



Oregon

Kate Brown, Governor

Public Utility Commission

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February 8, 2022



BY EMAIL

Idaho Power Company

dockets@idahopower.com

RE: Advice No. 21-12

At the public meeting on February 8, 2022, the Commission adopted Staff's recommendation in this matter docketed as ADV 1355. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 8, 2022**

REGULAR CONSENT EFFECTIVE DATE February 15, 2022

DATE: January 31, 2022

TO: Public Utility Commission

FROM: Nick Sayen and Kacia Brockman

THROUGH: Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. ADV 1355/Advice No. 21-12)
Revises demand response programs in Schedules 23, 74, and 76.

STAFF RECOMMENDATION:

Allow Idaho Power Company's (Idaho Power, IPC, or Company) Advice No. 21-12, revising demand response programs in Schedules 23, 74, and 76, effective with service rendered on and after February 15, 2022.

DISCUSSION:

Issue

Whether the Commission should allow Idaho Power to revise the valuation and timing of three demand response (DR) programs, along with other programmatic changes, and also update the Company's DR cost-effectiveness calculation.

Applicable Law

ORS 757.205 requires public utilities file to all rates, rules, and charges with the Commission.

ORS 757.210 establishes a hearing process to address utility filings and requires rates be fair, just, and reasonable.

ORS 757.220 provides that no change shall be made in any schedule, except upon 30 days' notice to the Commission prior to the time the changes are to take effect.

OAR 860-022-0025 requires that filings revising tariffs include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

In Order No. 13-482, issued December 19, 2013, the Commission adopted a Stipulation establishing terms by which IPC would maintain, rather than suspend, its DR programs until the Company identifies a system need for DR resources, reports a change to DR program cost-effectiveness, or receives a Commission order. The Stipulation also sets forth the circumstances under which the term of the Stipulation may be amended.

Analysis

This filing describes how the Company began to use a new methodology to evaluate the capacity contribution of resources including DR, and proposes modifications to the Company's DR programs resulting from the new methodology. The filing also proposes changes to the DR cost-effectiveness calculation. In this memo, Staff provides background to the Company's proposed changes, and discusses changes to the Company's operational needs and the valuation of capacity. Staff summarizes the proposed changes to the DR programs, and reviews Staff's analysis of these changes. Staff describes the Company's proposed changes to the DR cost-effectiveness calculation, and finally discusses stakeholder outreach. The memo concludes with Staff's recommendation.

Background

Idaho Power offers the following three opt-in DR programs in which participating customers receive incentives for reducing their load when the Company calls peak load events during the summer.

- The Irrigation Peak Rewards program (Schedule 23) provides agricultural customers demand and energy credits for allowing IPC to turn off, or for manually turning off, their irrigation pumps during called events. The program was first offered to Oregon customers in 2006.
- The Residential Air Conditioner (A/C) Cycling program (Schedule 74) is marketed as "A/C Cool Credit" and provides residential customers a monthly participation incentive for allowing the Company to cycle their A/C units during called events. The program was first offered to Oregon customers in 2008.
- The Flex Peak program (Schedule 76) provides commercial and industrial customers capacity and energy payments for manually reducing their demand a committed amount during called events. The program was first offered to Oregon

customers in 2010 and was delivered through a third-party contractor.¹ Idaho Power assumed program delivery in 2015.

In 2013, IPC determined that these DR programs were no longer needed in the near term because the Company's 2013 Integrated Resource Plan (IRP) identified no peak-hour capacity deficit until 2016. As a result, IPC received Commission approval to temporarily suspend the Irrigation Peak Rewards and A/C Cool Credit programs for the 2013 summer season,² and informed the Commission of contract changes that would significantly scale back the Flex Peak program.³

Idaho Power and stakeholders then participated in workshops to discuss treatment of the DR programs in 2014 and beyond. These workshops resulted in a Stipulation that was adopted by the Commission in Order No. 13-482. The Stipulation requires IPC to maintain the DR programs, even during periods when the Company does not anticipate peak-hour capacity deficits, in order to have viable DR programs in the long term. The Stipulation provides for how the DR programs would be operated during periods of peak-load sufficiency, the cost-effectiveness methodology, and valuation of the DR resource. The Stipulation remains in effect until: a) the Company identifies a change to its operational needs or to the cost-effectiveness of the DR measures that warrants a change; b) the Commission on its own determines that an investigation should be conducted into IPC's DR programs; or c) intervenors request the Commission conduct an investigation of the DR programs subject to the Stipulation. With this filing, the Company has identified a change to its operational needs and the cost-effectiveness of DR measures, triggering review of the Stipulation.

Changes to Idaho Power's Operational Needs and Valuation of Capacity

In its filing, IPC explains that, historically, the capacity value of the DR resource portfolio was based on the portfolio's ability to be utilized during the top 100 system gross load hours. Gross load looks only at the demand side and not the supply side. In this filing, the Company discusses that net load (demand minus supply) is a more relevant metric than gross load to identify hours of need. In the 2021 IRP planning process, the Company began using the risk-based Effective Load Carrying Capability (ELCC) methodology to evaluate the capacity contribution of DR and other existing and new resources, including variable supply resources. Staff believes IPC's use of the ELCC method best captures the Company's future resource adequacy risk. Staff has also recommended the ELCC method for valuing capacity in current Docket No. UM 2011. The ELCC methodology identified that the primary hours of need for additional resources, or the highest-risk Loss-of-Load Probability (LOLP) hours, are no longer

¹ Order No. 10-206, granting IPC authorization to expand its Flex Peak program offering to its Oregon service area.

² IPC Advice No. 13-04, filed February 15, 2013.

³ IPC's letter filing dated July 9, 2013 in Docket No. UM 1473.

expected to align with the hours of IPC’s system peak load. Instead, the highest-risk LOLP hours have shifted to later in the day when solar resources see an output reduction. Using the ELCC methodology, the Company found that the existing DR programs as currently structured are not effective at meeting system needs over the planning horizon providing an ELCC of only 17 percent.⁴

Idaho Power’s Proposed Changes to DR Program Tariffs

To make the DR programs more effective at meeting system needs, IPC proposes the following changes to Schedules 23, 74, and 76.

For all three programs:

1. Better align the season, available event windows, and event duration, with the highest-risk LOLP hours by: a) extending the summer program season by one month to September 15; b) shifting the start and end times in which events can be called to later in the evening; and c) increasing the maximum number of event hours that can be called in a week from 15 to 16 hours. The filing summarizes these parameter changes in Table 2, which is excerpted below. (Note that Table 2 does not capture *all* parameters or changes of all three DR programs.)

Table 2: General Summary of Proposed DR Program Parameter Changes

Parameter	Current Program	Proposed Program	Change
Season	June 15 th to August 15 th	June 15 th to September 15 th	Season end date extended 1 month to September 15 th
Available Event Times	1:00pm to 9:00pm	3:00pm to 11:00pm	Shifted start and end times by 2 hours
Weekly Maximum	No More than 15 Hours in a Week	No More than 16 Hours in a Week	Increased weekly maximum by 1 hour

2. Increase participation incentives to offset a potential decline in participation that may result from the extended event window. The filing summarizes incentive changes in Table 3, which is excerpted below.

⁴ The ELCC methodology and the results of IPC’s analysis of the effectiveness of its DR portfolio in the highest-risk LOLP hours is described in Attachment 2 of IPC’s Advice No. 21-12.

Table 3: Summary of Proposed Demand Response Incentives

		Fixed Incentive	Variable Incentive	Incentive Adjustment
Flex Peak	Existing	\$3.25 per kW per week = \$29.25 per kW per season	\$0.16 per kWh after 3 rd event	\$2.00 per kW not achieved per event & \$0.25 after 3 rd event
	Proposed Option	\$3.25 per kW per week = \$42.25 per kW per season	\$0.20 per kWh after 4 th event	\$2.00 per kW not achieved per event
A/C Cool Credit	Existing	\$5.00 per month = \$15.00 per season	None	None
	Proposed Option	\$5.00 per month = \$20.00 per season	None	None
Irrigation Peak Rewards	Existing	\$5.00 per kW & 0.76¢ per kWh, 2 months = \$16.00 per kW per season	\$0.148 per kWh after 3 rd event & \$0.198 for 9:00pm option	\$5.00 per kW per opt out & \$1.00 per kW after 3 rd event
	Proposed Option	\$5.25 per kW & 0.80¢ per kWh, 3 months = \$25.20 per kW per season	\$0.18 per kWh after 4 th event & \$0.25 for 11:00pm option	\$6.25 per kW per opt out

3. Clarify the standards under which DR may be dispatched during system emergencies.
4. Change aspects of the tariff language to add clarity for customers.

For Irrigation Peak Rewards and Flex Peak programs:

1. Extend IPC's deadline to pay customer incentives to better align with the availability of information from the Company's billing system.
2. Adjust opt-out fees to effectively nullify a customer's incentive if the customer opts out of four events per season, providing a disincentive to opt out of events.

For the Irrigation Peak Rewards program:

1. Allow customers that do not pay demand charges during the extra month added to the summer event season to receive their demand credit as an equivalent energy credit instead.
2. Waive opt-out fees when a DR event closely follows a planned or unplanned utility outage, recognizing that a second pumping outage may risk crop production.
3. Clarify that opt-out fees apply to customers who opt out of an event by manually overriding a dispatch command from IPC.
4. Remove marketing limitations imposed by the Stipulation, allowing IPC to expand the program to new customers that use either load control devices or rely on manual dispatch.

5. Impose an installation fee on customers with small pumps. This will allow the Company to maintain program cost-effectiveness while expanding participation to include small customers that offer less load reduction.

For the Flex Peak program:

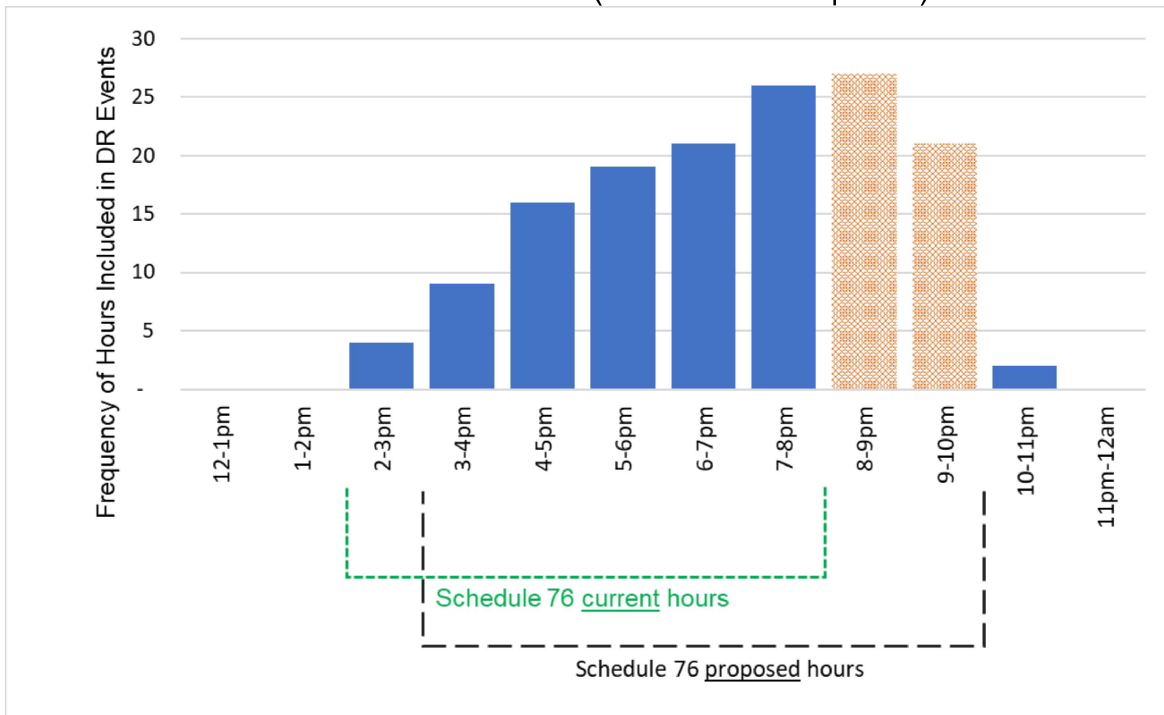
1. Adjust the method for establishing the customer's baseline to improve accuracy. The baseline is used to calculate the "day-of adjustment", on which the customer's incentive is based.
2. Increase the amount of advanced notice from two hours to four hours in response to customer requests.
3. Streamline the dispatch process for IPC Load Serving Operations by matching the notice requirement for the Irrigation Peak Rewards program.

Staff's Analysis of Proposed Tariff Changes

Staff appreciates IPC's responsiveness to our 29 information requests. Staff finds that IPC's analysis demonstrates that the Company's highest-risk LOLP hours have shifted, and will continue to shift, to later hours in the day as more solar generation is added to the Company's system in the coming years.

Staff agrees with Idaho Power's analysis. Shifting the start and end times for DR events is necessary to target the hours of the Company's greatest resource adequacy risk. As a hypothetical example of this, Staff notes Figure 1 below. Staff generated Figure 1 after reviewing and analyzing data provided in response to information requests, in particular number 17. Figure 1 shows the current versus proposed Flex Peak program hours in comparison to the expected hours of DR deployment (for all three DR programs). The current ending hours of 8 pm for the Flex Peak program would miss many peak net demand times; adding the 8-9 pm hour to the program is crucially important to capture hours of system need. Staff's analysis showed a 91 percent correlation between frequency of dispatch and size of dispatch among hours with DR. The 8-9 pm hour is both most *often* dispatched and has the *largest* average dispatch. Thus, if the y-axis were *MW of DR dispatched* instead of *event hours*, Figure 1 would present a similar picture.

Figure 1: Frequency of Hours Included in DR Events, and Schedule 76 Hours (Current and Proposed)⁵



Critically, Idaho Power’s analysis demonstrates that the program changes proposed in this filing, especially the shift to later hours in the day and extension of the summer season, will dramatically improve the effectiveness of the current DR portfolio by increasing the portfolio’s ELCC from 17 to 56 percent.⁶ As such, Staff supports the proposed changes.

Staff is deeply interested in the performance of the revised DR programs. As such, Staff requests that in 2023 Idaho Power provide the Energy Efficiency Advisory Group (EEAG) with program data on changes to customer participation and program performance, including:

- whether events are called during the 10-11 pm hour during the 2022 summer and whether those hours are needed, and
- load and resource balance during DR events, including gross demand and generating dispatchable and non-dispatchable supply resources.

⁵ Current Schedule 76 hours are 2-8 pm and proposed hours are 3-10 pm. This detail differs from the summary-level information presented in Table 2.

⁶ See IPC’s Advice No. 21-12, Attachment 2.

Staff recognizes that the programs will be evaluated formally, but is interested in program performance data, and potential impacts and lessons, as soon as is practical.

Idaho Power's Proposed Changes to the DR Cost-effectiveness Calculation

Additionally, IPC proposes to change how the DR resource is valued in the cost-effectiveness calculation from the methodology outlined in the Stipulation. The Stipulation specifies that the annual value of the DR resource is equal to the levelized annual cost of the minimum size Simple-Cycle Combustion Turbine (SCCT) capacity resource that is deferred by the availability of the DR resource, plus the value of the estimated energy savings provided by the DR resource.

In this filing, IPC proposes a revised avoided cost calculation comprised of three components: 1) the levelized fixed cost of a proxy SCCT resource; 2) the value of the additional system benefits of the proxy resource relative to the DR resource, as the proxy resource's availability is not restricted in the way the DR programs' availability is; and 3) the ELCC of the nameplate capacity of the DR portfolio relative to the proxy resource. The Company assumed a nameplate capacity of the DR portfolio of 492 MW, based on a market potential assessment.⁷ Using IRP analyses, IPC identified the following values for three components described above: the levelized fixed cost of the proxy SCCT capacity resource is \$131.60 per kW per year; the value of the additional system benefits offered by the proxy SCCT resource compared to the DR portfolio is \$38.11 per kW per year; and the ELCC of the DR nameplate capacity relative to the proxy resource is 55 percent. This resulted in an avoided cost of \$51.42 per kW per year to be used in the DR cost-effectiveness calculation.

In discussing the filing with the Company, Staff asked how this \$51.42 value compared to current program avoided costs, as calculated per the Stipulation. Idaho Power answered that current actual avoided costs are approximately \$20 per kW per year. However, the current values reflect lower utilization, as discussed above. Estimating a more apples-to-apples comparison to the \$51.42 value involves projecting current programs with improved utilization, and results in a value of \$30-40 per kW per year.

Idaho Power reports that the proposed DR program changes described in this filing remain cost-effective under this new methodology. The Company further states that it will update the three components described above with every IRP cycle, will calculate DR program cost-effectiveness annually, and will report the results in its annual Demand-Side Management report. Staff supports this change.

Stakeholder Outreach

Staff appreciates the Company's stakeholder outreach to review the proposed changes to the DR programs prior to filing. This outreach included consultation with IPC's EEAG,

⁷ See footnote 5 in IPC's Advice No. 21-12.

as required by the Stipulation, and also with the IRP Advisory Council, Staff, and DR program participants.⁸

Conclusion

DR is growing in its importance for managing a utility's load-resource balance as more variable energy resources are added to the utility's supply. The Oregon Legislature has prioritized the acquisition of cost-effective DR over new supply-side resources.⁹ Idaho Power's 2021 IRP process has identified future capacity deficits, triggering IPC's review of the DR programs per the Stipulation. Staff finds that IPC's proposed changes to its existing DR programs are consistent with Oregon's legislative direction and with the Stipulation; responsive to system's highest hours of need, while considering customer impact; and designed to maintain the programs' cost-effectiveness. For these reasons, Staff finds that the changes proposed to DR program revisions are fair, just, and reasonable and should be approved.

PROPOSED COMMISSION MOTION:

Allow Idaho Power Company's Advice No. 21-12, revising demand response programs in Schedules 23, 74 and 76, effective with service rendered on and after February 15, 2022.

⁸ See IPC Advice No. 21-12, Table 4, for dates and audiences of IPC's stakeholder meetings, and Attachment 4 for a detailed description of feedback from DR program participants.

⁹ See ORS 757.054(3).

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)

PURPOSE

The Irrigation Peak Rewards Program (the Program) is an optional, supplemental service that permits participating agricultural irrigation Customers taking service under Schedule 24 to allow the Company to turn off specific irrigation pumps with the use of one or more Load Control Devices. In exchange for allowing the Company to turn off specified irrigation pumps, participating Customers will receive a financial incentive for load reductions during the calendar months of June, July, August, and September for each metered service point (Metered Service Point) enrolled in the Program. (C)

AVAILABILITY

Service under this schedule is available on an optional basis to Customers with a Metered Service Point or Points receiving service under Schedule 24 where the Metered Service Point serves a water pumping or water delivery system used to irrigate agricultural crops or pasturage. (D)

The Company shall have the right to select and reject Program participants at its sole discretion based on criteria the Company considers necessary to ensure the effective operation of the Program. Selection criteria may include, but will not be limited to, Billing Demand, location, pump horsepower, pumping system configuration, or electric system configuration. Past participation does not ensure selection into the Program in future years. Participation may be limited based upon the availability of Program equipment and funding.

Each eligible Customer who chooses to take service under this optional schedule is required to enter into a Uniform Irrigation Peak Rewards Service Application/Agreement (Agreement) with the Company prior to being served under this schedule. The Agreement will grant the Company or its representative permission, on reasonable notice, to enter the Customer's property to maintain one or more Load Control Devices on the electrical panel servicing the irrigation equipment associated with the Metered Service Points that are enrolled in this Program and to allow the Company or its representative reasonable access to the Load Control Device(s). By entering into the Agreement, each Customer also agrees to not increase for the sole purpose of participating in the Program the capacity, horsepower (HP) or size of the irrigation system served by the Company.

PROGRAM DESCRIPTION

Service under this optional, supplementary Program permits the Company to turn off specified irrigation pumps for a limited number of hours during the period of June 15 through September 15 (Program Season). The Company will utilize dispatchable Load Control Devices to turn off specific irrigation pumps during Load Control Events. In limited applications, a select group of eligible Customers will be permitted to manually interrupt electric service to participating irrigation pumps during Load Control Events (See the Manual Dispatch Option). In exchange for allowing the Company to interrupt service to specified irrigation pumps, participating Customers will receive a financial incentive for usage that occurs during the calendar months of June, July, August, and September for each Metered Service Point enrolled in the Program. (C)
(C)

DEFINITIONS

Bill Credit. The Bill Credit is the sum of the Demand Credit and the Energy Credit applied to the Customer's monthly bills for usage that occurs during the calendar months of June, July, August, and September of each calendar year. This amount may be prorated for the number of days during the months of June, July, August, and September that fall in the Customer's billing cycle to correspond with the Program Season. The Bill Credit amount may be applied directly to participating Customers' bills or provided in the form of a check. (C)
(C)

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

DEFINITIONS (Continued)

Demand Credit. The Demand Credit is a demand-based financial incentive provided in the form of a credit on the monthly bill for the Metered Service Point enrolled in the Program. The monthly Demand Credit is calculated by multiplying the Program kW by the demand-related incentive amount for the Interruption Option selected by the Customer. The Demand Credit will be included on the Customer's monthly bills for usage that occurs during the calendar months of June, July, August, and September of each year. This amount may be prorated for the number of days during the months of June, July, August, and September that fall in the Customer's billing cycle to correspond with the Program Season.

(C)
(C)

$$\text{Demand Energy Credit} = \text{Program kW} \times \text{demand-related incentive amount}$$

Energy Credit. The Energy Credit is an energy-based financial incentive provided in the form of a credit on the monthly bill for the Metered Service Point enrolled in the Program. The monthly Energy Credit is calculated by multiplying the Program kWh by the energy-related incentive amount for the Interruption Option selected by the Customer. Customers identified to have an out-of-demand season billing cycle will receive only an out-of-demand season energy credit for the applicable billing period. The Energy Credit will be included on the Customer's monthly bills for usage that occurs during the calendar months of June, July, August, and September of each year. This amount may be prorated for the number of days during the months of June, July, August, and September that fall in the Customer's billing cycle to correspond with the Program Season.

(N)
(C)
(C)

$$\text{Energy Credit} = \text{Program kWh} \times \text{energy-related incentive amount}$$

Load Control Device. Load Control Device refers to any technology, device, or system utilized under the Program to enable the Company to initiate the Load Control Event.

Load Control Event. Refers to an event under the Program where the Company requests or calls for interruption of specific irrigation pumps either manually or with the use of one or more Load Control Devices.

Nominated Demand. Nominated Demand is the amount of demand that participants under the Manual Dispatch Option must declare as planned to be available during Load Control Events.

(T)

Notification of Program Acceptance. An interested Customer must sign and return to the Company an Agreement specifying the Metered Service Point(s) to be included in the Program. If a Customer is selected for participation in the Program, a notification of acceptance into the Program will be mailed to participants, which will include a listing of the Metered Service Point(s) that have been enrolled.

Program kW. The Program kW is the demand amount, as measured at the Customer's meter in kilowatts (kW) associated with the applicable billing period, that is multiplied by the applicable incentive amount to determine the Demand Credit under the Automatic Dispatch Interruption Option. Under the Manual Dispatch Interruption Option, the Program kW will be based upon the maximum measured interval kW during the 24-hour period preceding 8:00 A.M. MDT the day of the announcement of a Load Control Event, minus the average interval kW during an event.

(C)
(N)
|
(N)

Program kWh. The Program kWh is the energy amount, as measured at the Customer's meter in kilowatt-hours (kWh) associated with the applicable billing period, that is multiplied by the applicable incentive amount to determine the Energy Credit under each Interruption Option.

(C)

Program Season. The Program Season is the period June 15 through September 15 of each year.

(C)

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

DEFINITIONS (Continued)

Variable Energy Credit. The Variable Energy Credit is an energy-based financial incentive provided for the Metered Service Point enrolled in the Program. The Variable Energy Credit is calculated by multiplying Variable Program kWh by the energy-related incentive amount for the Interruption Option selected by the Customer. The Variable Energy Credit is paid in the form of a check no later than 70 days after the Program Season. The Variable Energy Credit does not apply to the first four Load Control Events. (M) (C) (D)

Variable Energy Credit = Variable Program kWh x variable energy-related incentive amount (M)

Variable Program kWh. The Variable Program kWh is the demand amount for the associated billing period, as measured at the Customer's meter in kilowatts (kW) multiplied by the hours of interruption for the Metered Service Point for each Load Control Event. The Variable Program kWh is multiplied by the applicable variable incentive payment to determine the Variable Energy Credit under each Interruption Option. (C) (C) (C)

Variable Program kWh = Program kW x hours of interruption for each Load Control Event

INTERRUPTION OPTIONS

Under the Interruption Options, the Company will dispatch remotely service interruptions to specified irrigation pumps any Monday through Saturday during the Program Season between the hours of 3:00 P.M. and 10:00 P.M. Mountain Daylight Time (MDT), excluding holidays (Standard Interruption). Customers may elect to participate until 11:00 P.M. MDT (Extended Interruption) and will receive a larger Variable Energy Credit. Service interruptions may last up to 4 hours per day and will not exceed 16 hours per calendar week and 60 hours per Program Season. During each Program Season the Company will conduct a minimum of three Load Control Events. Customers participating in the Automatic Dispatch Option may not receive advance notification of a Load Control Event, but will be notified after the Load Control Event begins. Customers participating in the Manual Dispatch Option will receive advance notification at least 4 hours prior to a Load Control Event. The Company will provide notice of a Load Control Event via the following communication technologies: telephone, e-mail and/or text message. If prior notice of a pending Load Control Event has been sent, the Company may choose to revoke the Load Control Event and will provide notice to Customers up to 30 minutes prior to the Load Control Event. (C) (C) (C) (C)

Customers who elect to participate in the Program may be eligible for one of the following Interruption Options:

Automatic Dispatch Option. A dispatchable Load Control Device will be connected to the electrical panel(s) serving the irrigation pumps associated with the Metered Service Points enrolled in the Program. The Load Control Device utilized under the Automatic Dispatch Option will provide the Company the ability to send a signal that will interrupt operation or not allow the associated irrigation pumps to operate during dispatched Load Control Events. This option requires that all pumps at the Metered Service Point be controlled. (C)

Under the Automatic Dispatch Option, the Program kW will be based upon the monthly Billing Demand, as measured in kW, for the associated Billing Period. The Program kWh under this option will be based upon the monthly energy usage, as measured in kWh, for the associated Billing Period.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

INTERRUPTION OPTIONS (Continued)

Automatic Dispatch Option (Continued)

Each time a customer chooses to opt-out of one of the Load Control Events a fee of \$6.25 per kW will be assessed based upon the current Billing Period's kW. The opt-out fee will not exceed the total Bill Credit for the Program Season. Any opt-out fee will be applied at the end of the Program Season or after the applicable billing cycle closes. Opt-out fees may be waived for circumstances involving planned or unplanned outages of 3 hours or more occurring within 24 hours of a Load Control Event or a multiday outage within 72 hours of an event. At its discretion, the Company may assess an opt-out fee should it be determined the participant overrode the command to the dispatch device thereby allowing the pump to run during the load control event.

Manual Dispatch Option. Customers are eligible to manually control Metered Service Points with of at least 1,000 cumulative HP, or Metered Service Points that have been determined by the Company to be limited by load control device communication technology or installation configuration. Under the Manual Dispatch Option, eligible Customers have the flexibility to choose which irrigation pumps at a Metered Service Point will be interrupted during each dispatched Load Control Event. Customers electing this option must notify the Company of their Nominated Demand during the enrollment period prior to June 1 of each year.

Customers participating in the Manual Dispatch Option are required to provide no less than their Nominated Demand during each Load Control Event. Each time a customer chooses to provide less than their Nominated Demand during one of the Load Control Events, an opt-out fee of \$6.25 per kW will be assessed on the Nominated Demand not made available for interruption. The opt-out fee will not exceed the total Bill Credit for the Program Season. Any opt-out fee will be applied at the end of the Program Season or after the applicable billing cycle closes. Opt-out fees may be waived for circumstances involving planned or unplanned outages of 3 hours or more occurring within 24 hours of a Load Control Event or a multiday outage within 72 hours of an event.

Under the Manual Dispatch Option, the Program kW will be based upon the maximum measured interval demand during the 24-hour period preceding 8:00 A.M. MDT the day of the announcement of a Load Control Event, minus the average demand during an event, as measured in kW over applicable load profile metering intervals. This applies to each Load Control Event initiated during a Billing Period. If there are no Load Control Events during a Billing Period, then the Program kW will be the Nominated Demand. The Program kWh under this option will be based upon a calculated value, as measured in kWh. The Program kWh will be calculated separately for each Billing Period by multiplying the monthly Program kW by the ratio of the monthly energy usage to the Billing Demand for the associated Billing Period.

INCENTIVE STRUCTURE

Incentive payments under the Interruption Options will be determined based on a fixed payment and a variable payment. The fixed portion of the incentive payment will be paid through a Bill Credit and the variable portion will be paid by check no more than 70 days after the end of the Program Season. The first four Load Control Events will not be subject to the Variable Energy Credit. The variable payment will be based on the number of hours a participant's pump is interrupted during the Program Season and their associated Program kW after the first four Load Control Events.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

INCENTIVE STRUCTURE (Continued)

Fixed Incentive Payment			Variable Incentive Payment	
<u>Demand Credit</u> (\$ per Program kW)	<u>Energy Credit</u> (\$ per Program kWh)	<u>Energy Credit (\$ per Program kWh) for Out-of-Demand Season Billing Cycles</u>	<u>Standard Interruption Variable Energy Credit</u> (\$ per Variable Program kWh)	<u>Extended Interruption Variable Energy Credit</u> (\$ per Variable Program kWh)
\$5.25	\$0.008	\$0.021	\$0.18	\$0.25

(M)
(N)
(M)(I)

INSTALLATION FEES

An installation Fee of \$500 will be required for any new participating Metered Service Point with measured horsepower of 30 or less. The Installation Fee is non-refundable except when a Customer elects early termination and prior to the installation of a load control device at their pump location.

(N)
(N)

TERM OF AGREEMENT AND TERMINATION

The term of the Agreement, as it applies to each Metered Service Point accepted for participation, shall commence on the date the Agreement is signed by both the Customer and the Company and shall automatically renew on March 15 of each calendar year unless notice of termination is given by either party to the other prior to the annual renewal date or unless otherwise terminated as follows:

1. A Customer may terminate the participation of a Metered Service Point and avoid the Termination Fee by notifying the Company or its representative before the Program Season.
2. A Customer who terminates the participation of a Metered Service Point anytime between June 15 and September 15 of each calendar year shall pay the Company a Termination Fee. This fee, will be included on the Customer's monthly bill following termination of participation. The Customer's Bill Credit shall be prorated for the number of days in that month the Customer satisfactorily participated in the Program. Upon terminating participation of a Metered Service Point under the provisions of item 2, the Customer may not re-enroll the Metered Service Point into the Program until the following calendar year and the applicable Termination Fee has been paid in full.

(C)

Termination Fees:

Automatic Dispatch Option: \$500.00 per Metered Service Point terminated under item 2

3. If there is evidence of alteration, tampering, or otherwise interfering with the Company's ability to initiate a Load Control Event at a Metered Service Point, the Agreement as it applies to that Metered Service Point will be automatically terminated. In addition, the Customer will be subject to each of the following:
 - a. The Customer will be required to reimburse the Company for the cost of replacement or repair of the Load Control Device(s), including labor and other related costs.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

TERM OF AGREEMENT AND TERMINATION (Continued)

Termination Fees: (Continued)

- b. An applicable Termination Fee, as provided under item 2, will be applied to the Customer's monthly bill following the termination of participation.
- c. The Company will reverse any and all Demand Credits and/or Energy Credits applied to the Customer's monthly bill(s) for the Metered Service Point as a result of the Customer's participation in the Program during the current year.

Note: A service disconnection for any reason does not terminate the Agreement.

SPECIAL CONDITIONS

The provisions of this schedule do not apply for any time period that the Company utilizes a Load Control Device installed under this Program to interrupt the Customer's load for a system emergency in accordance with NERC standards, Idaho Power's Rule J, or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this schedule will not affect the calculation or rate of the regular Service, Energy or Demand Charges associated with a Customer's standard service schedule.

(M)

(N)

(N)

(M)

IDAHO POWER COMPANY
Uniform Irrigation Peak Rewards Service
Application/Agreement

(M)

THIS AGREEMENT Made this ____ day of _____, 20____ between _____ hereinafter called Customer, whose billing address is _____, and IDAHO POWER COMPANY, a corporation with its principal office located at 1221 West Idaho Street, Boise, Idaho, hereinafter called Company. This Agreement shall automatically renew on March 15 of each calendar year unless notice of termination is given by either party to the other prior to the annual renewal date. This Agreement is for the Metered Service Point(s) identified on the attached worksheet (Worksheet):

The Customer designates the following person as the Customer's authorized contact:

Authorized Contact: _____
Phone: _____ Cell Phone: _____
Email: _____

(D)

NOW, THEREFORE, The Parties agree as follows:

1. The Uniform Irrigation Peak Rewards Service Application/Agreement must be signed by the Customer and the Customer must be the person who is responsible for paying bills for retail electric service provided by the Company at the Metered Service Point(s) identified on the Worksheet.
2. The Customer understands that the information concerning the Metered Service Point(s) on the Worksheet is based on the best information currently available to the Company. The Bill Credit amounts are estimates based on the previous year's billing history for the Metered Service Point(s) specified on the Worksheet. Customers without sufficient billing history will be provided an estimated Bill Credit based on the stated cumulative horsepower at the Metered Service Point. The Bill Credit estimates are provided for illustration purposes. The Customer agrees to specify which Metered Service Point(s) listed on the Worksheet the Customer wishes to enroll in the Program and the Interruption Option selected for each specified Metered Service Point. For Metered Service Points enrolled in the Manual Dispatch Option the Customer must notify the Company of Nominated Demand amounts by June 1 of each year.
3. From time to time during the term of this Agreement and with prior reasonable notice from the Company, the Customer shall permit the Company or its representative to enter the Customer's property on which the enrolled Metered Service Point(s) are located to permit the Company or its representative to install, service, maintain and/or remove Load Control Device(s) on the electrical panel that services the Customer's irrigation pumps. The Load Control Device(s) may remain in place on the Customer's property upon termination of the Agreement unless the Customer specifically requests removal.
4. The Customer understands and acknowledges that by participating in the Program, the Company shall, at its sole discretion, have the ability to interrupt the specified irrigation pumps at the Metered Service Point(s) enrolled in the Program according to the provisions of the Interruption Option selected. The Company retains the sole right to determine the criteria under which a Load Control Event is scheduled for each Metered Service Point. The Customer also understands and acknowledges that if a Metered Service Point provides electricity to more than one irrigation pump, each pump will be scheduled for service interruption simultaneously, excluding Metered Service Points participating in the Program under the Manual Dispatch Option.

(M)

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)

(Continued)
IDAHO POWER COMPANY
Uniform Irrigation Peak Rewards Service
Application/Agreement
(Continued)

- 5. For the Customer's satisfactory participation in the Program, the Company agrees to pay the Customer the Demand Credit and/or Energy Credit corresponding to the Interruption Option selected by the Customer. The Bill Credit included on the Worksheet is based upon the billing history for the Metered Service Point(s) specified on the Worksheet, for the months of June, July, August, and September of the prior year. The Bill Credit will be paid in the form of a credit on the Customer's monthly bill or provided in the form of a check. The Demand Credit may be prorated for the months of June, July, August, and September depending on the Customer's billing cycle. (M)
(C)
(C)

Metered Service Points participating under the Manual Dispatch Option, will receive a Bill Credit from the Company within 30 days of billing due to the extensive data analysis required to process interval metering data. Any applicable Variable Energy Credits will be paid by check no more than 70 days after the end of the Program Season. (N)

- 6. If the Customer terminates this Agreement anytime between June 15 and September 15 of the current calendar year while the Metered Service Point(s) are still connected for the Customer may not re-enroll that Metered Service Point into the Program until the following calendar year and the applicable Termination Fee has been paid in full. (C)
- 7. If there is evidence of alteration, tampering, or otherwise interfering with the Company's ability to initiate a Load Control Event at a Metered Service Point(s), the Agreement as it applies to that Metered Service Point will be automatically terminated. The Customer will also be required to reimburse the Company for all costs of replacement or repair of the Load Control Device(s), including labor and other related costs, pay the Company the applicable Termination Fee which sum will be included on the Customer's monthly bill and the Company will reverse any Demand Credits applied to the Customer's monthly bill(s) for the Metered Service Point as a result of the Customer's participation in the Program during the current year.
- 8. The Company's Schedule 23, any revisions to that schedule and/or any successor schedule are to be considered part of this Agreement. (M)
- 9. This Agreement and the rates, terms and conditions of service set forth or incorporated herein and the respective rights and obligations of the Parties hereunder shall be subject to valid laws and to the regulatory authority and orders, rules and regulations of the Idaho Public Utilities Commission and such other administrative bodies having jurisdiction.
- 10. Nothing herein shall be construed as limiting the Idaho Public Utilities Commission from changing any terms, rates, charges, classification of service or any rules, regulations or conditions relating to service under this Agreement, or construed as affecting the right of the Company or the Customer to unilaterally make application to the Commission for any such change.
- 11. In any action at law or equity under this Agreement and upon which judgment is rendered, the prevailing Party, as part of such judgment, shall be entitled to recover all costs, including reasonable attorneys fees, incurred on account of such action.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

IDAHO POWER COMPANY
Uniform Irrigation Peak Rewards Service
Application/Agreement
(Continued)

- 12. The Company retains the sole right to select and reject the participants to receive service under Schedule 23. The Company retains the sole right for its employees and its representatives to install or not install Load Control Devices on the Customer's electrical panel at the time of installation depending on, but not limited to, safety, reliability, or other issues that may not be in the best interest of the Company, its employees or its representatives.
- 13. Under no circumstances shall the Company or any subsidiary, affiliates or parent Company be held liable to the Customer or any other party for damages or for any loss, whether direct, indirect, consequential, incidental, punitive or exemplary resulting from the Program or from the Customer's participation in the Program. The Customer assumes all liability and agrees to indemnify and hold harmless the Company and its subsidiaries, affiliates and parent company for personal injury, including death, and for property damage caused by the Customer's decision to participate in the Program and to reduce loads.
- 14. The Company makes no warranty of merchantability or fitness for a particular purpose with respect to the Load Control Device(s) and any and all implied warranties are disclaimed.

(M)

(M)

(APPROPRIATE SIGNATURES)

SCHEDULE 74
RESIDENTIAL AIR CONDITIONER
CYCLING PROGRAM
(OPTIONAL)

PURPOSE

The Residential Air Conditioner Cycling Program is an optional, supplemental service that permits participating residential Customers an opportunity to voluntarily allow the Company to cycle their central air conditioners with the use of a direct load control Device installed at their residence. Customers will receive a monetary incentive for successfully participating in the Program during the Air Conditioning Season.

DEFINITIONS

AC Cycling is the effect of the Company sending a signal to a Device installed at the Customer's residence and instructing it to cycle the Central Air Conditioning compressor for a specified length of time.

Air Conditioning Season is the period that commences on June 15 and continues through September 15 of each calendar year. (C)

Central Air Conditioning is a home cooling system that is controlled by one or more centrally located thermostats that controls one or more refrigerated air-cooling units located outside the Customer's residence.

Cycling Event is a period during which the Company sends a signal to the Device installed at the Customer's residence, which instructs the Device to begin AC Cycling.

Device is a direct load control device installed at a Customer's residence that enables the Company to conduct AC Cycling.

Notification refers to the Customer's indication of intent to initiate or terminate participation in the Program by either contacting the Company's Customer Service Center, providing written notice or submitting an electronic Application via the Company's website.

Opt Out is the term used to describe the two times each Air Conditioning Season in which the Customer may choose to temporarily not participate in AC Cycling by providing advanced Notification to the Company.

Program Operation Area describes the area in which the Program will be offered to Customers and is comprised of the Company's service territory within the State of Oregon where the infrastructure required to support AC Cycling has been installed and is operational.

AVAILABILITY

Service under this schedule is available on an optional basis to Customers taking service under Schedules 1 and 5 who have Central Air Conditioning located at their residences and live within the Program Operation Area. Customers may request to be added to the Program at any time during the year by providing Notification to the Company.

Service under this schedule may be limited based upon the availability of Program equipment and/or funding. The Company shall have the right to select and reject Program participants at its sole discretion based on criteria the Company considers necessary to ensure the effective operation of the Program. Selection criteria may include, but will not be limited to, energy usage, residential location, size of home, or other factors. Customers' Central Air Conditioning equipment must be fully functional and comply with the National Electric Code (NEC) standards. Customers who are renting or leasing their home must provide to the Company written proof of the express permission of the owner of the Central Air Conditioning system prior to acceptance into the program.

SCHEDULE 74
RESIDENTIAL AIR CONDITIONER
CYCLING PROGRAM
(OPTIONAL)
(Continued)

TERMS AND CONDITIONS

Upon acceptance into the Program, Customers will be subject to the following terms and conditions:

1. Each eligible Customer who chooses to take service under this optional schedule is thereby giving the Company or its representative permission, on reasonable notice, to enter the Customer's residence or property to install a Device and, in certain cases, either a mass memory meter or an end-use meter and to allow Idaho Power or its representative, with prior notice to the Customer, reasonable access to the Device or other Program-related equipment following its installation.
2. Customers added to the Program during the Air Conditioning Season must be effectively participating in the Program prior to the 20th day of the month in order to receive an incentive payment for that month.
3. A Customer may Opt Out of the Program two times during the Air Conditioning Season.
4. A Customer may discontinue participation in the Program without penalty by providing Notification to the Company.
5. If there is evidence of alteration, tampering, or otherwise interfering with the Company's ability to initiate a Cycling Event, the Customer's participation in the Program will be terminated and the Customer will be required to reimburse the Company for the cost of replacement or repair of the Device or other Program equipment and the Company will reverse any amounts credited to the Customer's bills during the past twelve months as a result of the Customer's participation in the Program.

PROGRAM DESCRIPTION

1. At the Company's expense, the Company or its representative will install a Device at the Customer's residence.
2. A financial incentive of \$5.00 per month for each of the four months June, July, August, and September will be paid to each Customer who successfully participates in the Program. This incentive will be paid in the form of a credit on the Customer's monthly bill for each month that the Customer successfully participates in the Program, beginning with the July bill and ending with the October bill. Incentive payments are limited to one controlled Central Air Conditioning unit per metered service point. Customers who have more than one Central Air Conditioning unit at a metered service point may participate in the Program. A Device must be installed at each Central Air Conditioning unit. However, no additional incentive will be paid. (C)
3. The Company will send a signal to the Device to initiate a Cycling Event. A Cycling Event may be up to four hours per day on any weekday during the Air Conditioning Season, excluding holidays. A Cycling Event may occur over a continuous 4-hour period or may be segmented throughout the day at the Company's discretion in order to optimize available resources. Cycling Events may occur up to 16 hours each week and will not exceed a total of 60 hours per Air Conditioning Season. During each Air Conditioning Season, the Company will conduct at least three Cycling Events. Mass memory meters or end-use meters may be installed on some Customers' residences or Central Air Conditioning units for program evaluation purposes. The residences or Central Air Conditioning units selected for installation of the meter shall be at the Company's sole discretion. (C)

SCHEDULE 74
RESIDENTIAL AIR CONDITIONER
CYCLING PROGRAM
(OPTIONAL)
(Continued)

SPECIAL CONDITIONS

The Company is not responsible for any consequential, incidental, punitive, exemplary or indirect damage to the participating Customer or third parties that results from AC Cycling, from the Customer's participation in the Program, or of Customer's efforts to reduce peak energy use while participating in the Program.

The Company makes no warranty of merchantability or fitness for a particular purpose with respect to the Device and any and all implied warranties are disclaimed.

The Company shall have the right to select the AC Cycling schedule and the percentage of Customers' Central Air Conditioning systems to cycle at any one time, up to 100%, at its sole discretion.

The provisions of this schedule do not apply for any time period that the Company interrupts the Customer's load for a system emergency in accordance with NERC standards, Idaho Power's Rule J, or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this schedule will not affect the calculation or rate of the regular Service or Energy Charges associated with a Customer's standard service schedule.

(N)

SCHEDULE 76

FLEX PEAKPROGRAM

(OPTIONAL)

PURPOSE

The Flex Peak Program (the Program) is a voluntary program that motivates Participants to reduce their load during Company initiated demand response events. A participating Customer will be eligible to receive a financial incentive in exchange for being available to reduce their load during the calendar months of June, July, August, and September. (C)

AVAILABILITY

The Program is available to Commercial and Industrial Customers receiving service under Schedules 9, 19, or a Special Contract Schedule.

The Company shall have the right to accept Participants at its sole discretion based on criteria the Company considers necessary to ensure the effective operation of the Program. Selection criteria may include, but will not be limited to, total Program capacity, a Facility Site location, or amount of capacity provided at a Facility Site.

To participate in the Program, a Customer must sign and return the Program Application and worksheet provided by the Company specifying the Facility Site(s) to be enrolled in the Program. To enroll in the Program, Customers must be capable of providing a minimum load reduction of 20 kW per Facility Site or an aggregate reduction of 35 kW if participating under the Aggregated Option. If a Facility Site is accepted for participation in the Program, a Notification of Program Acceptance will be mailed to the Participant within 10 business days of the Company receiving the Program Application. Notification of Program Acceptance will include a listing of the Facility Sites that have been enrolled.

PROGRAM DESCRIPTION

The Company will initiate Program Events for a maximum of 60 hours during June, July, August, and September. During Program Events, Participants will be expected to reduce load at their Facility Site(s). Participants will be eligible to receive a financial incentive in exchange for their reduction in load. (C) (C)

DEFINITIONS

Actual kW Reduction. The kilowatt (kW) reduction during a Program Event, which is the difference between a Participant's hourly average kW measured at the Facility Site's meter and the corresponding hour of the Adjusted Baseline kW.

Adjusted Baseline kW. The Original Baseline kW plus or minus the "Day of" Load Adjustment amount.

Aggregated Option. Multiple Facility Sites belonging to a single Participant that are grouped together per the customer's request with a single Nominated kW for participation in the Program. Under this option, the Company will sum the individual performance data from each enrolled Facility Site before calculating any incentive amounts.

Business Days. Any day Monday through Friday, excluding holidays. For the purposes of this Program, Independence Day and Labor Day are the only holidays during the Program Season. If Independence Day falls on Saturday, the preceding Friday will be designated the holiday. If Independence Day falls on Sunday, the following Monday will be designated the holiday. (C)

SCHEDULE 76
FLEX PEAK
PROGRAM
(OPTIONAL)
(Continued)DEFINITIONS (Continued)

"Day of" Load Adjustment. The difference between the Original Baseline kW and the actual metered kW during the hour prior to the Participant receiving notification of an event. Scalar values will be calculated by dividing the Original Baseline kW for each Program Event hour by the Baseline kW of the hour preceding the event notification time. The scalars are multiplied by the actual event day kW for the hour preceding the event notification time to create the Adjusted Baseline kW from which load reduction is measured. The Adjusted Baseline kW for each hour cannot exceed the maximum kW amount for any hour from the Highest Energy Use Days or the hours during the event day prior to event notification. (D)

Event Availability Time. Between 3:00 p.m. and 10:00 p.m. Mountain Daylight Time (MDT) each Business Day. (C)

Facility Site(s). All or any part of a Participant's facility or equipment that is metered from a single service location that a Participant has enrolled in the Program. For those Participants who have enrolled under the Aggregated Option, Facility Site will refer to the combination of individual Facility Sites selected for inclusion under the Aggregated Option. (N)

Fixed Capacity Payment. The Weekly Effective kW Reduction multiplied by the Fixed Capacity Payment rate (as described in the Incentive Structure section). Participants are paid based on the average event kilowatt reduction. (N)

Highest Energy Usage Days. The three days out of the immediate past 10 non-event Business Days that have the highest sum total kW as measured across the Event Availability Time. (N)

Hours of Event. The timeframe when the Program Event is called and Nominated kW is expected to be reduced. The Hours of Event will not be less than two hours and will not exceed four hours. (C)

Nominated kW. The amount of load expressed in kW that a Facility Site commits to reduce during a Program Event. (N)

Nominated kW Incentive Adjustment. An adjustment made when a Facility Site does not achieve its Nominated kW for a given hour during a Program Event. The adjustment will be made for each hour the Nominated kW is not achieved. The total Nominated kW Incentive Adjustment will not exceed the total incentive amount for the Program Season (as described in the Incentive Structure section). (N)

Notification of Program Acceptance. Written confirmation from the Company to the Participant. The Notification of Program Acceptance will confirm each Facility Site enrolled in the Program, as well as the Nominated kW amount for each Facility Site. (N)

Original Baseline kW. The arithmetic mean (average) kW of the Highest Energy Usage Days during the Event Availability Time, calculated for each Facility Site for each hour. (C)

SCHEDULE 76
FLEX PEAK
PROGRAM
(OPTIONAL)
(Continued)

The following table provides an example of the calculation of the Original Baseline kW between hours of 3:00 p.m. and 10:00 p.m. using the (3) Highest Energy Usage Days of 5, 7, and 9. (C)

Day	3-4 PM (kW)	4-5 PM (kW)	5-6 PM (kW)	6-7 PM (kW)	7-8 PM (kW)	8-9 PM (kW)	9-10PM (kW)	Sum Total (kW)
1	3000	3100	3000	3200	3000	3200	3150	21650
2	3200	3100	3200	3200	3100	3300	3300	22400
3	3100	3200	3100	3100	3200	3100	3200	22000
4	3250	3400	3300	3400	3300	3400	3200	23250
5	3300	3400	3300	3400	3400	3500	3400	23700
6	3100	3000	3200	3100	3100	3200	3300	22000
7	3400	3300	3400	3300	3400	3300	3200	23300
8	3300	3200	3300	3300	3300	3200	3100	22700
9	3400	3500	3350	3400	3500	3400	3350	23900
10	3250	3300	3300	3200	3200	3200	3300	22750
Original Baseline (kW)	3367	3400	3350	3367	3433	3400	3317	

Participant. Any Customer who has a Facility Site that has been accepted into the Program.

Program Application. Written form submitted by a Customer who requests to enroll a Facility Site in the Program.

Program Event. A time period when the Company requests or calls for reduction of the Nominated kW.

Program Season. June 15th through September 15th of each year. (C)

Program Week. Monday through Friday.

Variable Program kWh. The kWh savings amount calculated by multiplying the Actual kW Reduction by each of the Hours of Event for the Facility Site during each Program Event beyond the first four Program Events. (C)

Variable Energy Payment. An energy-based financial incentive provided to the Participant. The payment is calculated by multiplying the Variable Program kWh by the Variable Energy Payment Rate (as described in the Incentive Structure section). The Variable Energy Payment does not apply to the first four Program Events. (N)
(N)
(N)

Weekly Effective kW Reduction. The average of the Actual kW Reduction for all events in a Program Week or in the absence of a Program Event, the Weekly Effective kW Reduction will equal the Nominated kW for that Program Week.

SCHEDULE 76
FLEX PEAK
PROGRAM
(OPTIONAL)
(Continued)

PROGRAM EVENTS

The Company will dispatch Program Events on Business Days during the Program Season between the hours of 3:00 p.m. and 10:00 p.m. MDT. Program Events will last between two to four hours per day and will not exceed 16 hours per calendar week and 60 hours per Program Season. During each Program Season the Company will conduct a minimum of three Program Events. Participating Customers will receive advance notification at least four hours prior to the Program Event. The Company will provide notice of a Program Event via the following communication technologies: telephone, text message, and e-mail to the designated contact(s) submitted by the Participant in the Program Application. If prior notice of a pending Program Event has been sent, the Company may choose to revoke the Program Event initiation and will provide notice to Participants no less than 30 minutes prior to the Program Event. (C) (C) (C)

REQUIREMENTS OF PARTICIPATING FACILITIES

Participants will have the flexibility to choose what equipment will be used to reduce the Nominated kW during each Program Event. Participants must notify the Company of their Nominated kW via the Program Application. Once the Program Season begins, the Participant must submit the nomination change request form online (located at www.idahopower.com/flexpeak) via email by Thursday at 10:00 a.m. MDT of the proceeding week to notify of any changes in Nominated kW. The Nominated kW may be raised or lowered each week without restriction any time before the third minimum Program Event is called. After the third Program Event is called, the Nominated kW may still be raised or lowered, but may not exceed the highest Nominated kW prior to the third Program Event being called. (C)

INCENTIVE STRUCTURE

Incentive payments will be determined based on a Fixed Capacity Payment, a Variable Energy Payment, and any applicable Nominated kW Incentive Adjustment. Both the Fixed Capacity and Variable Energy Payments will be paid by check or bill credit no more than 45 days after the Program Season concludes on September 15th. (C) (C)

When a Program Event is called and a Participant exceeds the Nominated kW, the Fixed Capacity Payment will be capped at 20 percent above original Nominated kW. (C)

<u>Fixed Capacity Payment Rate*</u> (*to be prorated for partial weeks)	<u>Variable Energy Payment Rate*</u> (*does not apply to first four Program Events)
\$3.25 per Weekly Effective kW Reduction	\$0.20 per kWh

Participants are expected to reduce their load by the Nominated kW during each hour of each Program Event for the duration of the event. Each time a Participant fails to achieve a load reduction of up to the Nominated kW during a Program Event, a Nominated kW Incentive Adjustment will apply. (C) (I)

SCHEDULE 76
FLEX PEAK
PROGRAM
(OPTIONAL)
(Continued)

INCENTIVE STRUCTURE (Continued)

For Program Events, the Nominated kW Incentive Adjustment will be \$2.00 per kW for each hour the Nominated kW is not achieved during that interval. The total Nominated kW Incentive Adjustments will not exceed the total incentive amount for the Program Season. (D)
(D)

TERMS OF PARTICIPATION

Participants must submit a Program Application initially, but are automatically re-enrolled each year thereafter. Participants will be notified prior to each Program Season of the automatic re-enrollment. This Program Application must include the Facility Site(s) they wish to enroll and the initial Nominated kW for each Facility Site. If a Participant requests the Aggregated Option they must specify this on the Program Application.

1. A Participant may terminate their participation in the Program at any time during or before the Program Season by notifying the Company in writing.
2. Upon terminating participation of a Facility Site, the Participant's incentive payment shall be prorated for the number of Business Days of participation in the Program. The Participant may not re-enroll the Facility Site into the Program until the following calendar year.

SPECIAL CONDITIONS

The provisions of this Program do not apply for any time period that the Company requests a load reduction during a system emergency in accordance with NERC standards, Idaho Power's Rule J, or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this Program will not affect the calculation or rate of the regular Service, Energy, or Demand Charges associated with a Participant's standard service schedule. (C)
(C)