

ITEM NO. CA4

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 17, 2018

REGULAR CONSENT EFFECTIVE DATE January 18, 2018

DATE: January 3, 2018

TO: Public Utility Commission

FROM: Kathy Zarate *KZ*
J *Jc*

THROUGH: Jason Eisdorfer and John Crider

SUBJECT: IDAHO POWER: (Docket No. ADV 666/Advice No. 17-11) Requests revisions to proposed tariff sheets associated with modifications to Schedule 71- Educational Distributions.

STAFF RECOMMENDATION:

Staff recommends that the Commission allow Idaho Power Company's (Idaho Power or Company) Advice No.17-11 associated with Schedule No. 71 to go into effect January 18, 2018.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power Company's amendments to Schedule 71, Educational Distributions ("Schedule 71-1 and 71-2"), including the addition of a give-away opportunity.

Applicable Law

The Company's filing involves tariff sheets that are governed by ORS 757.205 and ORS 757.201, and OAR 860-022-0025. Under ORS 757.205(1), a public utility must file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. The Commission may approve tariff changes if they are deemed to be fair, just and reasonable. ORS 757.210.

Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each energy utility

changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Analysis

On November 21, 2017, Idaho Power submitted this filing to update the Company's tariff index, to correct a typographical error, and to clarify the language.

The Company is not proposing to change the entire rule at this time, only to clarify the language, add or delete sentences in the title, and insert similar language in the others paragraphs. A summary of the proposed changes are as follows:

- Title: "IDAHO POWER COMPANY FIRST REVISED SHEET NO. 71-1 CANCELS"; "First Revised Sheet No. 71-1 cancels" was added.
- In the paragraph titled "AVAILABILITY", in the last sentence "or businesses" was added.
- In the paragraph titled "PROGRAM DESCRIPTION", "adults who are" was deleted and "or small to medium commercial" was added.
- On the Schedule 71-2 sheet, on the title, "First Revised Sheet No. 71-2 cancels" was added.
- In the paragraph titled "SERVICES PROVIDED", second paragraph "which may include, but are not limited to" was added.
- In the paragraph titled "SERVICES PROVIDED", a new paragraph stating "Commercial Energy Efficiency Kits which may include, but are not limited to, one or more of following measures; LED bulb(s), faucet aerator(s), and /or load sensing power strip" was added.

The Company also proposes changes to the existing offerings in Schedule 71, consisting of student energy efficiency kits and give-away opportunities, including LED lightbulbs, residential energy efficiency kits ("residential Kit"), and other distributions that provide measurable savings.

Idaho Power may perform targeted demographic marketing to inform the Company's general service customers of the new give-away offering. The Company is targeting an offering beginning January 18, 2018, to customers in both the Oregon and Idaho jurisdictions. Idaho Power is currently in the process of contracting with a vendor who will assist the Company with the delivery of the Commercial Kit to customers. Because savings estimates and installation rate assumptions are unknown, Idaho Power has performed a sensitivity analysis to determine the maximum cost of a basic Commercial Kit for a small commercial office. In this analysis, it was assumed that the Commercial Kit would contain two LED bulbs, two bathroom faucet aerators, one kitchen faucet aerator, and a load sensing power strip. The following summarizes the assumptions used and cost-effectiveness ratios:

- Measure Life (Average): 8 years
- Incremental Participant Cost: \$0
- Incentive: \$0
- Maximum Kit Cost: \$72.39
- Average Savings: 180.76 kilowatt-hours/year
- Cost-Effectiveness Ratios:

Utility Cost Test ("UCT") = 1.00

Total Resource Cost Test ("TRC") = 1.10

Also, customers expressed interest in Idaho Power's offering of a new LED option, and several commercial customers participated in lighting incentives offered through Schedule 89, Commercial and Industrial Energy Efficiency. The Commercial Energy Efficiency Kit is intended to reach small businesses that may be less likely to participate in the existing Schedule 89 offering¹.

In addition, Idaho Power's residential customers have been receptive to and excited about LED giveaways at events, and the number of Residential Energy Efficiency Kits the Company has provided in Oregon nearly doubled from 2016 to 2017. Based on the residential customer interest, Idaho Power believes it is likely that small commercial customers would be interested and excited about LED offerings as well.

The Company was provide a draft copy of this memo and has no concerns.

Conclusion

After review, Staff concludes that the revisions filed by Idaho Power Company are appropriate. Staff reviewed the proposed schedule changes to ensure that they were consistent with the rates already approved by the Commission. Staff also reviewed the entire tariff file to ensure no other schedules were affected by the recent changes. Also,

¹ Per the Company's response to OPUC Information Request N.3.

Staff identified no issues with the proposed modification that seeks to add a Commercial Energy Efficiency Kit give-away for small and medium-sized commercial customers of Idaho Power. This give-away will benefit Oregon customers through the delivery of cost-effective energy efficiency items, resulting in energy savings and participation is not mandatory.

PROPOSED COMMISSION MOTION:

Approve Idaho Power's Advice No.17-11, effective for service on and after January 18, 2018.