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**VIA ELECTRONIC FILING**

[puc.FilingCenter@puc.oregon.gov](mailto:puc.FilingCenter@puc.oregon.gov)

Re: UM 2211 – Phase 2  
Idaho Power Comments in Response to Staff’s Questionnaire

Attention Filing Center:

Idaho Power Company (“Idaho Power” or “Company”) respectfully submits these brief comments in response to the Oregon Public Utility Commission (“Commission”) Staff’s draft strategy for the next phase of implementation of the Energy Affordability Act (HB 2475) within UM 2211. In its Phase 2 Process Proposal, Staff solicited feedback through a questionnaire intended to capture initial stakeholder perspectives on issues and priorities. Idaho Power is grateful for Staff’s inclusive approach and submits these comments in response to that solicitation. Idaho Power has organized its response by the four broad subjects presented in Staff’s questionnaire: “Equity Landscape,” “Utility Programs,” “Differential Rates,” and “Other Suggestions.”

As an initial matter, Idaho Power wishes to acknowledge Staff’s recognition of the different challenges presented in Idaho Power’s service area, as highlighted in the Staff Interim Action Proposal Update filed in the docket on January 31, 2022:

Staff is cognizant of the unique challenges Idaho Power has expressed in various forums; particularly with regard to the median income levels of the service territory, customer count, and implications of cost recovery. To this end, Staff is proposing to conduct a workshop before the end of March 2022 with Idaho Power, local Community Action Partnership (CAP) agencies, Community Based Organizations (CBO), and other interested parties to discuss these challenges and explore alternative ways to address energy burden in their service territory. This workflow should not be misinterpreted as meaning Staff does not feel any action is necessary in the Idaho Power service territory, but that more meaningful action may come out of additional discussion focused on this area.

To this end, Idaho Power embarked on a track that was largely decoupled from that of the state’s other Investor-Owned Utilities (“IOUs”) as the Company, Staff, and key stakeholders considered how input from Idaho Power customers could be leveraged to ultimately inform a proposed program. Through those initial discussions, it became apparent that due to the Company’s service area economics and small customer base, the provision of targeted and meaningful relief (which balances all customers’ potential rate impacts) as part of a HB 2475-

related offering might be best achieved using income or qualification thresholds different than those of other utilities' interim HB 2475 programs. As such, the Company commissioned a third-party to complete a Low Income Needs Assessment ("LINA") as a basis to inform the level of assistance and eligibility criteria for a targeted program rolled out in Idaho Power's service area.

Throughout 2022 and 2023, Idaho Power worked closely with many key stakeholders and ultimately developed a program framework that took both household income and respective energy burden into account so that affordability of electric service could be enhanced for those customers with the greatest need. It is Idaho Power's understanding that the initial programs implemented by the other utilities – while made available more quickly – may not be as targeted as Idaho Power's initial program proposal, which is currently under consideration in Idaho Power's recently filed general rate case (UE 426).

Idaho Power intends to fully participate in Phase 2 of UM 2211's Implementation of HB 2475 and acknowledges that it has yet to gain experience from an implemented program, so its perspectives at this point in the process may be different than those of the other IOUs in the state who have had more experience in operating their initial programs.

### ***Equity Landscape***

The majority (roughly 85 percent) of Idaho Power's Oregon customers reside in Malheur County, which is estimated to have the highest poverty rate amongst all counties within the state of Oregon.<sup>1</sup> Findings from the LINA include the following:

- The median household income for residents in Idaho Power's service area is approximately \$48,000, well below the state average of \$66,000.
- Approximately 19 percent of households would fall under 100 percent of the federal poverty limit, and 62 percent of residents would fall under 60 percent of the State Median Income ("SMI").

An additional 15 percent of households earn between 60-80 percent of the SMI. These "borderline" customers would be ineligible for almost all energy assistance programs (including Idaho Power's proposed program) but may still bear a relatively high level of energy burden. Idaho Power believes it is important that designs for programs that are customer-funded should consider the degree of additional burden that would be imposed on all customers.

### ***Utility Programs***

Idaho Power fully supports weatherization and energy efficiency programs and education as the highest priority for aiding low-income customers and reducing energy burden. Funds spent weatherizing and performing other energy efficiency measures to the target customer group provide much more long-term value to the customer (through lower bills) and to the energy system (through avoided costs). Community Action Program ("CAP") agencies in Idaho Power's service area prioritize the spending of federal funds for weatherization services, however, as the Company understands, some agencies find that there may be certain barriers to fully utilizing these funds because of certain state and/or federal requirements.

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<sup>1</sup> U.S. Census Bureau Data [U.S. Census Bureau QuickFacts: Malheur County, Oregon; United States.](#)

The Company is also interested in evaluating learnings from other utilities that have had programs in place and may have findings related to benefits they experienced and of the methods they used to measure success.

### ***Differential Rates***

As noted previously, Idaho Power cautions against implementing a standard approach across all utilities when there may be unique considerations in each utility's service area that should be evaluated differently. Prior to developing additional programs, Idaho Power believes the effectiveness of the interim programs should be evaluated to assess whether those programs are meeting the desired goals and outcomes and, to the extent they are not, what elements of the programs are not meeting the mark. Idaho Power's initial interim program is currently under consideration by the Commission and is not expected to be implemented until fall of 2024. The Company believes it is important to gain experience with its initial program and for the Company, Commission, and Staff to have an opportunity to evaluate the effectiveness of that program before implementing new or modified programs or designs.

In terms of prioritizing rate structures, Idaho Power believes that understanding the demographics of utility specific customer usage is imperative to understand how differing rate structures impact certain segments of customers.

Regarding cost recovery, Idaho Power believes that to the extent possible, costs should be recovered from the customers who cause the costs, which further helps to send price signals to each customer class. Idaho Power also understands that recovering a portion of the costs of these programs from other customers classes is consistent with the underlying intent of HB 2475. Generally, Idaho Power believes that fair and timely recovery of prudently incurred costs benefits customers and helps Idaho Power keep its rates affordable for all customers.

### ***Other Suggestions***

Idaho Power intends to fully participate in Phase 2 of UM 2211; however, it is concerned that considering changes while in the process of implementing its inaugural program may lead to customer confusion and/or inefficiencies. Allowing a period of time to pass between program implementation and modification could prevent those issues. Additionally, Idaho Power is eager to better understand how the success of utility programs can most effectively be evaluated and believes the Data Work Stream will be critical in this endeavor.

### ***Conclusion***

Idaho Power appreciates the opportunity to provide feedback on the questions posed by Staff and looks forward to continued engagement with the Commission, Staff, and all interested stakeholders through Phase 2 of UM 2211.

Sincerely,



Connie Aschenbrenner