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December 9, 2014

Public Utility Commission of Oregon 550 Capitol Street NE, Suite 215 P. O. Box 2148 Salem, OR 97308-2148

RE: Tariff Advice No. 14-13

Modifications to Schedule 70 – Appliance Recycling Program

Attention Filing Center:

Idaho Power Company ("Idaho Power" or "Company") herewith transmits for filing revisions to Schedule 70, Appliance Recycling Program. The purpose of this filing is to seek approval from the Public Utility Commission of Oregon to remove the direct incentive to the customer and continue to offer the program to customers.

Idaho Power operates the Appliance Recycling Program under the name of See ya later, refrigerator®. The See ya later, refrigerator® program acquires energy savings through the removal of qualified refrigerators and stand-alone freezers in residential homes. Applicants enroll online or by phone. The Company screens each applicant to confirm their eligibility. Idaho Power contracts with JACO Environmental, Inc. ("JACO") to provide most services for this program including customer service and scheduling, unit pick up, unit recycling, reporting, marketing assistance, and incentive payment processing. JACO screens each application to confirm the refrigerator or freezer unit under consideration meets all program eligibility requirements, including the requirement that a unit must be residential-grade, a minimum of 10 cubic feet as measured using inside dimensions, no larger than 30 cubic feet, and in working condition. Customers receive a \$30 incentive check mailed after the removal of the unit, or customers have the option to donate their incentive to Project Share, an energy assistance program in partnership with the Salvation Army. The See ya later, refrigerator® program targets older, extra units for maximum savings. From January 1 through November 1, 2014, Idaho Power paid incentives to Oregon customers for 33 recycled refrigerators and 16 recycled freezers. More information about this program can be found at www.idahopower.com/seeyalater.

In Docket No. UM 1710, Idaho Power requested an exception from cost-effectiveness requirements for the See ya later, refrigerator® program through the end of 2015 so Idaho Power could make program design changes in order to make it cost-effective. This filing describes those program changes. Currently, the See ya later, refrigerator® program offers only two measures, freezer recycling and refrigerator recycling. Idaho Power uses the electrical savings estimates and non-electric benefits deemed by the Regional Technical Forum ("RTF") in its cost-effectiveness calculations for this program. These RTF savings estimates were revised in June 2014. The

Public Utility Commission of Oregon Filing Center December 9, 2014 Page 2

demand-side management ("DSM") alternate costs from Idaho Power's 2013 Integrated Resource Plan were used to monetize the benefits of the annual energy savings. Idaho Power calculates the benefit cost ratios ("BCR") from both the Utility Cost Test ("UCT") perspective, as well as the Total Resource Cost ("TRC") perspective. When evaluated at the program level using the present value of DSM benefits beginning in 2015, the See ya later, refrigerator® program has a UCT BCR of 0.84 and a TRC BCR of 1.09. In the UM 1710 filing, the Company used the present value of DSM benefits beginning in 2014, and the BCRs for this program were slightly lower with a UCT BCR of 0.78 and a TRC BCR of 1.03.

Idaho Power explored several different program designs in an effort to make the program cost-effective. These different design options were discussed at Idaho Power's Energy Efficiency Advisory Group ("EEAG") meetings held August 19 and November 12, 2014. Idaho Power, acting in agreement with the recommendation of EEAG, chose to continue to offer the program but remove the incentive to the customer so that the program can again achieve cost-effective energy savings. The customer will still receive energy savings and the value of free home pick up and recycling of the refrigerator or freezer. With the new design and subsequent lower utility costs, the See ya later, refrigerator® program has a UCT BCR of 1.12 and a TRC BCR of 1.44 and each individual measure is cost-effective from the UCT and TRC perspective.

For this filing, the present value of DSM benefits is calculated beginning in 2015 because Idaho Power is requesting these program changes be effective starting January 31, 2015. Idaho Power estimates that with no incentive there may be a decrease in program participation. However, Idaho Power believes that customers will still see value in the removal and recycling of these appliances. Idaho Power is requesting approval to continue the program without the \$30 incentive. Eligible customers enrolling in the program before the requested effective date of January 31, 2015, will be eligible to receive the \$30 incentive.

Idaho Power has modified Schedule 70, Appliance Recycling Program, to reflect the changes discussed above. In addition, other housekeeping edits have been made. The name of the current, third-party contractor, JACO Environmental, Inc., has been deleted from the schedule to allow flexibility in the tariff, and the Terms and Conditions section has been updated. The Company respectfully requests that the attached modified Schedule 70 become effective January 31, 2015.

If you have any questions regarding this filing, please call Darlene Nemnich at (208) 388-2505 or dnemnich@idahopower.com.

Sincerely,

Lisa D. Nordstrom Lead Counsel

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FIRST REVISED SHEET NO. 70-1 CANCELS ORIGINAL SHEET NO. 70-1

SCHEDULE 70 APPLIANCE RECYCLING PROGRAM

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AVAILABILITY

This program is available to residential Customers living in single and multi-family residences, including manufactured and modular homes, who remove and recycle a refrigerator or freezer and who live within the Company's service territory within the State of Oregon. Service will not be available to some geographic areas during winter months due to road conditions. Service to these areas will resume after April 1. A list of areas where service is unavailable is on the Idaho Power web site.

(N) (N)

PROGRAM DESCRIPTION

The Appliance Recycling Program is a program designed to encourage the removal and recycling of less efficient appliances by providing a removal service from the home and recycling of the appliance at no cost to Customers. To participate, Customers will schedule an appointment by phone or on the Idaho Power web site to have their unit collected. The unit will be picked up from the Customer's home, transported, dismantled and recycled. For more information on this program visit www.idahopower.com/seeyalater.

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TERMS AND CONDITIONS

By participating in the Program, Customers will be subject to the following terms and conditions:

- 1. Functioning units only.
- 2. Secondary units are preferred but the program is available for the replacement of a primary unit.
- (C)
- 3. Unit must be residential grade, 10 to 30 cubic feet, and must be empty at time of pick up.
- (C)

- 4. Clear path of removal must exist.
- 5. Maximum participation of two units per Customer, per year.