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April 15, 2024

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301

Re: Docket UE 426
In the Matter of Idaho Power Company's Request for a General Rate
Revision

Attention Filing Center:

Please find attached for electronic filing Idaho Power Company's ("Idaho Power" or "Company") materials that were shared by the Company during today's Energy Justice Issues Workshop.

If you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink that reads "Connie Aschenbrenner".

Connie Aschenbrenner

CA:sg
Attachment



Idaho Power's General Rate Case (UE426)

Energy Justice Issues Public Workshop

April 15, 2024



Rate Impacts

GRC and Spring Filing Customer Rate Impacts

April 2024

Rate Impacts

- Idaho Power filed a general rate case (UE 426) requesting a \$10.7 million, or 19.28% increase to base rates (or 16.51% when including all bill components), effective October 15, 2024.
- The Company has two other rate change requests pending in front of the Commission that if approved, will be effective June 1, 2024:
 - UE 425 (Annual Power Cost Update - APCU)
 - UE 437 (Power Cost Adjustment Mechanism - PCAM)

Combined Rate Impacts		
UE 425 – APCU – Stipulation (4/11/24)	\$(6,897,407)	-10.42%
UE 437 – PCAM – Supplemental (4/12/24)	\$(924,968)	-1.40%
UE 426 – GRC - Filed	\$11,664,739	16.51%
Combined Impact to Customer Bills	\$3,842,364	4.69%



Low-Income Needs Assessment

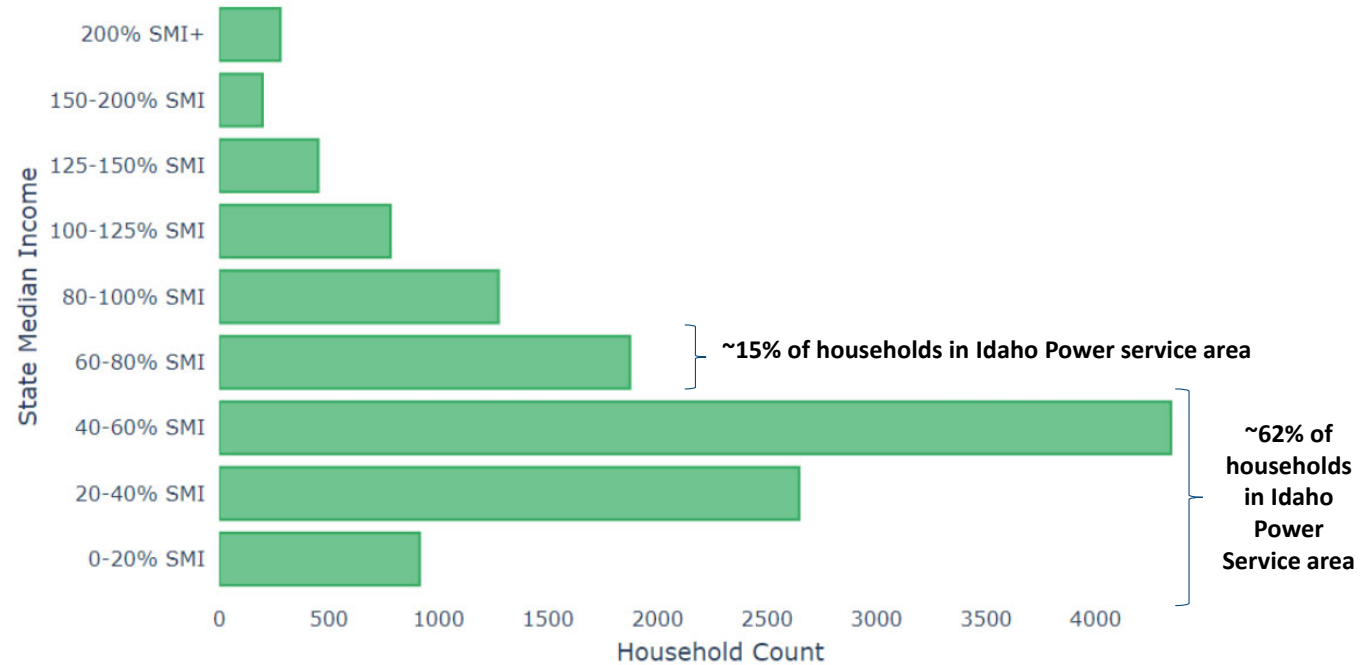
April 2024

Low Income Needs Assessment (LINA)

Empower Dataworks completed a LINA specific to Idaho Power's Oregon service area in Summer of 2023.

~62% of households in Idaho Power's service area are at 60% or less of SMI

An additional ~15% "borderline" households earn between 60-80% of SMI, and while ineligible for almost all energy assistance programs, still may bear a relatively high level of energy burden.

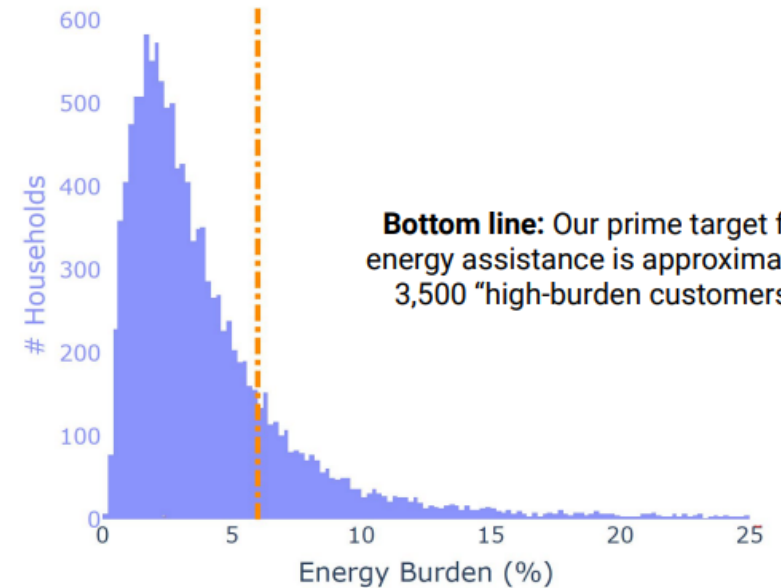


Low Income Needs Assessment (LINA)

Of 12,800 identified households, approximately 3,500 were deemed to have a high energy burden (annual electricity bills exceeded 6% or 3% of their annual income for electrically-heated or non-electrically heated homes, respectively).

Insights: Energy Burden

Number of Households ~12,800
Low Income Households 60% SMI*: ~8k 150% FPL: ~4k
Energy Burden (Electricity) Median: ~3% Average: ~4.2%
High Burden Households ~3,500



Note: Energy burden is based on total household energy use. In this assessment, we use separate thresholds for electric heat (6%) and non-electric heat households (3%) (similar to NJ and IL), since we don't have gas or delivered fuel data.

LINA Results

Empower Dataworks' identified three "Program challenges" in Idaho Power's service area

- **Small cost recovery base in Oregon**
 - Program costs will result in a significant bill impact for non-participants. The lowest income non-participants will see an increase in energy burden.
- **Participation barriers**
 - The more conservative nature of residents in eastern Oregon introduces a barrier to participation due to the stigma associated with assistance programs.
 - Rural nature and geographic size is a challenge for outreach.
- **Administrative challenges**
 - For small programs, overhead and administrative complexity represent a higher fraction of program budgets.

LINA Results

Needs Assessment Summary and Recommendations

- ❑ There is an **energy assistance gap** of \$700-900k in the Idaho Power service area in Oregon
- ❑ Many customers are **borderline high burden** and the cost-recovery base is small (13k residential customers)
- ❑ Recommend a **simple** tiered discount design with income self-certification and simplified intake form.
- ❑ High energy burden is driven primarily by **low incomes and high energy use**, not rates
- ❑ **Targeting** the program at high-burden customers is recommended in the pilot phase
- ❑ Recommend expanding Idaho Power's **CBO partnerships** for intake and outreach



Proposed Bill Discount Program

Schedule 63

April 2024

Schedule 63

Proposed Bill Discount Program – Recent Milestones

- **June 2022 Workshop**
 - General information and education
 - General feedback from attendees
- **September 2022 Workshop**
 - Reviewed IPC Oregon customer survey results
 - Proposed interim Bill Assistance Program
 - Received general feedback from attendees
- **Late 2022 through January 2023**
 - Selection of Empower Dataworks to complete the Company’s Oregon Low-income Needs Assessment (LINA)
- **March 2023 Workshop**
 - LINA scoping discussion with stakeholders
- **September 2023 Workshop**
 - LINA findings and preliminary program strawman shared with stakeholders
 - Received written stakeholder comments
- **November 2023 Workshop**
 - Final program proposal shared with stakeholders – received broad support for most programmatic details

Proposed Bill Discount Program

Written Feedback on
Proposed Program
Structure (filed in UM
2211 September 29,
2023).



<u>Topic</u>	<u>Stakeholder Feedback</u>	<u>Incorporated into Proposal</u>
LINA	Utilize a data-driven process to inform program design given Idaho Power's unique service area.	Yes
Targeted Assistance	Recommend offering discounts only to low-income customers, whose energy bills exceed 6% (3% for non-electric heating customers)	Yes
Discount tiers	The proposed discount tiers provide substantive relief and accept them as a compromise.	Yes
Annual Benefit Cap for participating customers	We oppose the annual maximum benefit of \$750.	Yes. The proposed program does not have a maximum annual benefit.
LIHEAP – application of payments	LIHEAP payments should be applied before determining a customer's energy burden.	Yes
LIHEAP – auto-enrollment of participants	Receipt of LIHEAP should not be an exception to the requirement to be energy burdened.	Yes. LIHEAP participants will not be auto enrolled; rather, determination of energy burden will still be required.
Income Verification	Intake process that relies on self-attestation.	Yes
Cost Recovery Cap	Oppose the proposed \$1,000 cost recovery cap for non-residential customers. There is no need to adopt any cap.	Partially incorporated. Modified original proposal to double the amount of the proposed monthly funding cap, increasing from \$1,000 to \$2,000.

Proposed Bill Discount Program

Future Considerations

Idaho Power looks forward to continued involvement in UM 2211 and other Idaho Power-specific discussions that will help inform and shape additional elements of its broader efforts to reduce customer energy burden.

September 29, 2023, Additional Written Feedback on Bill Discount Program:

<u>Topic</u>	<u>Stakeholder Feedback</u>	<u>Incorporated into Proposal</u>
Marketing	It may make sense to initially target enrollment efforts at the 85% of LIHEAP-eligible households that do not participate in LIHEAP due to funding limitations	TBD
Eligibility and Enrollment	Direct outreach informed by the LINA, social media engagement, on-line sign up, and working with CBOs to enroll	Idaho Power is developing an expanded portal that will allow CBOs (in addition to CAPs) to enroll eligible customers
Post-enrollment income verification	Thoughtfully design necessary income verification, including relying on metrics for selection.	TBD
Arrears	Assist with arrears, including a solution to existing high arrears for customers.	TBD
Energy Efficiency	Broaden and enhance weatherization programs to address the households identified as good candidates through the LINA.	TBD
Reporting	Regular reporting and identified performance metrics.	Yes. Additional factors to be reported upon will be considered as part of future conversations or program enhancements.

Proposed Bill Discount Program

Summary of Key Programmatic Elements



Eligibility Criteria:
Income ($\leq 60\%$ of State Median Income (SMI), adjusted for household size)
Customers may self-certify income through Idaho Power or participating CAP Agencies and/or CBOs
No automatic enrollment for LIHEAP recipients
Option for CAP Agencies and/or Community Based Organizations (CBOs) to enroll customers in program
Program Discounts:
0-20% SMI – 60%
20-40% SMI – 25%
40-60% SMI – 10%
Energy burden $>6\%$ for electrically heated homes and $>3\%$ for non-electrically heated homes
No annual benefit cap
Program is risk-free to participants
Post Enrollment:
Participants re-enroll every 2 years
Post-enrollment survey of participants and enrolling CAP Agencies/CBOs will be conducted
May conduct post-enrollment income verification through a sampling of participating customers
Tracking and Reporting:
Track and provide reporting of costs on a quarterly basis
Report on monthly metrics on quarterly basis

Proposed Bill Discount Program

Planned near-term activities associated with Program Outreach & Implementation

Stakeholder Engagement	
Outreach to stakeholders	April 2024
First Workshop	May 2024
Second Workshop	June 2024
Third Workshop	July 2024
Marketing Plan Execution	
Create draft marketing plan	Apr/May 2024
Finalize marketing plan	June 2024
Create draft collateral	June 2024
Draft website information	June 2024
Finalize collateral	July/Aug 2024
Finalize website	Sept/Oct 2024
CAP Agencies & CBO Training	
Identify participating Agencies and CBOs	May 2024
Provide portal access to Agencies and CBOs	August 2024
Train participating Agencies and CBOs on portal use	Aug-Oct 2024

Schedule 63 Tariff Language



AVAILABILITY

The Bill Discount Program is available to all residential Customers who are able to demonstrate or otherwise self-declare that their gross annual household income, adjusted for household size, is at or below 60 percent of household adjusted State Median Income (“SMI”), and whose household’s estimated annual energy burden is calculated to be greater than six percent for homes that are primarily electrically heated, or greater than three percent for homes that are primarily heated using an alternative fuel source. The calculation to determine a Customer’s estimated annual energy burden amount will be performed by the Company or a representative authorized by the Company who performs such calculation in conformance with practices approved by the Company.

In order to facilitate the Company’s calculation of a Customer’s estimated energy burden, the Customer or their declared primary residence must have a combined 12 months’ worth of billing history.

Schedule 63 Tariff Language



ENROLLMENT

Customers may request to participate in the Bill Discount Program by contacting Idaho Power Company at 1-800-388-6040, through a participating Community Action Partnership Agency (“CAP Agency”), or through a participating Community-based Organization (“CBO”). A list of participating CAP Agencies and CBOs can be found at idahopower.com/accounts-service/make-payment/help-paying-bill/oregon-assistance/.

PROGRAM DESCRIPTION

Participating residential Customers will receive a monthly bill discount at one of three levels based upon the Customer’s demonstrated or self-declared gross household income, adjusted for household size, as a percentage of household adjusted SMI, as follows.

	Adjusted Household Income	Discount Towards Eligible Charges
Tier 1	up to 20% SMI	60% discount
Tier 2	>20% up to 40% SMI	25% discount
Tier 3	>40% up to 60% SMI	10% discount

Schedule 63 Tariff Language



CUSTOMER TERMS AND CONDITIONS

Upon acceptance into the Bill Discount Program, Customers will be subject to the following terms and conditions:

6. It is the Customer's responsibility to notify the Company if there is a change in eligibility status.
7. If the Customer is removed from the program, the Company will not seek to recover any benefits already provided to the Customer. A customer that has been removed from the program remains eligible for re-enrollment once the Company has received satisfactory documentation verifying such Customer's eligibility and need.
8. Participating customers must re-enroll in the program every two years.
9. This Schedule is governed by its terms, the General Rules and Regulations contained within the tariff of which this Schedule is a part of, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Schedule 63 Tariff Language



CUSTOMER TERMS AND CONDITIONS

Upon acceptance into the Bill Discount Program, Customers will be subject to the following terms and conditions:

1. A Bill Discount Program participant must be the accountholder.
2. Household size reflects all permanent residents in the home, including adults and children.
3. Gross annual household income refers to the aggregate amount of both taxable and nontaxable forms of income from all sources and for all persons in the applicant's household.
4. A participating Customer's eligible discount amount applies only towards bills associated with the Customer's declared, permanent primary residence and only towards new charges billed after enrollment, commencing with the Billing Period following the Customer's date of enrollment in the program.
5. The Company may randomly select 3 percent of participating Customers to provide post-enrollment verification of need to continue receiving the provided discount. Participating customers that have received Low Income Home Energy Assistance Program bill assistance within the most recent two years will not be subject to a post-enrollment verification of need.



Bill Discount Program Cost Recovery

Schedule 64

April 2024

Schedule 64 – Cost Recovery

Scenario 1: Annual program cost of \$488,000 (25% participation)

Customer Class	No. of Customers	Idaho Power’s Proposal (\$2K/mo. Bill Cap for non-residential customers)		OPUC Staff’s Proposal (\$3K/mo. Bill Cap for non-residential customers)		No Monthly Cost Recovery Cap	
		% of Funding	\$ Bill Increase	% of Funding	\$ Bill Increase	% of Funding	\$ Bill Increase
Residential (Sch. 1 & 5)	13,816	32.2%	\$0.95/mo.	28.4%	\$0.84/mo.	28.4%	\$0.84/mo.
Small General (Sch. 7)	2,727	3.4%		3.0%		3.0%	
Large General (Sch. 9)	962	21.7%		19.2%		19.2%	
Large Power (Sch. 19)	6	31.6%	0.081¢/kWh	39.5%	0.072¢/kWh	39.5%	0.072¢/kWh
Agricultural (Sch. 24)	2,298	11.1%		9.8%		9.8%	
Other	40	0.1%		0.1%		0.1%	

Schedule 64 – Cost Recovery

Scenario 2: Annual program cost of \$976,000 (50% participation)

Customer Class	No. of Customers	Idaho Power’s Proposal (\$2K/mo. Bill Cap for non-residential customers)		OPUC Staff’s Proposal (\$3K/mo. Bill Cap for non-residential customers)		No Monthly Cost Recovery Cap	
		% of Funding	\$ Bill Increase	% of Funding	\$ Bill Increase	% of Funding	\$ Bill Increase
Residential (Sch. 1 & 5)	13,816	39.6%	\$2.33/mo.	35.9%	\$2.11/mo.	28.4%	\$1.67/mo.
Small General (Sch. 7)	2,727	4.1%		3.7%		3.0%	
Large General (Sch. 9)	962	26.7%		24.2%		19.2%	
Large Power (Sch. 19)	6	15.8%	0.200¢/kWh	23.7%	0.181¢/kWh	39.5%	0.144¢/kWh
Agricultural (Sch. 24)	2,298	13.7%		12.4%		9.8%	
Other	40	0.1%		0.1%		0.1%	

Schedule 64 – Cost Recovery

Scenario 3: Annual program cost of \$1,952,000 (100% participation)

Customer Class	No. of Customers	Idaho Power’s Proposal (\$2K/mo. Bill Cap for non-residential customers)		OPUC Staff’s Proposal (\$3K/mo. Bill Cap for non-residential customers)		No Monthly Cost Recovery Cap	
		% of Funding	\$ Bill Increase	% of Funding	\$ Bill Increase	% of Funding	\$ Bill Increase
Residential (Sch. 1 & 5)	13,816	43.3%	\$5.10/mo.	41.4%	\$4.88/mo.	28.4%	\$3.34/mo.
Small General (Sch. 7)	2,727	4.5%		4.3%		3.0%	
Large General (Sch. 9)	962	29.2%		27.9%		19.2%	
Large Power (Sch. 19)	6	7.9%	0.438¢/kWh	11.8%	0.419¢/kWh	39.5%	0.287¢/kWh
Agricultural (Sch. 24)	2,298	14.9%		14.3%		9.8%	
Other	40	0.1%		0.1%		0.1%	



Residential Rate Design

Service Charge and Seasonal Energy Rates Proposals

April 2024

Residential Rate Structure - Overview

- The rate structure applicable to standard service residential customers is comprised of a “**service charge**” and “**energy charges.**”
- The **proposed service charge** would collect **costs that don’t vary with usage** (e.g., the cost of meters, service wires, customer billing) and **the remaining fixed costs** (most of the cost of the distribution system, all transmission and generation related costs) and all variable net power supply expenses **would be collected through the “energy charges.”**
- A change in the way the costs are collected will result in more equitable collection of costs from customers and will reduce the impact of the rate increase for the majority of high-energy burdened customers.

Evaluation of Actual Monthly Energy Usage

The average monthly energy usage for LINA-identified 'High Energy Burden' households is 30% higher than other Oregon households

Customers with higher energy usage will benefit from rate design that equitably collect costs through fixed service charges



12,800 Total Households

1,280 kWh average monthly usage

9,300 Households – Not High Energy Burden

1,120 kWh average monthly usage

3,500 Households – High Energy Burden

1,710 kWh average monthly usage

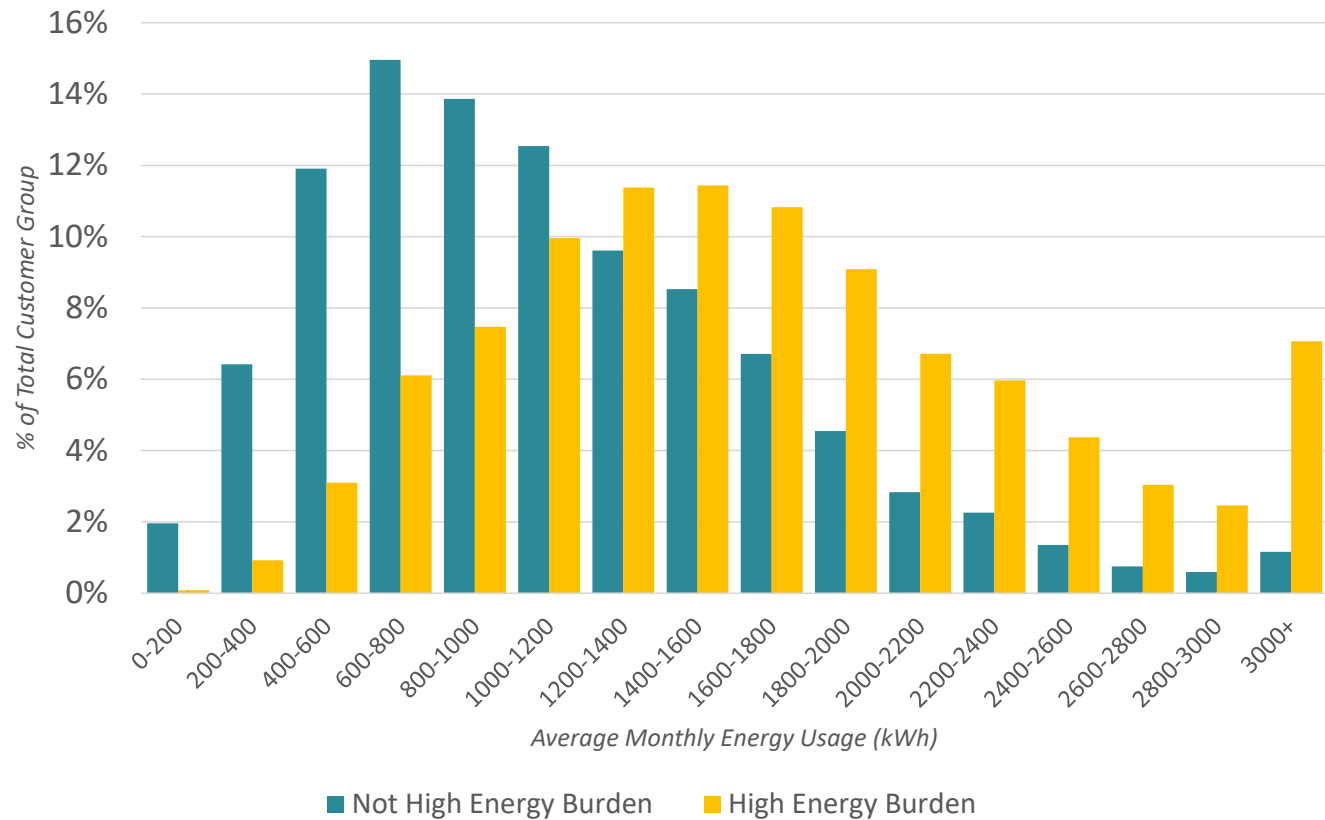
Notes:
Household/customer counts per Idaho Power LINA Study.

Evaluation of Actual Monthly Energy Usage

Average monthly energy consumption is greater than 1,200 kWh for 72% of 'High Energy Burden' households

In comparison, only 38% of 'Not High Energy Burden' households average more than 1,200 kWh per month

Customers by Average Monthly kWh
2022 Actual Energy Usage

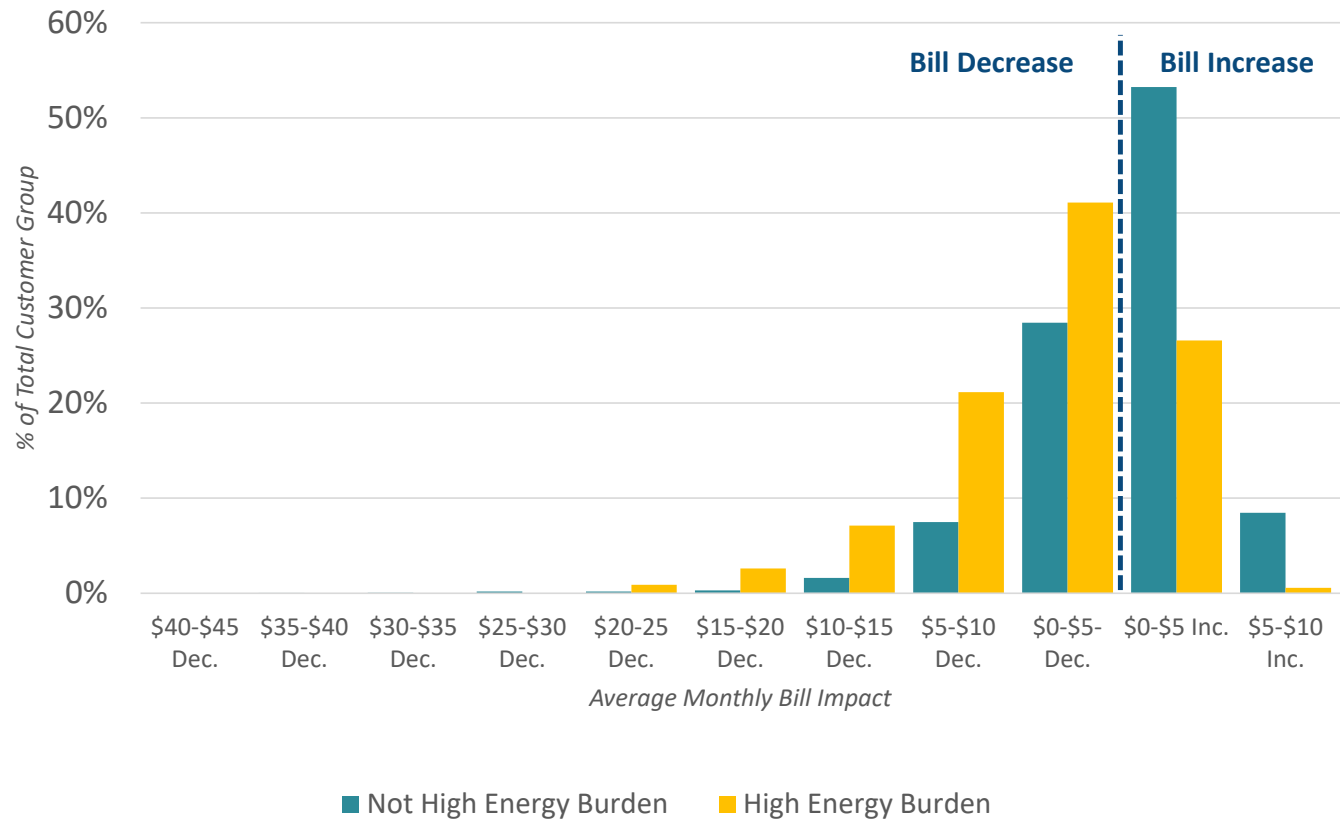


Isolating the Service Charge Increase

When isolating the change in the service charge, 73% of 'High Energy Burden' households would see a bill decrease

In comparison, only 38% of 'Not High Energy Burden' households would see a bill decrease

Average Monthly Bill Impact
2022 Actual Energy Use – Isolating Service Charge Impact (\$15 vs \$8)



Proposed Changes to Customer Bills



Over 70% of 'High Energy Burden' customers would see a bill increase under Staff's proposed lower Service Charge

In comparison, 60% of 'Not High Energy Burden' customers would see a bill decrease under Staff's proposed lower Service Charge

Revenue Neutral Bill Comparison

	Idaho Power Proposal	Staff Proposal
Service Charge	\$15.00	\$10.00
Average Energy Rate/kWh	10.3612¢	10.7907¢
'High Energy Burden' Customer <i>1,710 kWh per Month</i>	\$192.18	\$194.52
'Not High Energy Burden' Customer <i>1,120 kWh per Month</i>	\$131.05	\$130.86



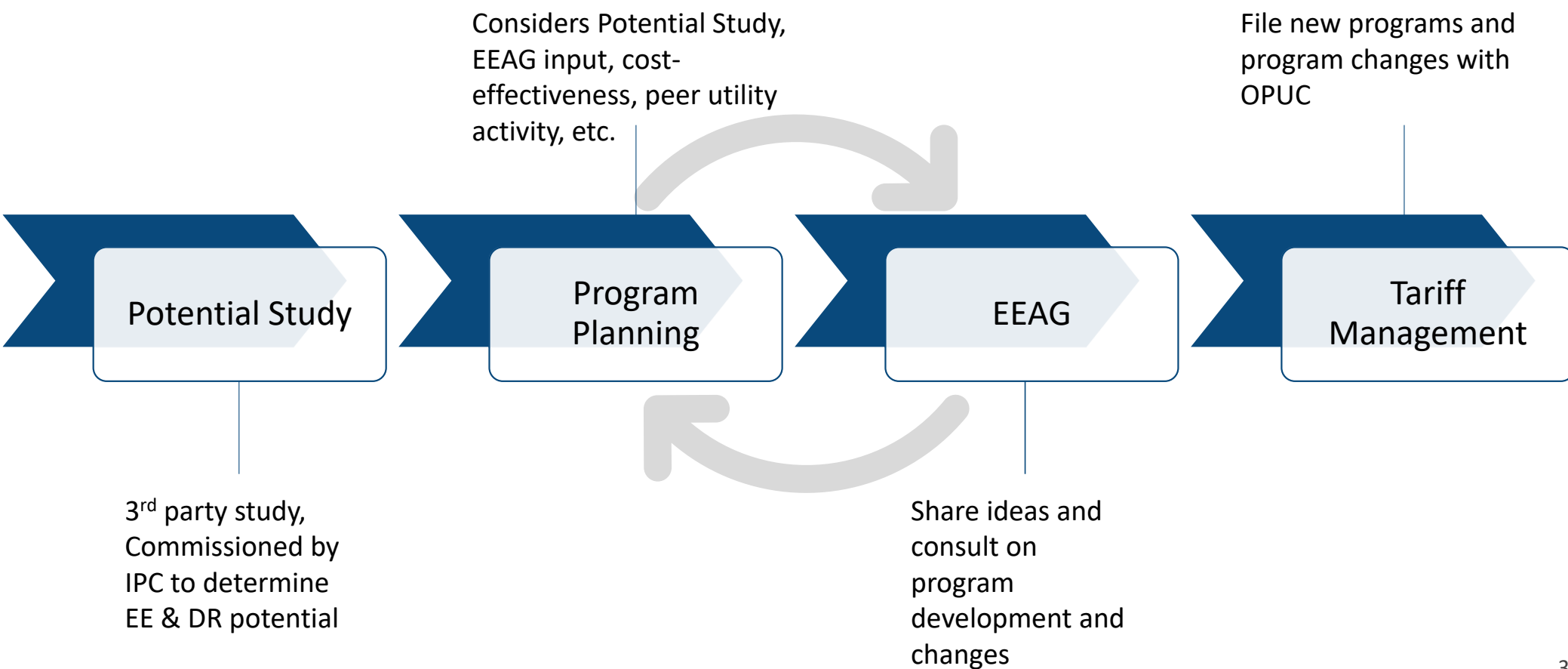
Energy Efficiency & Weatherization

April 2024

Energy Efficiency Funding

- **Energy Efficiency Programs are funded through Schedule 91, Energy Efficiency Rider**
 - Currently 4% of base rate revenues
 - No changes to funding amounts or mechanism requested in the GRC
- **WAQC is funded through base rates**
 - \$45,000 annually requested in the GRC, which is consistent with prior levels authorized

Energy Efficiency & Demand Response Programs – Planning & Development



Residential Programs



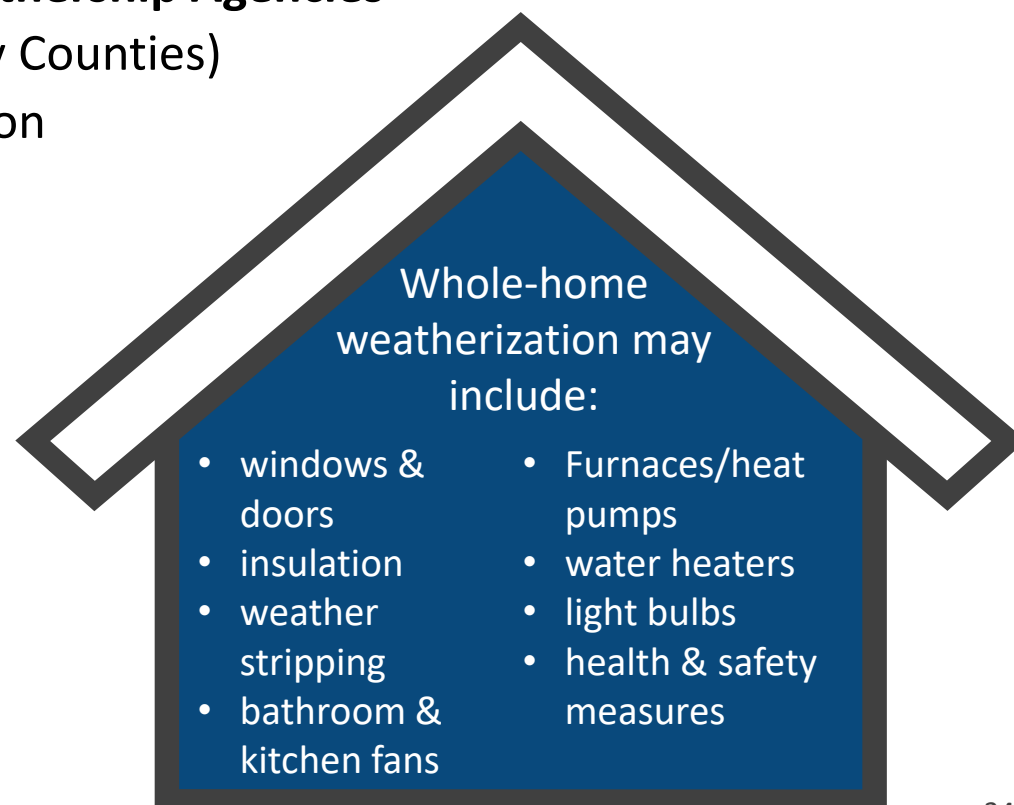
Program	Description	Benefit Type	Cost to Participant
A/C Cool Credit	Bill credits for allowing Idaho Power to cycle the customer A/C unit during summer month demand response events	Bill credits	None
Educational Distributions	<ul style="list-style-type: none"> Welcome Kits - Kits containing energy saving components and educational material Student Energy Efficiency Kits – Kits and educational material for schools to teach energy efficiency to 4th & 6th graders Energy saving items, such as LED nightlights 	Free Giveaway	None
Heating & Cooling Efficiency	Cash incentives for the purchase of energy efficiency HVAC equipment, such as heat pumps, air-conditioners, heat pump water heaters, fans, smart thermostats, etc.	Rebates	Purchase of qualifying equipment
Oregon Residential Weatherization	Free energy audits for electrically heated homes.	Free Service	None
Rebate Advantage	Cash rebates for the purchase of ENERGY STAR® manufactured homes	Rebates	Purchase of qualifying manufactured home
Weatherization Assistance for Qualified Customers	Weatherization services, products and education for income-qualified customers that heat with electricity. Managed by CAP Agencies, funded by Idaho Power	Free Service	None

Commercial/Industrial, Irrigation & Multifamily Programs

Program	Description
Commercial / Industrial	
Flex Peak Program	Cash incentives to business customers for reducing their usage during demand response events in the summer
New Construction	Cash incentives for energy efficiency for major renovations, additions, expansions or change-of-space use
Retrofits	Cash incentives for energy efficiency for lighting or specific equipment upgrades in existing facilities
Custom Projects	Cash incentives to business customers for cost-effective projects not covered under New Construction or Retrofits
Irrigation	
Irrigation Peak Rewards	Cash incentives to irrigators for turning off pumps (or allowing Idaho Power to turn off pumps) during demand response events in the summer
Irrigation Efficiency Rewards	Cash incentives for energy efficiency upgrades of existing pump systems or installation of efficient new pump systems
Multifamily	
Multifamily Energy Efficiency	Cash incentives for multifamily energy efficiency projects with five or more dwelling units per building

Weatherization Assistance for Qualified Customers (WAQC), Schedule 79

- **Administered by State Community Action Partnership Agencies**
 - Community in Action (Malheur and Harney Counties)
 - Community Connection of Northeast Oregon (Baker County)
- **Heating source must be electric**
- **Income-Qualified Customers**
 - Up to 200% of federal poverty
- **Annual Funding (Idaho Power) \$45,000**
 - Up to 85% of total project cost, and 10% administration

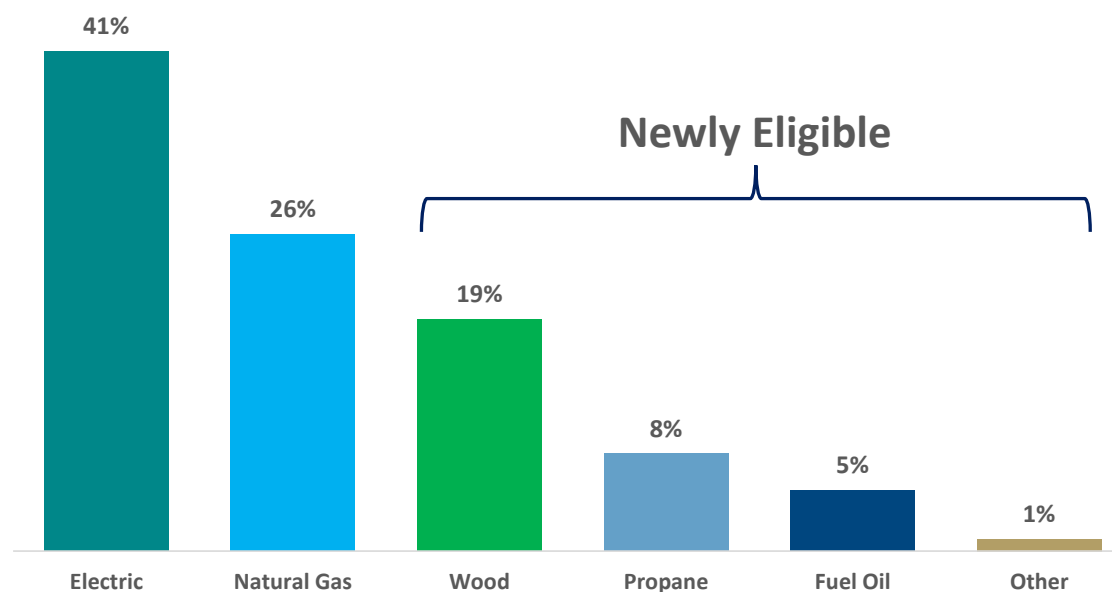


Schedule 79 – Modification under Consideration

WAQC Eligibility Criteria Change

- Allow low-income customers to participate if their primary heat source is a non-metered fuel type but they use electric heating as a back-up/secondary heat source.

Residential Customers' Primary Heat Source, based on Idaho Power's 2022 Residential End-Use Survey Results (Oregon-specific)



New Weatherization Program under Consideration

- **Weatherization Solutions for Eligible Customers (“Solutions”)**
 - Objective is to weatherize more low-income homes by reducing CAP Agency barriers, i.e.
 - Low administration fees otherwise available through WAQC
 - Rules around leveraging DOE funds
 - Average Job Cost cap
 - DOE approved audit software
 - SIR requirements
 - Structured similarly to the Solutions program offered in Idaho
 - Separate funding from WAQC

Solutions Program Summary – under consideration

- 1. Reimburse CAP Agencies up to a Maximum Total Job Cost of \$26,000**
 - 30% toward Administration costs
 - 100% Idaho Power funds and funded through the Energy Efficiency Rider
- 2. Total Annual Dollar Cap of \$78,000**
 - Total annual Weatherization funding of \$123,000 (Solutions & WAQC)
- 3. Include Idaho Power customer households up to 250% of the federal poverty level to reduce qualification barriers**
- 4. Include customer homes heated primarily with a non-metered fuel sources to reduce qualification barriers**
 - Propose for both the Solutions and WAQC programs