

**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.