

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 9, 2021**

REGULAR CONSENT EFFECTIVE DATE March 10, 2021

DATE: March 1, 2021

TO: Public Utility Commission

FROM: Anna Kim

THROUGH: Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. ADV 1238/Advice No. 21-01)
Requests Update to Schedule 89 Tariff Relating to Commercial and Industrial Energy Efficiency.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Idaho Power Company's (the Company) Advice No. 21-01, updating Schedule 89 for the Commercial and Industrial Energy Efficiency Program (C&I Program), effective with service on and after March 10, 2021.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power Company's advice filing updating Schedule 89 to make modifications to the C&I Program.

Applicable Law

Under ORS 757.210 the Commission may approve tariff changes if they are deemed to be fair, just and reasonable. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025.

OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the

proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. ORS 757.220; OAR 860-022-0015.

OAR 860-027-0310, encourages energy utilities to acquire cost-effective conservation resources. Energy utilities may apply for Commission approval of programs designed to promote the acquisition of cost-effective conservation resources. Under OAR 860-027-0310(2), the Commission reviews proposed programs and modifications to programs to consider whether the program (1) includes cost-effective measures, incents cost minimization, and is not easily manipulated by the utility; (2) is predictable; (3) is simple; and (4) fairly allocates risks and rewards between shareholders and ratepayers, minimizes cross-subsidization by non-participants, and does not impose rate pressure. In developing cost-effective conservation programs, energy utilities may balance the emphasis given to each policy listed above. Greater focus on one policy may come at the expense of another policy, if the whole proposal is reasonable.

Analysis

Background

The 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 program provides incentives for a variety of prescriptive lighting and non-lighting measures, as well as a custom, non-prescriptive pathway.¹

Measure Changes

The Company proposes to make multiple changes to the prescriptive retrofits lighting measures. These changes are the removal of some measures, increases in incentives for other measures, addition of new measures, and a housekeeping update.

First, the Company proposes to remove the following standard lighting measures:

- T8 Fluorescents
- T5/T8 High Bay New Fixtures
- Fluorescent Delamping
- Reduced Wattage T8/T5HO
- Relamp T8/T5HO to Reduced Wattage T8/T5HO

¹ Idaho Power Company Advice No. 21-01 p. 1.

- Refrigeration Case Lighting

These are fluorescent-based lighting measures. The Company finds that switching to LEDs provides more savings, and that customers do not find these current standard options appealing. The Company also has non-standard options available for any customers interested in fluorescent technologies.

Staff supports the removal of these measures. Staff finds the Company's observations consistent with market trends and agrees that LED technologies provide greater energy benefits.

Second, the Company proposes removing the following options for lighting controls:

- Wall switch occupancy sensor
- Ceiling mount occupancy sensor
- Fixture mount occupancy sensor – interior; Interior photocell control (dimming, step dimming or switching)
- Multiple control strategies on existing LED - interior from the standard incentive menu.

Staff supports the removal of these measures because they are no longer cost-effective. As the baseline for lighting improves, the savings from lighting controls declines.

Third, the Company proposes increasing incentives the following lighting measures to increase participation:

Measure	Unit	Location	Old Price	New Price
HID LED screw-in replacement lamp	per watt reduced	Exterior	\$0.20	\$0.24
		Interior	\$0.22	\$0.26
Linear LED tube (Types A, B, DM)	per foot	Exterior	\$0.50	\$1.00
		Interior	\$0.50	\$1.00
Linear LED tube (Type C)	per kWh reduced	Exterior	\$0.02	\$0.04
		Interior	\$0.05	\$0.10
LED Level 1 retrofit kit	per kWh reduced	Interior	\$0.10	\$0.12
LED fixture or LED Level 2 retrofit kit	per kWh reduced	Exterior	\$0.12	\$0.14
		Interior	\$0.15	\$0.19
LED fixture or LED Level 2 retrofit kit with single control strategy	per kWh reduced	Exterior	\$0.14	\$0.16
		Interior	\$0.18	\$0.21
LED fixture or LED Level 2 retrofit kit with multiple control strategies	per kWh reduced	Exterior	\$0.16	\$0.18
		Interior	\$0.20	\$0.24
LED fixture or LED Level 2 retrofit kit with networked controls	per kWh reduced	Exterior	\$0.18	\$0.20
		Interior	\$0.22	\$0.26
LED sign lighting retrofit	per kWh	Exterior	\$0.10	\$0.14
		Interior	\$0.12	\$0.18

With the exception of the LED tubes, these incentive increases are small. Staff finds these increases reasonable, as measures remain cost-effective. Staff also supports the increase in LED tubes as it supports the removal of the fluorescent measure incentives while remaining cost-effective.

Fourth, in addition to the increase in incentives, the Company requests to remove the watt requirement for “Linear LED tube measures (Types A, B, DM and C),” that lamps being replaced be greater than 17 input watts. The Company analyzed a change to the measure to include lamps replaced with fewer than 17 input watts and found this modification to still be cost-effective. Staff supports this change, as it increases the cost-effective options.

Fifth, the Company proposes to add the following LED level 1 retrofit kits with controls as new 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.

The Company believes that customers will benefit from measure kits similar to those offered for Level 2 retrofit kits. These integrated kits are being produced by manufacturers and enable more control strategies.

Staff supports the addition of these measures as lighting controls are an area of growth for energy efficiency in lighting.

Finally, the Company proposes the following housekeeping update:

- Retitle "LED hardwired conversion/LED Level 1 retrofit kit" to "LED Level 1 retrofit kit" because the wording "hardwired conversion" has been found to be unnecessary.

Staff supports this change.

Conclusion

Based on Staff's analysis, Staff recommends that the Commission allow the advice filing to go into effect to update its Schedule 89.

PROPOSED COMMISSION MOTION:

Approve Idaho Power's revised Schedule 89 Commercial and Industrial Energy Efficiency Program tariff and proposed modifications as described in Advice No. 20-13, effective with service on and after March 10, 2021.