Company/IIPA Stipulation, Monsanto's comments, and Staff's comments. Based on our review of the record and *Idaho Code* §§ 61-301, 61-307, 61-622, and 61-623, we find the Company's proposed ILCP modifications and DSM contract with EnerNoc, as modified by the Stipulation, to be fair, just, and reasonable. Accordingly, we find it is in the public interest for the Commission to approve the Application as modified by the Stipulation, to authorize the Company to cancel Schedule Nos. 72 and 72A, and approve the EnerNoc DSM contract with the stipulated revisions.

ORDER

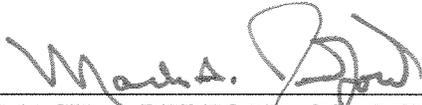
IT IS HEREBY ORDERED that the Company's Application, as modified by the Stipulation, is granted. Effective as of the date of this Order, the DSM contract with the stipulated revisions is approved, and the Company may cancel Schedule Nos. 72 and 72A.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

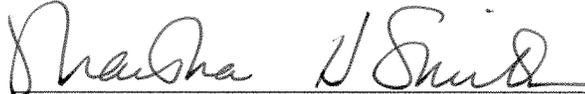
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th
day of March 2013.



PAUL KVELLANDER, PRESIDENT

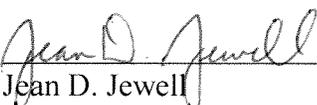


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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