

ITEM NO. CA2

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: March 7, 2023**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE** March 10, 2023

**DATE:** February 22, 2023

**TO:** Public Utility Commission

**FROM:** Curtis Dlouhy

**THROUGH:** Bryan Conway, Caroline Moore, and Scott Gibbens **SIGNED**

**SUBJECT:** IDAHO POWER COMPANY:  
(Docket No. ADV 1487/Advice No. 23-01)  
Modification to Schedule 78 – Residential Energy Conservation Program.

**STAFF RECOMMENDATION:**

Approve Idaho Power Company's (Idaho Power, or Company) Advice No. 23-01, which updates the cost-effective limits (CELs) for residential Energy Conservation Measures included in Schedule 78.

**DISCUSSION:**

Issue

Whether the Oregon Public Utility Commission (OPUC or Commission) should approve Idaho Power's Advice No. 23-01, which updates the CELs in Schedule 78 for residential conservation measures.

Applicable Law

ORS 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. ORS 469.633 and ORS 469.635 require all investor-owned utilities to have an approved residential energy conservation program that makes available to all residential customers utility information about energy conservation measures; and makes energy conservation measure financing available to dwelling owners.

Generally, energy efficiency programs offered by a utility must be cost-effective or meet the criteria for a cost-effectiveness exception set out in the Commission's guidelines for calculation and use of conservation cost-effectiveness limits In Order No. 94-590.

ORS 469.631(4) defines "cost-effective." OAR 860-030-0010 similarly defines "cost effective" and lists the types and life-cycles of energy conservation measures. OAR 860-030-0010(1) provides that "cost-effective," as defined in ORS 469.631(4), relates to an energy conservation measure's cost, life cycle, and the cost of alternative energy facilities. An energy utility's cost-effectiveness calculations should be consistent with the utility's most recently acknowledged least-cost plan, pursuant to Order No. 89-507.

### Analysis

#### *Background*

The Company's Schedule 78 outlines the cost-effective guidelines and eligibility requirements for Idaho Power's Residential Energy Conservation Program, including the CELs for the program. The Company computes a separate CEL for Energy Conservation Measures with expected useful lives of 30 years, 25 year, 15 years, and seven years. In this filing, the Company is proposing the update the CELs for Energy Conservation Measures, while leaving the language of the rest of the tariff unchanged. Staff notes that CEL rate of \$0.24 per kWh for the seven-year Energy Conservation Measures remains unchanged upon recalculation. In this filing, the Company proposes the following CELs:

<b>Useful Life</b>	<b>Current CEL (\$/kWh)</b>	<b>Proposed CEL (\$/kW)</b>
7 years	0.24	0.24
15 years	0.46	0.42
25 years	0.65	0.55
30 years	0.72	0.59

The CELs are calculated using avoided cost parameters consistent with the Company's last acknowledged Integrated Resource Plan (IRP). The Company submitted workpapers demonstrating how the IRP values are used to calculate the CELs in Schedule 78.

#### *Analysis*

Staff examined the workpapers that the Company submitted with its ADV 1487 filing and found no errors. The Company's proposed tariff reflects the final values calculated in the workpaper and the methods in the workpapers match the IRP avoided cost values as per Order No. 89-507.

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Conclusion

Approve Idaho Power's Advice No. 23-01, which updates the CELs in Schedule 78 for residential Energy Conservation Measures.

**PROPOSED COMMISSION MOTION:**

Approve Idaho Power's Advice No. 23-01, which updates the CELs in Schedule 78 for residential Energy Conservation Measures.

IPC ADV 1487/Advice No. 23-01