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November 15, 2022

VIA ELECTRONIC FILING

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RE: Tariff Advice No. 22-07
Schedule 68, Multi-Family Energy Savings Program

Attention Filing Center:

Pursuant to ORS 757.054 and ORS 757.205, Idaho Power Company ("Idaho Power" or "Company") hereby respectfully submits this tariff advice to the Public Utility Commission of Oregon ("Commission") requesting authorization to close Schedule 68, Multi-Family Energy Savings Program ("Schedule 68"), effective January 1, 2023.

First Revised Sheet No. 68-1 Cancelling Original Sheet No. 68-1

SCHEDULE 68

The Multi-Family Energy Savings Program ("Program") provides for the installation of multiple energy saving products in multi-family dwellings with five units or more per building at no cost to the property owners or managers. Service under this schedule applies to electrically heated multi-family dwellings in Idaho Power's Oregon service area with individual apartments or condominiums that are served under a residential schedule. If the dwelling is a condominium building, participation of at least 50 percent of the unit owners is required. The Program provides energy saving products designed to reduce electricity use that result in lower electricity bills for residents and lower operating costs for building owners and managers. The product installations are performed by an Idaho Power contractor working with a maintenance representative of the multi-family complex. Program participants may receive ENERGY STAR ® light-emitting diode ("LED") bulbs, air filters, low-flow showerheads with a thermostatic shower valve ("TSV"), faucet aerators, pipe wrap, and other educational materials.

PROGRAM BACKGROUND & COST EFFECTIVENESS

In March 2020, Idaho Power temporarily suspended in-home Program work due to safety concerns related to the COVID-19 pandemic. In-home work resumed as of October 18, 2021. In 2019, the program had a Utility Cost Test ("UCT") of 1.15 and Total Resource Cost ("TRC") of 2.34, and Idaho Power had anticipated the program would remain cost-effective in 2020 before any impacts from COVID-19 were known. Table 1. below shows the number of dwellings completed along with the overall Program cost-effectiveness results over the last 3 years.

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Table 1. Multi-Family Program Results 2019-2021

Year	Oregon Dwellings	Idaho Dwellings	TRC	UCT
2019	0	457	2.34	1.15
2020	0	33	0.28	0.14
2021	0	0	0.00	0.00

Since 2020, three key assumption updates have impacted the Program's cost-effectiveness at the time of the analysis. First, in 2022 Idaho Power will begin using the demand-side management avoided costs from the Second Amended 2019 IRP acknowledged by the Commission in Order No. 21-184 on June 4, 2021. These avoided costs are 12 percent lower than what was previously used in the Program's last full year of operation in 2019. Secondly, the program installs a variety of LED lightbulbs, and the associated savings assumptions have declined since 2019. Based on the number and type of LED bulbs installed in 2019, the direct-install lighting savings are nearly 65 percent lower than what was previously claimed when the savings assumptions from Regional Technical Forum ("RTF") workbook version 9.4 are applied. Finally, the RTF deactivated the workbook's faucet aerator and lowered the savings for the low-flow showerheads with TSVs to remove the savings associated with the showerhead. The savings are now based solely on the TSV, which are 80 percent lower than what was previously claimed.

Idaho Power held a preliminary discussion about the future of the Multi-Family Energy Savings Program with its Energy Efficiency Advisory Group ("EEAG") on November 10, 2021, where the Company highlighted some immediate and long-term cost-effectiveness challenges. On January 14, 2022, the Company filed for a temporary Program cost-effectiveness exception through December 31, 2022, in Docket No. UM 1710. The Company committed to evaluate potential changes and gather stakeholder feedback to address the cost-effectiveness challenges and decide to either modify or close the program offering based on the Company's analysis and stakeholder feedback.

At its public meeting on March 22, 2022, the Commission adopted Staff's recommendation to approve the cost-effectiveness exception through December 31, 2022 in Order No. 22-095. The Commission also adopted Staff's recommendations for the Company to:

- Conduct additional analysis and meet with EEAG stakeholders to discuss options.
- Use the avoided cost numbers from the 2021 Integrated Resource Plan ("IRP") before making a final decision on the Program as Staff anticipates the IRP will be acknowledged before the expiration of the cost-effectiveness exception and avoided costs are likely to increase.

In March of 2022, the Company convened a meeting with interested EEAG stakeholders. As a result of that meeting, the Company committed to working with Energy Trust of Oregon ("ETO") to compare multi-family offerings and understand any key learnings or findings based on ETO's experience. From April through June 2022, the Company had several discussions and communications with ETO and learned they faced similar cost-effectiveness challenges requiring significant re-designs of its overall multi-family program, including direct install options. Ultimately, ETO discontinued their multi-family direct install program in 2020. However, in those discussions, ETO also explained that while their multi-family program had been discontinued, many multi-family measures had been incorporated into its retrofit, new construction, and HVAC type programs where customers bear some of the cost. Generally, ETO has been consolidating multi-family offerings into larger programs in recent years to coincide more with sectors.

The Company also analyzed the program using the 2021 IRP avoided cost numbers and will provide the workpaper for Staff's review. Even though the avoided cost values increase slightly in earlier years due to an additional capacity benefit realized from a capacity deficit starting in 2023, the program is not expected to be cost-effective from either the UCT or TRC perspectives because the sum of the individual measure savings/benefits will not exceed the fixed costs of the multi-family direct install program.

REQUEST TO CLOSE SCHEDULE 68

With the cost-effectiveness challenges associated with a multi-family direct install program outlined above, and the findings gathered from ETO, the Company is requesting authorization to close Schedule 68 as the program will not be cost-effective going forward. At both the May 4, 2022 and August 11, 2022 EEAG meetings, the Company presented its recommendation to close the Program and solicit any final input that could be incorporated into potential future offerings. The Company's recommendation to close the Program received no objection from EEAG stakeholders in either meeting.

The Company is continuing to evaluate possible cost-effective multi-family measures and is exploring the possibility of either creating a standalone program or incorporating the measures into current programs such as Schedule 72 (Heating and Cooling Efficiency Program) or Schedule 89 (Commercial and Industrial Energy Efficiency). The Company expects customers to be responsible for some of the costs of installation in either potential option. These potential options will be informed by a multi-family specific Technical Reference Manual ("TRM") the Company contracted to have completed by the end of Q1 2023. Once the new TRM is complete, the Company will review and bring potential multi-family recommendations to EEAG in 2023 for input and feedback.

CONCLUSION

For the reasons stated above, the Company respectfully requests Commission approval to suspend and close Schedule 68 effective January 1, 2023. Any projects currently in process before that time will still be completed even if the project completion date extends into 2023. If you have any questions regarding this filing, please contact Regulatory Analyst Zack Thompson at (208) 388-2892 or zthompson@idahopower.com.

Sincerely,

Connie Aschenbrenner

Connie Aschenbrenner

CA:sg

SCHEDULE 68
MULTI-FAMILY ENERGY SAVINGS PROGRAM

DISCONTINUED