

ITEM NO. CA3

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 13, 2015

REGULAR _____ CONSENT X EFFECTIVE DATE January 31, 2015

DATE: January 5, 2015

TO: Public Utility Commission

FROM: Michael Breish MB

THROUGH: Jason Eisdorfer *J* and Aster Adams *aa*

SUBJECT: IDAHO POWER COMPANY: (Advice No. 14-13) Requests modifications to Schedule 70 – Appliance Recycling Program.

STAFF RECOMMENDATION:

Staff recommends the Commission allow Idaho Power Company's (Company or Idaho Power) Advice No. 14-13 to go into effect January 31, 2015.

DISCUSSION:

On December 9, 2014, Idaho Power filed tariff revisions in Advice No. 14-13. The filing proposes to modify the Company's Schedule 70, Appliance Recycling Program, by eliminating the direct incentive of \$30 paid to the customer. The program is known as "The See ya later, refrigerator®" (See ya later) and will continue to be offered to customers, i.e., the retrieval and recycling of applicable appliances but without an incentive payment. The filing is proposed to go into effect January 31, 2015.

Idaho Power also filed a document in UM 1710, "Cost-Effectiveness Exceptions Request for Specific Electric Measures and Programs: Residential and Irrigation Sectors," in which it described five measures, including this one, and a program that are no longer cost-effective in their currently Commission-approved design. UM 1710 exists to satisfy the collaborative effort between Staff and Idaho Power to create a more streamlined process of filing tariff changes related to cost-ineffectiveness for energy efficiency programs and measures. By centralizing individual filings and describing them in an encompassing document, with plans to eventually do so once or twice a year, Idaho Power will be able to provide the Commission a more global overview of their energy efficiency efforts and the variables that affect them.

The See ya later program is offered to residential customers living in single-family and multi-family residences. By providing both removal service and a financial incentive, the program encourages residential customers to remove and recycle less efficient refrigerators and stand-alone freezers. After removal of the approved appliance, customers receive a \$30 incentive check, unless they opt to donate it to the charity Project Share.¹

Idaho Power utilizes Regional Technical Forum (RTF) electrical savings estimates and non-electric benefits data in calculating the relevant benefit cost ratios (BCR). Idaho Power then uses these estimates with their demand-side management (DSM) alternate costs from the Company's 2013 integrated resource plan to monetize the benefits of the annual energy savings. RTF updated the savings estimates in June 2014 which subsequently altered the BCRs for the Utility Cost Test (UCT) and the Total Resource Cost (TRC). When using 2015 DSM benefits in the calculations, the UCT is 0.84 and the TRC is 1.09.²

At Energy Efficiency Advisory Group (EEAG) meetings in August and November of 2014, Idaho Power and other stakeholders discussed alternative designs to the existing See ya later program. Idaho Power decided to proceed with removing the \$30 incentive while still offering the removal and recycling aspects of the program. Though a decrease in customer participation may occur because of the lack of financial incentive, Idaho Power anticipates that customers will still see value in free removal of the applicable appliances and the subsequent energy savings. Without the incentive payment, the new BCRs are a UCT value of 1.12 and TRC of 1.44.

Idaho Power also made "housekeeping" edits to the tariff in order to make its future usage more flexible.

Staff believes the proposed modifications to the program and tariff are reasonable and recommends the Commission approve the Company's proposed changes.

PROPOSED COMMISSION MOTION:

Idaho Power's Advice No. 14-13 be allowed to go into effect on January 31, 2015.

¹ Project Share is an energy assistance program in partnership with the Salvation Army.

² In the UM 1710 filing, Idaho Power used 2014 DSM values, which resulted in a UCT value of 0.78 and TRC of 1.03.