

CONNIE ASCHENBRENNER
Rate Design Senior Manager
caschenbrenner@idahopower.com

May 13, 2022

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

Re: Tariff Advice No. 22-02
Proposed Modifications to Schedule 87, Manufactured Housing Energy Efficiency Programs

Attention Filing Center:

Pursuant to ORS 757.054 and 757.205, Idaho Power Company (“Idaho Power” or “Company”) transmits for filing to the Public Utility Commission of Oregon (“Commission”) the following proposed modifications to Schedule 87, Manufactured Housing Energy Efficiency Programs (“Schedule 87”):

Fifth Revised Sheet No. 87-1 Cancelling Fourth Revised Sheet 87-1

In its filing, the Company is proposing to close the Energy House Calls Program effective July 1, 2022.

ENERGY HOUSE CALLS PROGRAM

Program Overview

Initiated in 2002, the Energy House Calls program gives homeowners of electrically heated manufactured homes an opportunity to reduce electricity use by improving the home’s efficiency. Specifically, this program provides free duct sealing and additional efficiency measures to Idaho Power customers living in Idaho or Oregon who use an electric furnace or heat pump. Participation is limited to one service call per residence for the lifetime of the program. Services and products offered through the Energy House Calls program include installing Light-Emitting Diode (“LED”) lightbulbs, testing the temperature set on the water heater, installing water heater pipe covers when applicable, installing one bathroom faucet aerator and one kitchen faucet aerator, providing two replacement furnace filters with installation instructions, providing energy efficiency educational materials appropriate for manufactured home occupants, and duct testing and sealing according to Performance Tested Comfort System which are standards set and maintained by the Bonneville Power Administration.

In March 2020, Idaho Power temporarily suspended in-home work due to safety concerns related to the COVID-19 pandemic. During the temporary suspension, Idaho Power tracked the homes requesting to participate by creating a program waiting list. As of October 18, 2021, Idaho

Power resumed in-home work, however the interruption in program activities reduced opportunities for participation, which resulted in the program achieving a Total Resource Cost (“TRC”) test ratio of 0.50 in 2021. On January 14, 2022, the Company submitted a filing in Docket No. UM 1710 requesting a cost-effectiveness exception for the Energy House Calls program through December, 31 2022, which was approved by the Commission at its March, 22, 2022 decision meeting.

Current Status of the Program

Through the Company’s evaluation of the program, three key assumption updates have impacted the program’s cost-effectiveness. First, in 2022, Idaho Power began using the Demand-Side Management (“DSM”) avoided costs from the Second Amended 2019 Integrated Resource Plan (“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 direct-install LED lightbulb savings assumptions from the Regional Technical Forum (“RTF”) have declined since 2019, and in 2022, Idaho Power will be using workbook version 9.4. The savings in this workbook for the bulbs in the program are nearly 60 percent lower than RTF workbook version 6.1 used in 2019. Finally, the RTF deactivated the workbooks for low-flow showerheads and faucet aerators.

Overall savings in the Energy House Calls program is heavily dependent on the savings from the duct-sealing measure. In December 2021, the RTF reviewed and updated the duct-sealing savings for manufactured homes based on program evaluations around the region. At 888 kWh, the TRC test benefit value of the duct-sealing measure based on the 2019 DSM avoided costs is \$447. In 2019, the average cost for a contractor to visit, test, and seal a home was \$479 and does not include the administrative costs to manage and market the program. It is anticipated that these contractor costs will continue to rise based on labor and supply-chain issues, therefore, it will be difficult for the benefit value to overcome the costs for the program to become cost-effective in the future. The duct-sealing measure will still be available to qualifying customers under Schedule 79, Weatherization Assistance for Qualified Customers Program.

Along with the duct-sealing measure, the contractors install other low-cost energy efficiency measures such as LED bulbs, low-flow showerheads, and low-flow faucet aerators. Over the years, contractors noted they’ve seen a decrease in these direct-install measures. Additionally, the RTF reviewed the savings assumptions for both low-flow showerheads and low-flow faucet aerators. Due to the increasing efficiency in the region from codes and standards, and the uncertainty around the relationship between the hot water savings and these specific water-saving devices, the RTF deactivated the savings workbooks. Therefore, there are no RTF supported savings associated with showerheads and aerators to be used in 2022.

Over the last decade, Energy House Calls has seen a steady decline in participation prior to the pandemic as shown in Charts 1 and 2 below. Chart 1 shows the number of homes completed for Idaho Power’s entire service area since 2010, and Chart 2 shows the number of homes completed by the program in Oregon over the last five years. With participation limited to one visit per address for the life of the program, each year there are fewer and fewer customers eligible to participate in the program. This impacts cost-effectiveness in that administrative costs are not able to be spread over a larger number of participants.

Chart 1. Total Energy House Calls Homes Completed 2010-2021 (Oregon & Idaho)

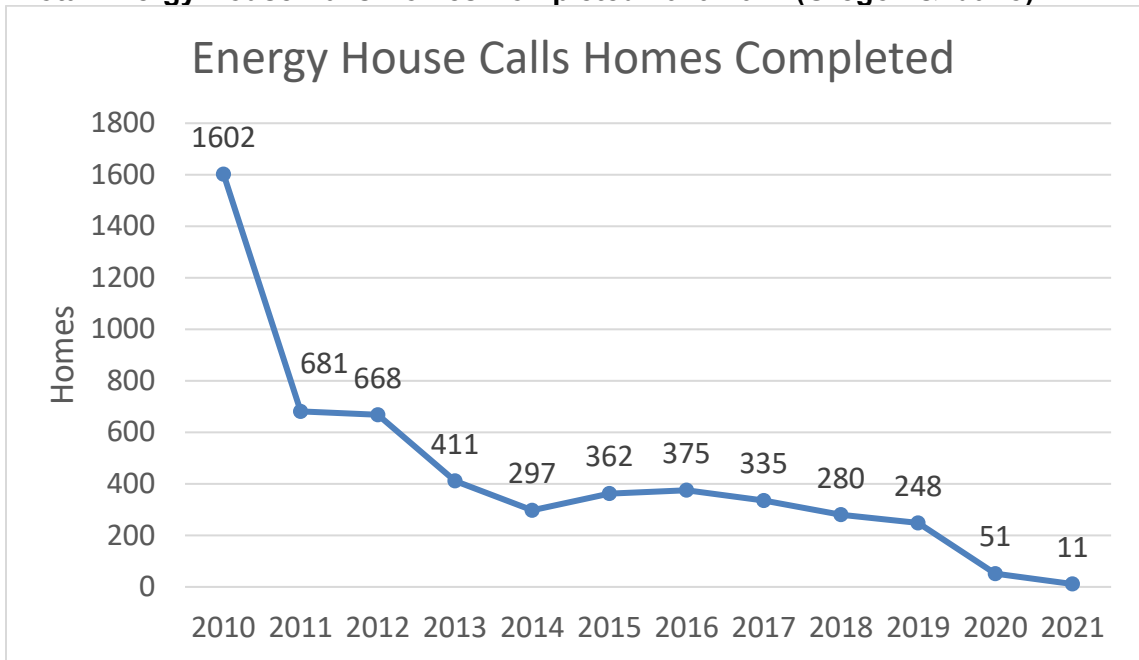
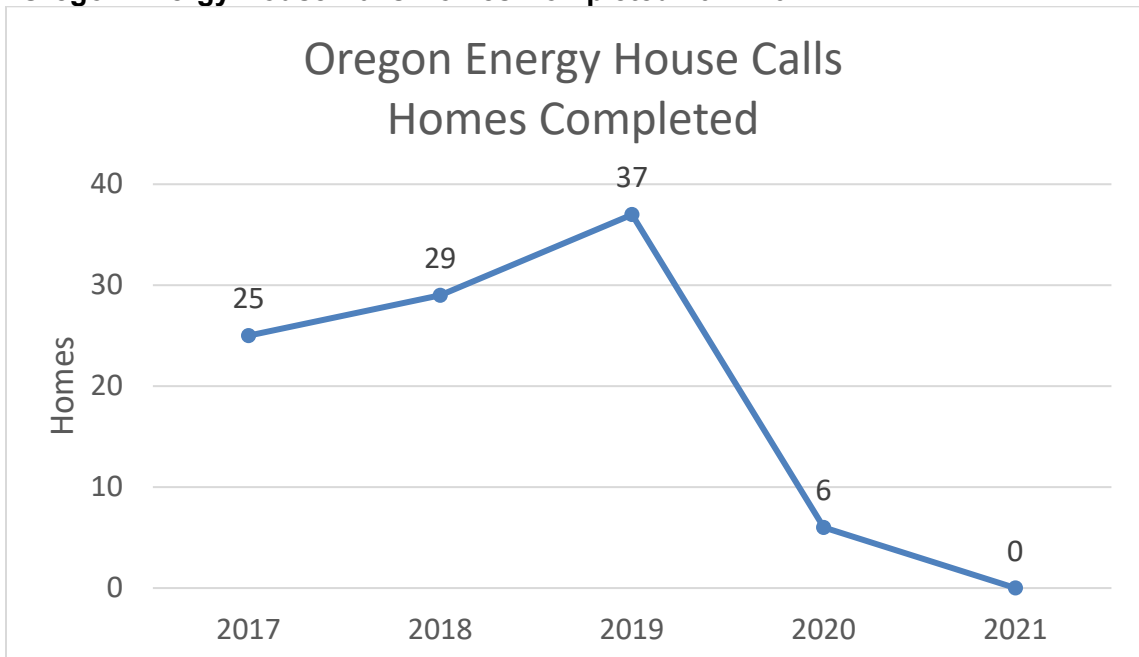


Chart 2. Oregon Energy House Calls Homes Completed 2017-2021



The current cost-effectiveness analysis is based on 2019 program participation counts, contractor costs, and program expenses, such as labor and marketing, since 2019 was the last full year of the program. The one-time evaluation cost and the costs associated with showerheads and aerators have been removed. Using the 2019 DSM avoided costs, the program has a Utility Cost Test (“UCT”) ratio of 0.70 and TRC ratio of 0.78. Further, avoided costs are expected to

continue to decline in the long-term, as the avoided costs from the 2021 IRP are lower over the planning horizon than those contained in the 2019 IRP. The primary duct-sealing measure has an 18-year measure life, and using the 2021 DSM avoided costs, the program has an anticipated UCT ratio of 0.65 and TRC ratio of 0.72. The Company presented the evaluation and findings described above at the November 2021, February 2022, and May 2022 EEAG meetings to solicit input and feedback. As a result of the collaboration, the Company ultimately decided on ending the Energy House Calls program as it became apparent the program would not be cost-effective going forward.

Conclusion

After a thorough analysis and stakeholder collaboration on the Energy House Calls program, the Company has concluded it will not be cost-effective in the future and proposes to end the program. As stated in the Company's cost-effectiveness exceptions request filed on January 14, 2022 in Docket No. UM 1710, the Company plans to work through the current list of customers who have previously expressed interest in participating in the program. The Company will also accept any customers who apply prior to July 1, 2022 before ending the program. Therefore, work associated with the Energy House Calls program may continue into the latter half of 2022.

The Company respectfully requests that the proposed modifications to Schedules 87 become effective July 1, 2022. If you have any questions regarding this filing, please contact Regulatory Analyst Zack Thompson at (208) 388-2982 or zthompson@idahopower.com.

Sincerely,



Connie Aschenbrenner

CA:sg

SCHEDULE 87
MANUFACTURED HOUSING
ENERGY EFFICIENCY PROGRAMS

This schedule describes the manufactured housing energy efficiency programs offered by the Company and funded by the Energy Efficiency Rider.

REBATE ADVANTAGE MANUFACTURED HOME INCENTIVES PROGRAM

AVAILABILITY

This program is available to a Customer who signs a sales agreement for a new ENERGY STAR® all-electric manufactured home. Sales of used homes or indirect sales of new homes are not eligible for this program. Applications to participate in the program are available through local manufactured home dealers. Incentives will be available on a first-come, first-served basis.

APPLICABILITY

This program is applicable to homes manufactured by an ENERGY STAR® homes manufacturer. In order to participate in the program, the home must be served under a residential electric service schedule and be sited in the Company's Oregon service territory.

SERVICE PROVIDED

Incentives are provided by the Company to Customers who purchase an eligible new all-electric manufactured home and to the sales consultant who sells the home in the following amounts:

Home Type
ENERGY STAR® qualified

Customer Incentive
\$1,000 per eligible home

Sales Bonus
\$200 per eligible home

(D)