

LISA D. NORDSTROM
Lead Counsel
lnordstrom@idahopower.com

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ELECTRONICALLY FILED

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301

Re: Docket No. UM 1710 - Idaho Power Company's 2019 Request for Cost-Effectiveness
Exceptions for Specific Demand-Side Management Electric Measures and Programs

Attention Filing Center:

Public Utility Commission of Oregon ("Commission") Order No. 94-590, issued in Docket No. UM 551, provides for the inclusion of non-cost-effective measures in utility Demand-Side Management ("DSM") programs if those measures meet specific conditions. In addition, Order No. 15-200, issued in Docket No. UM 1710, requires Idaho Power Company ("Idaho Power" or "Company") to request approval, on an annual basis, of exceptions articulated in Order No. 94-590 for these measures so they may continue to be offered to Oregon customers through the Company's DSM program portfolio.

After a recent review of its current programs and measures, Idaho Power has determined that no residential, irrigation, or commercial and industrial sector DSM measures or programs require new cost-effectiveness exceptions as part of the 2019 annual review.

Extension of Prior Exceptions

The Company, as part of Advice No. 18-08 which modified Schedule 89, Commercial and Industrial Energy Efficiency, requested cost-effectiveness exceptions for 16 measures in the commercial and industrial sector. Exceptions for the 16 measures were granted under Order No. 18-295 effective August 15, 2018. Two of the 16 measures, Measure No. 3, 0-5 Ton HP Units that Meets CEE Tier 1 and 2 ("Heat Pump Units") and Measure No. 7, Smart Power Strips, were granted 18-month exception periods at the end of which the Company is to report back on updated information with improved Total Resource Cost ("TRC") ratios or other modifications to make the measures more cost-effective. The Company requests extension of the April 15, 2020, exception expiration for both measures, with Heat Pump Units' extension requested through December 31, 2020, and the Smart Power Strip's extension requested through December 31, 2021.

Measure No. 3 – Heat Pump Units

For Heat Pump Units, an extension of the current April 15, 2020, exception expiration to December 31, 2020, is requested as the Company anticipates receipt of a new Technical Reference Manual ("TRM") workbook with updated savings values in the second half of 2020. Since the 18-month exception was granted, no new savings assumptions have become available to reevaluate measure program design. Further, Idaho Power typically makes programmatic changes on January

1st, the requested approximate eight-month extension would not only allow for receipt of a new TRM workbook but would also synchronize measure changes with all other Idaho Power DSM program changes.

Measure No. 7 – Smart Power Strips

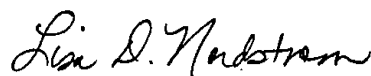
With respect to Smart Power Strips, Idaho Power requests extension of the exception expiration to December 31, 2021. The additional approximately 20-month period will allow the Company to monitor for measure price reductions which might improve measure cost-effectiveness, and synchronizes with the release of new savings assumptions by the Regional Technical Forum (“RTF”), expected to occur by the Planning Measure sunset date of November 30, 2021. Further, Smart Power Strips are included in Commercial Energy Efficiency Kit’s office kits and, if approved by the Commission, might be available in the Small Business Direct Install offering to provide non-lighting energy savings. The extension of the exception expiration through December 31, 2021, would synchronize changes with the sunset of the kit offering.

By completing changes when the measure is no longer part of another cost-effective offering, the Company believes customer confusion would be reduced by not having Smart Power Strips offered in some but not other applications. Finally, the extension would give the Company the opportunity to evaluate the measure in conjunction with its broader commercial and industrial sector programs evaluation after the potential adoption of the International Energy Conservation Code by the Idaho Legislature during the spring 2020 legislative session.

Updated RTF savings for Smart Power Strips were released January 2019, resulting in a decline of the TRC test to 0.37 for both Retrofit and New Construction, excluding administrative costs, from previous TRC test cost-effectiveness of 0.69 and 0.77, respectively. While cost-effectiveness declined, the program did not have any Oregon Retrofit or New Construction projects with this measure in 2018. The Company highlights that while RTF kilowatt-hour savings decreased, another factor to the lower RTF cost-effectiveness is measure cost of \$39.33, while Bonneville Power Administration (“BPA”) recently used a value of \$25.42 per unit in calculating cost-effectiveness under Version 8.0 of the UES Measure List effective October 1, 2019,¹ suggesting that measure price reductions are materializing. Using the same savings and unit cost assumptions as BPA, Idaho Power’s cost-effectiveness under the TRC test improves to 0.88 (excluding administrative costs).

If you have any questions regarding this filing, please contact Regulatory Analyst Paul Goralski at (208) 388-2608 or pgoralski@idahopower.com.

Sincerely,



Lisa Nordstrom

LDN:kkt

¹ https://www.bpa.gov/EE/Policy/Solutions/Documents/UES_Measure_List_Version_8.0.xlsx