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December 11, 2020

VIA ELECTRONIC FILING

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

RE: Tariff Advice No. 20-13
Schedule 89 – Commercial and Industrial Energy Efficiency and New Cost-
Effectiveness Exceptions

Attention Filing Center:

Pursuant to ORS 757.054 and 757.205, OAR 860-030-0000(3), and Order No. 94-590, Idaho Power Company (“Idaho Power” or “Company”) herewith transmits for filing to the Public Utility Commission of Oregon (“Commission”) the following proposed modifications to Schedule 89, Commercial and Industrial Energy Efficiency:

Second Revised Sheet No. 89-1	Cancelling	First Revised Sheet 89-1
Third Revised Sheet No. 89-2	Cancelling	Second Revised Sheet 89-2
Third Revised Sheet No. 89-3	Cancelling	Second Revised Sheet 89-3

Schedule 89, the Commercial and Industrial Energy Efficiency program (“C&I Program”) is an incentive-based program designed to help reduce the costs of installing energy efficiency features in existing and new commercial and industrial buildings. The C&I Program provides incentives for a variety of prescriptive lighting and non-lighting measures, as well as a custom path for projects which fall outside the prescriptive offerings.

In its filing, the Company is proposing changes to the prescriptive Retrofits lighting measures through measure additions, removal, or modification, and one administrative housekeeping change to remove a minimum wattage requirement. Additionally, Idaho Power has identified certain measures offered under the commercial and industrial sector which require new cost-effectiveness exceptions. Finally, the Company requests an additional extension until the next annual review, October 31, 2021, for the cost-effectiveness exception granted for the 0-5 Ton HP Units that meets CEE Tier 1 and 2 (“heat pump units”) C&I Program measure to correspond to the Technical Reference Manual (“TRM”) 3.0 update.

SCHEDULE 89

Idaho Power's C&I Program has experienced a decrease in the number of submitted program applications for Retrofits lighting projects over the past year. When the Company's C&I Program staff inquired with key market participants to better understand the reduction in project submissions and solicit feedback, the responses included that contractors were too busy to focus on Retrofits projects, and in some cases, the incentive wasn't enticing enough to compete with more lucrative projects. In more recent months, the COVID-19 pandemic has impacted customer participation due to various restrictions and local government health mandates. In response to market feedback, and to encourage increased customer participation, Idaho Power proposes to increase the incentive on many prescriptive Light Emitting Diode ("LED") measures, as noted below.

Prescriptive Retrofits Measures

Idaho Power proposes the following Prescriptive Retrofits measure changes, listed by Table and change type, with the reason for the proposed change:

Schedule 89 Table 1: Retrofits – Lighting and Lighting Controls

Remove Measures

- Remove the following equipment categories and associated measures: T8 Fluorescents; T5/T8 High Bay New Fixtures; Fluorescent Delamping; Reduced Wattage T8/T5HO; Relamp T8/T5HO to Reduced Wattage T8/T5HO; and the Refrigeration Case Lighting Case #1 T8 fluorescent lighting and electronic ballast measure from the standard incentive menu.

Reason

- LED equipment is available in a wider range of types and sizes than in past years. In addition, Idaho Power program staff have received feedback from customers that they are inclined to upgrade to LED rather than take the interim step to more efficient fluorescent and then upgrade to LED later. LED equipment is more energy efficient than fluorescent and the Company proposes to focus on encouraging LED product installations. Customers who still prefer to implement efficient fluorescent technology may do so by using the non-standard lighting incentive option.

Increase Incentive

- Increase the incentive for HID LED screw-in replacement lamp from \$0.20 exterior and \$0.22 interior per watt reduced to \$0.24 exterior and \$0.26 interior per watt reduced.
- Increase the incentive for Linear LED tube (Types A, B, DM) from \$0.50 exterior and interior per foot to \$1.00 exterior and interior per foot.
- Increase the Linear LED tube (Type C) incentive from \$0.02 exterior and \$0.05 interior per kWh reduced to \$0.04 exterior and \$0.10 interior per kWh reduced.
- Increase the LED Level 1 retrofit kit interior incentive from \$0.10 per kWh to \$0.12 per kWh reduced.
- Increase the incentive for LED fixture or LED Level 2 retrofit kit from \$0.12 exterior and \$0.15 interior per kWh reduced to \$0.14 exterior and \$0.19 interior per kWh reduced.

- Increase the incentive for LED fixture or LED Level 2 retrofit kit with single control strategy from \$0.14 exterior and \$0.18 interior per kWh reduced to \$0.16 exterior and \$0.21 interior per kWh reduced.
- Increase the incentive for LED fixture or LED Level 2 retrofit kit with multiple control strategies from \$0.16 exterior and \$0.20 interior per kWh reduced to \$0.18 exterior and \$0.24 interior per kWh reduced.
- Increase the incentive for LED fixture or LED Level 2 retrofit kit with networked controls from \$0.18 exterior and \$0.22 interior per kWh reduced to \$0.20 exterior and \$0.26 interior per kWh reduced.
- Increase the incentive for LED sign lighting retrofit from \$0.10 exterior and \$0.12 interior per kWh to \$0.14 exterior and \$0.18 interior per kWh.

Reason

- Encourage increased customer participation.

Add Measures

- Add three new LED level 1 retrofit kit with control measures.
 - LED level 1 retrofit kit with single control strategy with incentives of \$0.12 exterior and \$0.14 interior per kWh reduced.
 - LED Level 1 retrofit kit with multiple control strategies with incentives of \$0.14 exterior and \$0.16 interior per kWh reduced.
 - LED Level 1 retrofit kit with networked controls with incentives of \$0.16 exterior and \$0.18 interior per kWh reduced.

Reason

- For additional savings opportunities, the company proposes to provide an integrated incentive option for Level 1 retrofit kits and controls, similar to the Level 2 retrofit kit with controls measures. Level 1 retrofit kits are becoming more available with integrated or manufacturer-provided options for various control strategies. Also, there is an increase in customer interest in Level 1 retrofit kits with controls.

Modify Requirements

- Remove the requirement watts for Linear LED tube measures (Types A, B, DM and C) that lamps being replaced be greater than 17 input watts.
- Retitle "LED hardwired conversion/LED Level 1 retrofit kit" to "LED Level 1 retrofit kit."
- Reduce the requirement for wall switch, ceiling mount, and interior fixture mount controls to have a minimum connected load greater than or equal to 25 input watts to greater than or equal to 17 input watts.

Reason

- The Company updated its evaluation to include measures with lamps being replaced with less than 17 input watts and found them to be cost-effective.
- The use of the wording "hardwired conversion" has been found to be unnecessary.
- The Company updated its evaluation to include minimum connected loads greater than or equal to 17 input watts and found them to be cost-effective under the Utility Cost Test ("UCT").

Housekeeping

- Remove the requirement for both Interior photocell controls and Multiple control strategies on existing LED that states existing fixtures controlled have greater than or equal to 25 input watts.

Reason

- The Company requests this change as a general housekeeping item, as including this requirement was an error carried over from a previous Schedule 89 update.

All Retrofits lighting changes listed above pass the UCT, and only one measure does not pass the Total Resource Cost ("TRC") test, the change to lighting controls to reduce the requirement for wall switch, ceiling mount, and interior fixture mount control to have a minimum connected load of greater than or equal to 25 input watts to greater than or equal to 17 input watts. Idaho Power is requesting a cost-effectiveness exception for this measure as outlined with other Retrofits measure cost-effectiveness exceptions below.

Cost-Effectiveness Exception Request

In Order No. 94-590, the Commission outlines specific cost-effectiveness guidelines for energy efficiency measures and programs managed by the program administrators. It is the expectation of the Commission that measures pass the TRC test. Measures that do not pass the TRC test may be included in the programs if they meet one or more of the following additional conditions specified by Section 13 of Order No. 94-590:

- A. The measure produces significant non-quantifiable non-energy benefits. In this case, the incentive payment should be set at no greater than the cost-effective limit (defined as present value of avoided costs plus 10 percent) less the perceived value of bill savings, e.g., two years of bill savings;
- B. Inclusion of the measure will increase market acceptance and is expected to lead to reduced cost of the measure;
- C. The measure is included for consistency with other DSM programs in the region;
- D. Inclusion of the measure helps to increase participation in a cost-effective program;
- E. The package of measures cannot be changed frequently, and the measure will be cost-effective during the period the program is offered;
- F. The measure or package of measures is included in a pilot or research project intended to be offered to a limited number of customers;
- G. The measure is required by law or is consistent with Commission policy and/or direction.

Cost-Effectiveness Exceptions

Idaho Power requests cost-effectiveness exceptions for the C&I Program measures listed in the tables on the following pages. Upon evaluating the measures with updated Demand-Side Management ("DSM") alternate costs, most of the measures listed below are no longer cost-effective under the TRC test. However, all but one measure, Refrigeration – Install auto-closer – reach-in (low temp), remains cost-effective under the UCT. That measure will have the incentive level evaluated once analysis of TRM 3.0 is complete, potentially resulting in the measure becoming cost-effective under the UCT.

Idaho Power requests cost-effectiveness exceptions on a short-term basis for the following two measures, through October 31, 2021, as analysis of TRM 3.0 has not been finalized at the time of this filing. Should assumptions under TRM 3.0 change upon further analysis and the measures remain not cost-effective and/or the Company intends to keep the measure in the C&I Program, Idaho Power would seek new exceptions during the 2021 annual review or potentially make a programmatic change.

- Compressed Air – Low pressure drop filter (Retrofits and New Construction)
 - The Company believes this measure will become cost-effective under TRM 3.0 as measure life increases from 5 years under TRM 2.2, to 10 years under TRM 3.0.
- Vending Machines – Non-cooled snack control
 - Idaho Power will likely remove the measure once analysis of TRM 3.0 is complete and the Company files for further changes to the C&I Program due to changes in the new equipment baseline and market feedback.

The Company requests to continue offering the measures in the Oregon service area to maintain program consistency in the region with offerings from Energy Trust of Oregon, other northwest utilities, as well as for program consistency with its Idaho service area. The Retrofits offering under the C&I Program remains cost-effective, based on the participation and savings during the 2019 program year, the UCT and TRC test ratios would have been 3.10 and 1.63, respectively, with the updated DSM alternate costs. The New Construction offering under the C&I Program also remains cost-effective, based on the participation and savings during the 2019 program year with UCT and TRC ratios of 2.66 and 2.52, respectively.

Idaho Power recommends these measures remain in the C&I Program, inclusion of measures provides consistency in program offering across the Company's service area and DSM programs in the region, ease of program administration for electrical contractors and suppliers to improve market acceptance, and helps increase participation in a cost-effective program. This is consistent with Order No. 94-590, conditions B, C, and D.

- B. Inclusion of the measure will increase market acceptance and is expected to lead to reduced cost of the measure.*
- C. The measure is included for consistency with other DSM programs in the region;*
- D. Inclusion of the measure helps to increase participation in a cost-effective program.*

Table 1: Retrofit – Lighting and Lighting Controls

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Lighting Controls –Wall Switch; Ceiling; and Fixture Mount Occupancy Sensor (interior)	2.09	0.74	0.08%
2.	Lighting Controls – Fixture Mount Occupancy Sensor; Multiple control strategies on existing LED – (exterior)	4.33	0.91	0.0%
3.	Refrigeration Case Lighting – Case #2; Case #3	1.64	0.88	0.0%

Table 2: Retrofit – HVAC and HVAC Controls

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Evaporative Coolers – Retrofit to direct evaporative cooler	1.32	0.80	0.0%
2.	Automated Control Systems – Energy Management System (EMS) control with 1 strategy (new system)	2.02	0.92	0.0%

Table 4: Retrofit – Other Equipment

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Compressed Air – Low pressure drop filter*	0.92	0.76	0.0%

*Exception through October 31, 2021

Table 5: Retrofit – Food Service Equipment

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Refrigeration – Install auto-closer – reach-in (low temp)	0.89	0.80	0.0%
2.	Floating Head, Suction Pressures – Head pressure controller	2.93	0.95	0.0%
3.	Vending Machines – Non-cooled snack control*	1.21	0.89	0.0%
4.	Commercial Kitchen Equipment – ENERGY STAR® listed electric fryer	1.71	0.99	0.0%

*Exception through October 31, 2021

Table 6: Retrofit – Variable Speed/Frequency Drives

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Variable Speed Drives on HVAC system applications -Chilled water pumps -Condenser water pumps -Cooling tower fans	2.39	0.81	0.0%

Table 7: Lighting for New Construction, Expansion, or Major Renovations

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Occupancy Sensors	4.33	0.89	0.0%

Table 8: Air Conditioning (HVAC) for New Construction, Expansion, or Major Renovations

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Direct Evaporative Cooler	1.32	0.80	0.0%

Table 10: Controls for New Construction, Expansion, or Major Renovations

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Energy Management Control System Part A: 1-strategy	2.02	0.92	0.0%
2.	HVAC Variable Speed Drives Part A: -Chilled water pumps -Condenser water pumps -Cooling tower fans	2.39	0.96	0.0%

Table 12: Refrigeration for New Construction, Expansion, or Major Renovations

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Refrigeration Floating Suction Controls	4.10	0.84	0.0%

Table 13: Equipment for New Construction, Expansion, or Major Renovations

	Measure	UCT (ex admin exp.)	TRC test (ex admin exp.)	% of 2019 Program Oregon Savings
1.	Low Pressure Drop Filter*	0.92	0.76	0.00%

*Exception through October 31, 2021

Heat Pump Units

Idaho Power originally received temporary cost-effectiveness exception through April 15, 2020 for the 0-5 Ton HP Units that Meet CEE Tier 1 and 2 ("heat pump units") measure, requested in Advice 18-08, and granted under Order No. 18-295. Idaho Power requested extension of the cost-effectiveness exception as part of its 2019 exceptions filing under UM 1710 to accommodate incorporation of the new TRM, which was granted through December 31, 2020 under Order No. 19-440. The Company requests further extension for ten months until its next annual review, October 31, 2021, due to later than expected analysis of TRM 3.0, which remains under review by the Company and a third-party at the time of this filing.

Future Schedule 89 Filing

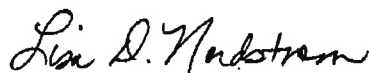
The Company anticipates further changes to the C&I Program in the first quarter of 2021 once new building code changes are incorporated in energy efficiency baselines as part of the update from TRM 2.2 to TRM 3.0, and once review is complete. C&I Program New Construction and non-lighting Retrofits measure deemed savings are included in the TRM, and C&I Program programmatic changes resulting from adoption of TRM 3.0 will be filed by the Company in the first quarter of 2021.

CONCLUSION

Idaho Power proposes modifications to Schedule 89 to add new prescriptive measures for the energy efficiency offerings contained within the C&I Program, modify or remove several existing measures, and requests cost-effectiveness exceptions for measures in the C&I Program which are no longer cost-effective.

The Company respectfully requests that the proposed modifications to Schedules 89 become effective February 1, 2021. If you have any questions regarding this filing, please contact Regulatory Consultant Paul Goralski at (208) 388-2608 or pgoralski@idahopower.com.

Sincerely,



Lisa Nordstrom

LDN:sib
Enclosure

**SCHEDULE 89
COMMERCIAL AND INDUSTRIAL ENERGY EFFICIENCY**

AVAILABILITY

Service under this schedule is available to commercial and industrial Customers as well as other customer classes where there may be commercial and industrial facilities throughout the Company’s service area within the State of Oregon receiving active service.

APPLICABILITY

This schedule is applicable to electric energy efficiency retrofit and new construction projects typical of commercial or industrial applications that meet the requirements of the Commercial and Industrial Energy Efficiency program.

DESCRIPTION

The Commercial and Industrial Energy Efficiency program is an incentive-based program designed to help reduce the costs of installing energy efficiency features in existing and new commercial and industrial buildings. The Program provides incentives for a variety of prescriptive lighting and non-lighting measures, as well as a custom path for projects which fall outside the prescriptive offerings.

INCENTIVE STRUCTURE

Installed measures must meet the requirements of the Commercial and Industrial Energy Efficiency program as detailed in this Schedule, and must also comply with the current Program terms and conditions posted to the Program website at www.idahopower.com/business. Incentives will not be paid for measures required by Oregon code. Incentive payments will not exceed 100% of the installed cost.

PRESCRIPTIVE RETROFIT INCENTIVES

TABLE 1: RETROFIT - LIGHTING AND LIGHTING CONTROLS

Equipment Category	Installing	Replacing	Incentive Per Unit Exterior/Interior
Permanent Fixture Removal (<i>Only applicable as standard measures</i>)	Permanent fixture removal as part of overall lighting retrofit project	Hardwired fixture using 50-299 input watts	\$ 15.00/20.00
	Permanent fixture removal as part of overall lighting retrofit project	Hardwired fixture ≥ 300 input watts	\$ 25.00/30.00
Light Emitting Diodes (LEDs) (<i>Must be on DLC or ENERGY STAR® Qualified Commercial LED List</i>)	Screw-in or pin-base LED	Screw-in or pin-base lamp using higher wattage	\$0.08/0.12/watt reduced
	HID LED screw-in replacement lamp	Existing HID lamp using > input watts	\$0.24/0.26/watt reduced
	Linear LED tube (Types A, B, and DM)	Fixture using higher wattage	\$1.00/1.00/ft
	Linear LED tube (Type C)	Fixture using higher wattage	\$0.04/0.10/kWh reduced
	LED Level 1 retrofit kit	Fixture using higher wattage	\$0.08/0.12/kWh reduced
LED Level 1 retrofit kit with single control strategy	Fixture using higher wattage	\$0.12/0.14/kWh reduced	

(D)
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**SCHEDULE 89
COMMERCIAL AND INDUSTRIAL ENERGY EFFICIENCY
(Continued)**

PRESCRIPTIVE RETROFIT INCENTIVES (Continued)

TABLE 1: RETROFIT - LIGHTING AND LIGHTING CONTROLS (Continued)				
Equipment Category	Installing	Replacing	Incentive Per Unit Exterior/Interior	
	LED Level 1 retrofit kit with multiple control strategies	Fixture using higher wattage	\$0.14/0.16/kWh reduced	(N)
	LED Level 1 retrofit kit with networked controls	Fixture using higher wattage	\$0.16/0.18/kWh reduced	(N)
	LED fixture or LED Level 2 retrofit kit	Fixture using higher wattage	\$0.14/0.19/kWh reduced	(M)(I)
	LED fixture or LED Level 2 retrofit kit with single control strategy	Fixture using higher wattage	\$0.16/0.21/kWh reduced	(I)
	LED fixture or LED Level 2 retrofit kit with multiple control strategies	Fixture using higher wattage	\$0.18/0.24/kWh reduced	(I)
	LED fixture or LED Level 2 retrofit kit with networked controls	Fixture using higher wattage	\$0.20/0.26/kWh reduced	(I)
LED Sign Lighting	LED exit sign or equivalent (<5 watts) LED sign lighting retrofit	Exit sign using ≥18 watts Existing using > input watts	\$ n/a/40.00 \$ 0.14/0.18/kWh	(I) (C)
Lighting Controls	Wall switch occupancy sensor	Manual or no prior control ≥ 17 input watts	\$ n/a/15.00	(C)
	Ceiling mount occupancy sensor	Manual or no prior control ≥ 17 input watts	\$ n/a/30.00	(C)
	Fixture mount occupancy sensor – interior	Manual or no prior control ≥ 17 input watts	\$ n/a/25.00	(C)
	Fixture mount occupancy sensor – exterior	Manual or no prior control, ≥75 input watts	\$ 15.00/n/a	
	Interior photocell control (dimming, step-dimming or switching)	Manual or no prior control	\$ n/a/25.00	(D)
	Multiple control strategies on existing LED – interior	Manual or no prior control	\$ n/a/\$35.00	(D)
	Multiple control strategies on existing LED - exterior	Manual or no prior control, ≥75 input watts	\$ 25.00/n/a	(M)

SCHEDULE 89
COMMERCIAL AND INDUSTRIAL ENERGY EFFICIENCY
 (Continued)

PRESCRIPTIVE RETROFIT INCENTIVES (Continued)

TABLE 1: RETROFIT - LIGHTING AND LIGHTING CONTROLS (Continued)			
Equipment Category	Installing	Replacing	Incentive Per Unit Exterior/Interior
Refrigeration Case Lighting	Case #2 – LED display case lighting	Case #2 – T12 fluorescent lighting	\$ 0.15/kWh
	Case #3 – LED display case lighting	Case #3 – T8 fluorescent lighting	\$ 0.12/kWh

(D)

Table 1 Note:

“Non-standard” incentives are available for cost-effective lighting measures not listed on Table 1. Non-standard interior lighting incentives will be calculated at \$0.10 per first year annual kilowatt-hour saved up to 70% of measure cost and exterior lighting incentives will be calculated at \$0.08 per first year annual kilowatt-hour saved up to 70% of measure cost.