

Idaho Public Utilities Commission

Case No. PAC-E-12-14, Order No. 32703

January 4, 2013

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Rocky Mountain Power seeks to contract out irrigation program

An electric utility serving eastern Idaho wants to transfer management of two programs that pay irrigators for reducing consumption during peak-load hours to a third party.

PacifiCorp, which does business in eastern Idaho as Rocky Mountain Power, has been paying or crediting irrigators who volunteer to participate in two load reduction programs. It now seeks to cancel the tariff schedules that establish the amounts irrigators are to be paid under those programs and instead contract with a third-party aggregator, EnerNoc, Inc., to administer irrigation load control.

The larger of the two programs (Tariff Schedule 72A) allows the company to remotely turn off pumps of irrigators who volunteer to participate. During the 2012 irrigation season, there were 12 such “control events” where the company realized a load reduction of 139 megawatts. Under another older program (Tariff Schedule 72), load control events are scheduled ahead of time. At its height in 2005, Schedule 72 had 489 customers with a peak reduction capability of 54 megawatts. Beginning in 2007, many of the customers under Schedule 72 switched to the newer remote dispatch program.

Rocky Mountain Power last year began seeking bids from vendors who the company said may be able to operate the programs in a more cost-efficient manner. Under the current company-operated program, Rocky Mountain must pay all participating irrigators even if it does not realize the load reduction anticipated. In 2012, for example, the company paid for 244 MW of curtailment, but received only 139 MW, or 57 percent of participating load.

After reviewing five proposals, the company selected EnerNoc’s “pay-for-performance” model which pays irrigators for only actual load reduction. EnerNoc, headquartered in Boston with a Boise research center on Discovery Way, manages more than 25 pay-for-performance contracts throughout the country.

Under the proposed contract, EnerNoc would assume all responsibility for installing, operating and maintaining irrigation load control devices as well as recruiting customers, providing customer service and issuing irrigation credits. EnerNoc will be paid based on the average load available for curtailment, minus performance adjustments. It will receive incentives to optimize load curtailment during historical

peak times. As with the current program, participating irrigators will be notified the day before curtailment and will be able to opt-out before dispatch.

The Idaho Irrigation Pumpers Association has requested a hearing.

“These load control programs have been a valuable part of Rocky Mountain Power’s demand side management efforts since 2003 and a wholesale changing of the program and the policy discussions that need to take place cannot be accomplished adequately” without a hearing, stated Eric Olsen, an attorney for the association.

The commission said it could not adequately review the application before the company’s proposed effective date of Feb. 1, 2013 and suspended a final order to on or before August 3.

Interested parties can petition to intervene in the case by Jan. 11 for the purpose of providing evidence or cross examining witnesses. The commission will also take comments on the company’s proposal with comment deadlines to be established at a later date.

Comments are accepted via e-mail by accessing the commission’s homepage at www.puc.idaho.gov and clicking on "Comments & Questions About a Case." Fill in the case number (PAC-E-12-14) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

A full text of the commission’s order, along with other documents related to this case, is available on the commission’s Web site. Click on “File Room” and then on “Electric Cases” and scroll down to the above case number.

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