

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: May 17, 2016

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE May 18, 2016

DATE: May 3, 2016

TO: Public Utility Commission

FROM: JP Batmale <sup>JPB</sup>

THROUGH: Jason Eisdorfer and Michael Dougherty <sup>I</sup> <sup>W</sup>

SUBJECT: IDAHO POWER: (Docket No. ADV 271/Advice No. 16-06) Revision to Schedule 75, Simple Steps Smart Savings Programs, to include new measures and a new offering category.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission allow Idaho Power Company's (Idaho Power or Company) request for a change to Schedule 75 and approve the Company's proposed additions to the Simple Steps Smart Savings Programs.

**ISSUE:**

Whether the Commission should approve the Company's Advice No. 16-06 (Advice Filing), which seeks to update Schedule 75, Simple Steps Smart Savings (Simple Steps), in order to include two new measures – Energy Star LED light fixtures and qualified appliances – in the Program.

**APPLICABLE LAW:**

ORS 757.205 et. seq. sets forth the requirements for when a utility seeks to change or increase its existing rates. Commission Order No. 94-590 adopts Guidelines for analyzing cost-effectiveness limits for conservation and energy efficiency measures.

**DISCUSSION AND ANALYSIS:**

Background

Schedule 75 describes Idaho Power's "Simple Steps Smart Savings" program. The Program is funded by Idaho Power's Energy Efficiency Rider. The measures covered under Simple Steps are available to customers purchasing designated equipment from

Schedule 75 describes Idaho Power's "Simple Steps Smart Savings" program. The Program is funded by Idaho Power's Energy Efficiency Rider. The measures covered under Simple Steps are available to customers purchasing designated equipment from participating retailers. Incentives are passed on to the customer at the point of purchase. Simple Steps promotions are targeted and limited to key retail periods, such as President's Day or Black Friday. A third party contractor, CLEARresult, provides Program administration and marketing services. Currently, Schedule 75 contains the following four categories of offerings:

- Spiral Bulb
- Specialty Bulb
- Light Fixture
- Showerheads

The Advice Filing seeks to add a fifth offering category to Schedule 75 called "Appliance." Idaho Power already includes appliances in its Simple Steps offering in Idaho. The Advice Filing also requests the addition of four LED fixtures under the offering category of "Light Fixture."

When the Company reports annual cost-effectiveness, the Simple Steps all-lighting measures under the categories of "Spiral Bulb," "Specialty Bulb," and "Light Fixture" are included under the Company's Energy Efficient Lighting Program. These measures are not included in the Simple Steps Program. The cost-effectiveness of the proposed LED fixtures would also be reported in the Company's Energy Efficient Lighting Program. The cost-effectiveness of any additional appliances would be reported under the Simple Steps program.

In 2015, Simple Step promotions were run at four retailers in the Company's Oregon territory and online through Costco.com. During that year, the Simple Steps Program contributed 517,967 kilowatt hours (kWh) of lighting savings and 41,809 kWh of showerhead savings in Oregon. No other Simple Step measures were offered in Oregon in 2015.

#### Analysis

Staff reviewed the Advice Filing and determined that Idaho Power submitted it in compliance with ORS 757.205, et. seq. Further, as discussed in this memo, Staff determined that the Advice Filing complies with the Guidelines set forth in Commission Order No. 94-590.

In 2015, the following two Idaho Power energy efficiency programs included Schedule 75 measures as part of their cost-effective calculations:

<b>Program</b>	<b>Utility Cost Test (UCT)</b>	<b>Total Resource Cost Test (TRC)</b>
Energy Efficient Lighting	4.53	4.23
Simple Steps	3.37	4.83

The measures the Company proposes to include under Schedule 75 in 2016 are also projected to be cost-effective.

<b>Proposed Measures</b>	<b>UCT</b>	<b>TRC</b>
LED - Decorative Ceiling Flush Mount Fixture	5.33	1.40
LED - Track Light Fixture	5.28	1.04
LED - Exterior Porch Light fixture	3.93	1.69
LED - Exterior Security Fixture	3.93	2.52
Appliance (Clothes Washer)	2.35	1.01

The proposed appliance measures that could be covered under Schedule 75 would be ENERGY STAR-rated clothes washers, clothes dryers, refrigerators, and freezers. At this time clothes washers are the only product that pass Idaho Power's cost-effectiveness tests. They are also the only appliance that Idaho Power has incentivized through Simple Step promotions to date. However, Idaho Power is open to including other products in its Oregon Simple Steps promotions. Prior to including any other ENERGY STAR appliance in a Simple Steps promotion, the Company will work with CLEAResult to calculate the cost-effectiveness for each appliance. Idaho Power will include those appliances that the Company determines to be cost-effective in that promotion. Staff finds this acceptable as it gives the Company the flexibility to assess and pursue cost-effective opportunities as they arise in the marketplace.

With regards to the savings from the proposed measures, Idaho Power will be using the "unit energy savings" (UES) developed by the Bonneville Power Authority (BPA). Staff compared the UES values proposed by the Company in its filing to those being used by BPA and found they generally matched. However, the clothes washer savings were

Docket No. ADV 271/Advice No. 16-06  
May 3, 2016  
Page 4

slightly different due to Idaho Power choosing to incorporate line losses in its UES calculations. Staff finds the values and the source of those UES values acceptable.

Conclusion

Schedule 75 should be updated to include the proposed measures and include the offering category of "Appliance."

**PROPOSED COMMISSION MOTION:**

Approve Idaho Power's revised Schedule 75 tariff, as described in Advice No. 16-06, and that the revised tariff be effective May 18, 2016.