

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 27, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2023

DATE: December 19, 2022

TO: Oregon Public Utility Commission

FROM: Eric Shierman

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

SUBJECT: IDAHO POWER COMPANY:
(Docket No. ADV 1446/Advice No. 22-06)
Update to Schedule 89 to extend Small Business Direct Install energy efficiency program extension.

STAFF RECOMMENDATION:

Approve Idaho Power Company's Advice No. 22-06.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve Idaho Power Company's (Idaho Power or the Company) request to extend Schedule 89's Small Business Direct Install (SBDI) program to the end of March 2023.

Applicable Rule or Law

Every public utility must file "schedules which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it" with the Public Utilities Commission. ORS 757.205 (1). Any proposed 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.

“[I]n order to produce cost-effective energy savings, reduce customer demand for energy, reduce overall electrical system costs, increase the public health and safety and improve environmental benefits,” electric utilities must, “plan for and pursue all available energy efficiency resources that are cost effective, reliable and feasible.” ORS 757.054(3)(a).

Energy utilities apply for Commission approval of programs designed to promote the acquisition of cost-effective conservation resources pursuant to OAR 860-027-0310. The Commission reviews proposed programs and program modifications to consider whether the program includes cost-effective measures, incents cost minimization, is not easily manipulated by the utility, and is predictable and simple. OAR 860-027-0310(2). The program must also fairly allocate risks and rewards between shareholders and ratepayers, minimize cross-subsidization by non-participants, and promote rate stability. The rules recognize utilities may need to balance these objectives where one policy comes at the expense of another.

Analysis

Background

On October 30, 2019, Idaho Power proposed the SBDI offering as a three-year component within Schedule 89’s commercial and industrial energy efficient program. SBDI is designed to fully fund the costs of installing energy efficiency features in existing and new commercial and industrial buildings for small businesses. SBDI provides incentives for a variety of prescriptive lighting and non-lighting measures and customized measures for projects falling outside the prescriptive offerings. These measures are provided at no cost to the customer.

Reason for Extension

Idaho Power planned to market SBDI regionally within the Company’s service territory, moving from east to west. Idaho Power had planned to reach its Oregon service territory by the end of 2022. This timing was disrupted by COVID-19 due to a seven-month on-site work suspension.

The extension request will give time to complete this offering for Oregon customers. Idaho Power resumed marketing SBDI to its Oregon customers in August of this year. To have enough time to follow-through on this marketing campaign, Idaho Power requests an extension of the December 2022 expiration to the end of March 2023.

Cost-Effectiveness

For its first two years, SBDI has proven to be cost-effective. For the Total Resource Cost Test, SBDI’s benefit/cost ratio was 1.61 in 2020 and 1.54 in 2021.

Stakeholder Engagement

Idaho Power has updated stakeholders on the status of SBDI at regularly held Energy Efficiency Advisory Group (EEAG) meetings. The Company first proposed an extension to March 2023 at the May 4, 2022, EEAG meeting. No parties are known to oppose this extension.

Conclusion

Staff recommends the Commission approve Idaho Power's request to extend the expiration of Schedule 89's SBDI. An extension to March 2023 will provide more time for Oregon customers to receive the same offering that Idaho customers have had.

PROPOSED COMMISSION MOTION:

Approve Idaho Power Company's Advice No. 22-06.