

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 7, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE November 8, 2017

DATE: October 17, 2017

TO: Public Utility Commission

FROM: Paul Rossow ^{PR}

THROUGH: Jason Eisdorfer and JP Batmale _{^E ^{JPB}}

SUBJECT: IDAHO POWER COMPANY: (Docket No. ADV 626/Advice No. 17-07)
Request to discontinue Schedule 70, Appliance Recycling Program.

STAFF RECOMMENDATION:

Staff recommends the Commission allow Idaho Power Company's (Idaho Power or Company) Advice No. 17-07 to go into effect December 31, 2017.

DISCUSSION:

Issue

Whether the Commission should allow Idaho Power to discontinue its Schedule 70, Appliance Recycling Program because it is not cost-effective and because none of the exceptions to cost-effectiveness appear to be applicable.

Applicable Rule or Law

"Cost-effective," as defined in ORS 469.631(4), relates to an energy conservation measure's cost, life cycle, and the cost of alternative energy facilities. An energy utility's cost-effectiveness calculations should be consistent with the utility's most recently acknowledged least-cost plan pursuant to Order No. 89-507.

Generally, DSM measures offered by a utility must be cost-effective or meet the criteria for a cost-effectiveness exception set out in the Commission's guidelines for calculation and use of conservation cost-effectiveness limits in Order No. 94-590.

Analysis

On September 12, 2017, Idaho Power filed Tariff Advice No. 17-07 requesting authorization to discontinue its Schedule 70, Appliance Recycling Program (“Program”) because it does not appear the number of customers that will participate in the Program in the future will be enough to make the Program cost effective, particularly when the trend for the past several years indicate that an increasing number of newer (1993 and later) refrigerators and freezers are being recycled as opposed to older units. Recycling these newer units results in less cost savings than what is achieved when recycling older units.

The Program provides for the removal of qualified refrigerators and stand-alone freezers from residential customers living within the Company’s Oregon service territory. In 2015, an attempt to increase participation in the Program, the Commission granted the Company’s request to provide two LED bulbs to each participating customer at the time of their refrigerator or freezer pick-up in hope of increasing customer participation.¹

The following table displays the results of the appliances picked up in 2016 and 2017 year-to-date (ytd), on an Oregon basis.

Measure	Vintage	Savings (annual kWh)	Number of Units Oregon (2016)	Number of Units Oregon (2017 ytd)
Freezers	1992 and earlier	605	2	0
Refrigerators	1992 and earlier	535	3	5
Freezers	1993 and later	66	1	1
Refrigerators	1993 and later	79	6	14
Total			12	20

With respect to the Program, Idaho Power notes that the cost-effectiveness of the Program fails with a respective utility cost test (UCT) ratio of 0.47 and the total resource cost test (TRC) ratio of 0.92, while the LED bulbs given to each participant have a UCT ratio of 1.69 and a TRC ratio of 4.69.²

Idaho Power also states that other Pacific Northwest regional utilities such as Avista, Rocky Mountain Power, and Energy Trust of Oregon have recently ended their refrigerator and freezer recycling programs while Seattle City Light is in the process of

¹ See Tariff Advice No. 15-10.

² For reference purposes, programs should have a UCT and TRC ratios of 1 or higher.

suspending its program later this year. The Company mentions they will be ending the Program in its Idaho service territory effective December 31, 2017.

Staff conducted a review of the data submitted by Idaho Power and issued information requests. Staff believes it is appropriate to terminate the Program for the reasons stated in the Advice filing. The combination of declining participation and declining cost savings means the Program is not cost effective and terminating it is in keeping with a regional trend.

Conclusion

Staff concludes that Idaho Power should be allowed to end its Schedule 70, Appliance Recycling Program given the declining rate of participation by Oregon customers with eligible appliances, the trend in lower savings rates, and to be aligned with other programs in the region.

PROPOSED COMMISSION MOTION:

Allow Idaho Power Company's (Idaho Power or Company) Advice No. 17-07 to go into effect December 31, 2017.