



Oregon

Kate Brown, Governor

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

Mailing Address: PO Box 1088

Salem, OR 97308-1088

503-373-7394

December 28, 2021



BY EMAIL

Idaho Power Company

dockets@idahopower.com

RE: Advice No. 21-11

At the public meeting on December 28, 2021, the Commission adopted Staff's recommendation in this matter docketed as ADV 1340. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 28, 2021**

REGULAR CONSENT EFFECTIVE DATE January 1, 2022

DATE: December 20, 2021

TO: Public Utility Commission

FROM: Heather Cohen

THROUGH: Bryan Conway and John Crider **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. ADV 1340/Advice No. 21-11)
Modifies Schedule 27 Irrigation Efficiency Rewards Menu Option or
Schedule 27.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Idaho Power Company's (Idaho Power or Company) Advice No. 21-11, which proposes new measures, as well as removes existing measures, related to its Irrigation Efficiency Rewards Program, effective for service rendered on and after January 1, 2022.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power's Advice No. 21-20, containing proposed modifications to its Irrigation Efficiency Rewards Program.

Applicable Law

ORS 757.054 requires the planning and pursual of cost-effective energy efficiency and demand response resources.

ORS 757.205 requires public utilities to file all rates, rules, and charges with the Commission.

OAR 860-027-0310 specifies that the Commission encourages energy utilities to acquire cost-effective conservation resources and authorizes energy utilities to apply for

Commission approval of programs designed to promote the acquisition of cost-effective conservation resources. Commission Order No. 94-590 adopts Guidelines for analyzing cost-effectiveness limits for conservation and energy efficiency measures, and provides a list of conditions under which measures that are not cost-effective should otherwise be included in utility programs. Specifically, Order No. 94-590 states that non-cost-effective measures may be included in utility programs if it is demonstrated that:

- A. The measure produces significant non-quantifiable non-energy benefits. In this case, the incentive payment should be set no greater than the cost-effectiveness limit 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.

Analysis

Background

Idaho Power's Irrigation Efficiency Rewards Program is an incentive-based program designed to help cover a portion of the costs of designing and installing energy efficiency features into a new or existing irrigation system. The primary goal is to encourage agricultural irrigation customers to install or modify irrigation systems in order to reduce peak demand and energy consumption.

The Program provides incentives for a variety of prescriptive menu items, as well as a custom path for existing or new irrigation system projects. During 2020, Idaho Power claimed 12,883,970 kilowatt-hours ("kWh") of annual savings for the Program on a system-wide basis, and 725,196 kWh of annual savings in its Oregon jurisdiction specifically.

In this Advice Filing, Idaho Power seeks to make several modifications to the Program as a result of updated savings estimates.

Staff

In March 2018, the Regional Technical Forum ("RTF") updated its irrigation hardware

measure analysis, which initially resulted in a reduction of savings between 34 to 94 percent for some measures. The major assumption that reduced the savings involved the calculation of the leakage per hardware item, which caused savings to decrease nearly 80 percent on average for several irrigation hardware types. The update to the analysis demonstrated a reduction in leakage. Based on the updated savings and costs, most of the measures within the Program remained cost-effective with the exception of (1) new or rebuilt brass impact sprinklers, (2) new complete low-pressure pivot sprinkler package, and (3) new wheel-line hubs. On November 16, 2018, Idaho Power filed a cost effectiveness exception request for these three measures in Docket No. UM 1710. In Order No. 18-476, the Commission authorized the exceptions.

Since 2018, Idaho Power, along with other regional utilities, requested the RTF reconvene the irrigation hardware subcommittee to re-examine the leakage and flow rate assumptions and the calculation methodology behind all the irrigation measures. Idaho Power, PacifiCorp and the Bonneville Power Administration provided survey results on updated maintenance practices based on consumer practices to inform the RTF's savings' calculations. Based on these results, the RTF updated its savings estimates which allowed Idaho Power to update its cost-effectiveness models accordingly for all measures. In this filing, the Company is seeking to make several modifications to the Program because of the updated savings estimates.

Idaho Power proposes the following Menu Option measure changes listed in order as how they appear in the tariff along with a reason for the proposed change:

- New flow control nozzle: Increase incentive from \$1.50 to \$2.50 per nozzle based on RTF savings assumptions and to increase measure participation.
- New nozzles for impact, rotating or fixed head sprinklers: Increase incentive from \$0.25 to \$0.35 per nozzle based on RTF savings assumptions and to increase measure participation.
- New or rebuilt brass impact sprinklers: Reduce incentive from \$2.75 to \$0.50 per sprinkler based on RTF savings assumptions.
- New wheel line hubs: Remove from the Program due to the measure no longer being supported by the RTF.
- New gooseneck with drop tube or boomback: Remove from the Program due to the measure no longer being supported by the RTF.
- Cut and pipe press or weld repair: Remove from the Program due to the measure no longer being supported by the RTF.
- New or rebuilt wheel line levelers: Increase incentive from \$0.75 to \$1.00 per leveler based on RTF savings assumptions and to increase measure participation.
- New center pivot base boot gasket: Remove from the Program due to the measure no longer being supported by the RTF.

Finally, the Company is recommending the removal of the incentive restriction for the three measures for which the maximum incentive amount is equal to either the lesser of the stated amount or 50 percent of the purchase invoice cost. Idaho Power states the updated costs now make the restriction unnecessary and the 100 percent of purchase invoice cost will now be consistent and apply to all program measures.

There are three existing exceptions in the Program authorized by the Commission in 2018, however, with the proposed modifications of this filing, Idaho Power indicates that the exceptions are no longer applicable:

- New or rebuilt brass impact sprinklers: The Company is proposing to reduce the incentive and the measure is expected to be cost-effective;
- New complete low-pressure pivot sprinkler package: While the Company is not proposing any changes to the incentive level, when the updated RTF assumptions are applied, the measure is now expected to be cost-effective;
- New wheel-line hubs: The Company is proposing to remove this measure from the Program since it is no longer being supported by the RTF.

In summary, the Company is removing the above exceptions as they are no longer necessary for the measures' cost-effectiveness. The changes impact approximately 2,000 irrigation customers.

Conclusion

Staff finds that Idaho Power's proposed approach is in keeping with best-practices in the energy efficiency program industry. Staff concludes that Idaho Power has provided a sufficient basis for the proposed modifications to its Irrigation Efficiency Rewards Program and supports Idaho Power's requested changes.

PROPOSED COMMISSION MOTION:

Allow Idaho Power's revised Schedule 27 Irrigation Efficiency Rewards Program changes, as described in Advice No. 21-11, to go into effect on January 1, 2022.

SCHEDULE 27
IRRIGATION EFFICIENCY
REWARDS PROGRAM
(Continued)

INCENTIVE OPTIONS (Continued)

Custom Option (Continued)

- 4. A topographical map of the irrigation system area.
- 5. An aerial map of the irrigated acres.

| <u>Applicable Projects</u> | | |
|----------------------------|--|--|
| <u>Project Type</u> | <u>Incentive</u> | <u>Eligibility Requirements</u> |
| Existing system project | \$0.25 per annual kilowatt-hour saved (kWh/yr) or \$450.00 per kilowatt of demand reduction (kW) | Existing system project eligibility will be determined based upon the energy and demand savings estimated by the Company. The incentive for existing systems is limited to a cap of 75% of the total project cost. |
| New system project | \$0.25 per annual kilowatt-hour saved (kWh/yr) | New system project eligibility will be determined based upon the energy savings estimated by the Company. The incentive for new systems is limited to a cap of 10% of the total project cost. |

Menu Option.

Under the Menu Option, Customers select from a predetermined list of approved energy efficient equipment rebuild or repair measures. Customers selecting the Menu Option receive a financial incentive paid on the basis of the number of units per measure type installed, replaced or repaired as documented by a copy of the purchase invoice provided to the Company by the Customer. The incentive amounts available under the Menu Option are limited to 100% of the purchase invoice cost and up to two items per acre under each measure type. All customer invoices must be provided to the Company no later than one year after the purchase date of equipment units to be eligible for incentives.

(C)

| <u>Applicable Measures</u> | | |
|---|-------------------|--|
| <u>Measure Type</u> | <u>Incentive</u> | <u>Eligibility Requirements</u> |
| New flow control nozzles | \$2.50 per nozzle | New flow control nozzles must replace existing brass nozzles or worn out flow control nozzles of the same flow rate or less to be eligible for an incentive under this option. |
| New nozzles for impact, rotating or fixed head sprinklers | \$0.35 per nozzle | New nozzles must replace worn out nozzles of the same flow rate or less, excluding nozzles that are part of a complete pivot package, to be eligible for an incentive under this option. |

(I)

(I)

SCHEDULE 27
IRRIGATION EFFICIENCY
REWARDS PROGRAM
(Continued)

INCENTIVE OPTIONS (Continued)

Menu Option (Continued)

| <u>Applicable Measures (Continued)</u> | | |
|--|---|---|
| <u>Measure Type</u> | <u>Incentive</u> | <u>Eligibility Requirements</u> |
| New or rebuilt brass impact sprinklers | \$0.50 per sprinkler | New or rebuilt brass impact sprinklers replacing existing sprinklers on hand-lines, wheel-lines or solid type systems are eligible for an incentive under this option. Impact sprinklers must be rebuilt to like-new condition and are subject to verification by the Company. (R) (C) |
| New complete low-pressure pivot sprinkler package | \$8.00 per sprinkler head, nozzle, and low pressure regulator package | New low-pressure pivot sprinkler head, nozzle and low pressure regulator must be installed as a complete package combination to be eligible for an incentive under this option. |
| New riser caps and gaskets for hand-lines, wheel-lines or portable mainlines | \$1.00 per measure type | Replacement of riser caps and gaskets for components of existing hand-lines, wheel-lines or portable mainlines are eligible for an incentive under this option. (C) |
| New drains for pivots or wheel-lines | \$3.00 per drain | Replacement of drains on existing low pressure pivots or wheel-lines are eligible for an incentive under this option. (C) (D) |
| New or rebuilt wheel line levelers | \$1.00 per leveler | New or rebuilt levelers replacing existing levelers are eligible for an incentive under this option. Completed levelers must be in like new condition and are subject to verification by the Company. (I) (D) |

Green Motors Initiative.

The Green Motors Initiative employs industry best practices when rewinding motors (Green Rewind). The certified rewind process ensures that the motor maintains its original efficiency when the rewind is complete. Motors between 15 and 5,000 horsepower are eligible. Idaho Power pays participating service centers \$2.00 per horsepower for each motor that received a verified Green Rewind. Each motor receiving Green Rewind is verified by a non-profit trade organization, Green Motors Practice Group. Motors must be rewound in a certified participating service center that has the equipment and training to perform Green Rewind. For a current list of motor service centers offering Green Rewind please see <https://www.greenmotors.org/motor-service-centers>. Some motors may not be able to qualify as a green rewind due to extenuating circumstances, such as a damaged stator or rotor. (M)
(M)

Received
Filing Center
NOV 11 2021

SCHEDULE 27
IRRIGATION EFFICIENCY
REWARDS PROGRAM
(Continued)

This Page Intentionally Left Blank

(D)