

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 19, 2015

REGULAR _____ CONSENT X EFFECTIVE DATE May 20, 2015

DATE: May 12, 2015

TO: Public Utility Commission

FROM: Michael Breish *MB*

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

SUBJECT: IDAHO POWER COMPANY: (Docket No. ADV 25/Advice No. 15-05)
Requests modifications to Schedule 87 – Manufactured Housing Energy
Efficiency Programs

STAFF RECOMMENDATION:

Staff recommends the Commission allow Idaho Power Company's (Company or Idaho Power) Advice No. 15-05 to go into effect May 20, 2015.

DISCUSSION:

Introduction and summary

On April 6, 2015, Idaho Power filed Advice No. 15-05 to modify the Company's Schedule 87, Manufactured Housing Energy Efficiency Programs, to make five new efficiency measures available to customers eligible for the Energy House Calls program. Staff reviewed Advice No. 15-05 to determine whether the additional measures are cost-effective.

Applicable Statutes, Rules, and Commission Orders

Oregon Administrative Rules (OAR) 860-027-0310 defines conservation as any reduction in electric power or natural gas consumption as the result of increase in efficiency of energy use, production, or distribution. In OAR 860-027-0310 the definition of cost effective refers back to OAR 860-030-0010 where cost effectiveness is defined as relation to an energy conservation measure's cost, life cycle, and the cost of alternative energy facilities.

Below are excerpts from OAR 860-027-0310(2) where the Commission's policies for evaluating programs proposed by utilities are stated:

- Incentive:
 - Acquisition of least-cost resources should be the energy utility's most profitable course of action. An energy utility should have an incentive to acquire all least-cost resources, but it should not have an incentive to pursue conservation past the point at which it is no longer cost-effective.
 - The most important criterion for evaluating an incentive program is its effect on the energy utility's resource acquisition strategy.
 - An energy utility should have the incentive to acquire any resource at the minimum total cost.
- Impact
 - Incentive programs should be as consistent as possible with the Commission objective of promoting rate stability.

Commission Order No. 94-590 in Docket UM 551 specifies the following:

- The total resource cost test (TRC) must be used to determine if energy efficiency measures and programs are cost effective.¹
- A utility should calculate cost savings and other non-energy benefits if they are significant and there is a reasonable and practical way for calculating them.²
- Utilities should offer incentives to end-users sufficient to meet or exceed acknowledged least-cost plan conservation targets.³

Background

Customers who live in a manufactured or mobile home that is heated with an electric furnace or heat pump are eligible for the services provided under Idaho Power's Energy House Calls program. Through the Energy House Calls program, Idaho Power currently provides qualifying customers the following services:

- Duct leak detection and subsequent sealing
- Compact fluorescent light (CFL) bulbs
- Two air filters
- Water heater temperature testing
- Tailored energy efficiency educational materials

¹ Order 94-590, UM 551, 14.

² Ibid., 15.

³ Ibid.

Advice No. 15-05 modifies Schedule 87 by offering additional measures under the Energy House Calls program and modifying the current measure that provides CFL bulbs by substituting light-emitting diode (LED) bulbs. The new and modified measures are:⁴

1. ENERGY STAR certified LED bulbs (estimated average of eight per house)
2. low-flow, high-efficiency shower heads
3. low-flow bathroom faucet aerators
4. low-flow kitchen faucet aerator swivels, and
5. up to six feet of 5.2 R-value pipe wrap.

The specific measures that are being introduced and their associated Utility Cost Test (UCT) and TRC ratios are as follows:

Measure Name	UCT	TRC
LED Lightbulbs	1.26	3.01
Low flow showerheads (1.75 gpm - primary)	4.00	8.83
Low flow showerheads (1.75 gpm - secondary)	3.17	6.99
Low flow showerheads (2.0 gpm - primary)	3.44	7.67
Low flow showerheads (2.0 gpm - secondary)	2.54	5.65
Faucet Aerators (bathroom or kitchen)	4.16	4.16
Water heater pipe covers	6.03	6.03

The existing services provided under the Energy House Calls program are cost effective. With these additional measures, the entire program will continue to be cost effective. Staff also anticipates higher Oregon-customer participation in the Energy House Calls program than in the previous year now that additional measures are available.⁵

⁴ Items 2 through 5 are only available to customers with an electric water heater.

⁵ Thirty-nine Oregon customers received incentives through this program in 2013, 17 in 2014, and 10 thus far in 2015.

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Staff concludes that the filing satisfies the Commission's criteria for cost effectiveness and 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. 15-05 be allowed to go into effect on May 20, 2015.

ca4- IPC Energy House Calls Program