

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 22, 2023**

REGULAR **CONSENT** **EFFECTIVE DATE** September 5, 2023

DATE: August 14, 2023

TO: Public Utility Commission

FROM: Peter Kernan

THROUGH: JP Batmale and Sarah Hall **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. ADV 1530/Advice No. 23-06)
Proposes modifications to Schedule 89 for commercial and industrial energy efficiency measures.

STAFF RECOMMENDATION:

Approve Idaho Power Company's Advice No. 23-06, updating Schedule 89 for the Commercial and Industrial Energy Efficiency Program (C&I Program), effective with service on and after September 5, 2023.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve Idaho Power Company's (Idaho Power or the Company) advice filing updating Schedule 89 to make modifications to the C&I Program.

Applicable Rule or Law

Under ORS 757.210(1)(a) 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

Idaho Power's Commercial and Industrial (C&I) Program is an incentive-based program designed to help reduce the costs of installing energy efficiency measures 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.

Measure Changes

In this filing, Idaho Power requests changes to measure offerings in the New Construction and Retrofit Programs. In the New Construction Program, the Company seeks to add a single measure and in the Retrofit Program seeks to add, modify, and remove measures in three categories, which will each be reviewed below:

1. Other Equipment
2. Food Service Equipment
3. Lighting and Lighting Controls

New Measure for Other Equipment: Indoor Pool Covers

Idaho Power requests to add a measure for indoor pool covers for electrically heated pools in both the New Construction Program and the Retrofit Program. Staff supports the addition of this measure in both applications to offer additional ways for customers to participate in Idaho Power efficiency programs. The New Construction and Retrofit Indoor Pool Cover measures have Total Resource Cost (TRC) test values of 2.29 and 1.75 respectively.

Changes to Measures for Food Service Equipment

Idaho Power requests multiple changes to the food service equipment category to reflect updated analysis. First, the Company requests to add a commercial refrigeration measure after the utility gathered sufficient data on measure savings and costs to offer a prescriptive measure. This measure has a TRC of 1.13.

The Company also requests to remove and modify ENERGY STAR electric combination oven measures. The Regional Technical Forum (RTF) made changes to ENERGY STAR electric combination ovens by combining three separate measures differentiated by the number of pans an oven could hold. Idaho Power requests to remove the three measures with varied pan configurations: 5-14 pans; 15-28 pans; and 29-40 pans. The Company requests to modify the measure for ENERGY STAR electric combination ovens to reflect pan configurations of 5-40 pans. The updated measure has a TRC of 2.10.

Finally, Idaho Power requests to remove two Retrofit Program measures for ENERGY STAR hot food holding cabinets because the measures are no longer cost effective per updated RTF workbooks. The two measures had TRC values of 0.27 and 0.49. Staff supports the proposed changes to Food Service Equipment measures due to updated analysis reflecting measure descriptions, costs, and savings.

Various Changes to Measures for Lighting and Lighting Controls

Idaho Power requests additions, modifications, and removals to reflect updated analysis for Lighting and Lighting Controls measures in the Retrofit Program. The Company requests to remove screw-in light-emitting diodes (LEDs) because of the updated and currently active Energy Independence and Security Act (EISA) lighting standard. The Company also requests to discontinue fixture mount occupancy sensors which no longer pass the TRC. Staff support these removals which reflect the most current TRC values of 0.88 for fixture mount occupancy sensors. Screw-in LEDs are the baseline technology due to the EISA standard.

Idaho Power requests to add luminaire level lighting controls (LLLC) measures as separate offerings from the existing inclusion in networked lighting controls measures.

Staff supports the differentiation of LLLC measures as it enables higher incentive and savings for the most efficient LLLC measures.

Finally, Idaho Power requests modifications to lighting measures to remove differentiated incentives based on exterior versus interior application. The single, revised incentive will apply to both interior and exterior applications. Most lighting measures are also updated with higher incentives to reflect updated cost-effectiveness and to encourage additional participation. In Appendix A, Staff details the proposed changes for individual measures. Staff supports these changes to streamline the lighting offerings and maximize participation with increased incentives. Cost effectiveness ranges from TRC values of 1.02 to 3.25 for all the Lighting and Lighting Controls measures.

Cost-Effectiveness

Staff reviewed workpapers submitted by Idaho Power which included all the proposed changes. Each of the measure additions and modifications pass both the utility cost test (UCT) and TRC. The three measures requested for removal from Schedule 89 pass the UCT but have TRC values less than 1.0. Staff is supportive of the Company's efforts to streamline offerings and increase incentives while still maintaining cost-effectiveness from utility and customer perspectives.

Housekeeping Update

The Company proposes a single housekeeping update to Schedule 89 to remove the Small Business Direct Install (SBDI) offering. Idaho Power requests this update due to the March 2023 end date of the SBDI program.¹ Staff supports this removal.

Stakeholder Engagement

Idaho Power updated stakeholders on the status of commercial and industrial energy efficiency measures at a May 10, 2023, Energy Efficiency Advisory Group (EEAG) meeting. Stakeholders questioned Idaho Power's proposal to keep the screw-in LED measure until the end of 2024 due to the new EISA standard being active. In this filing, Idaho Power changed course from the EEAG proposal and will discontinue the screw-in LED measure. Staff supports this Company decision as the EISA standard is under full enforcement as of July 1, 2023.

Conclusion

Staff recommends the Commission approve Idaho Power's request to modify Schedule 89, as described in Advice No. 23-06. Staff finds these changes reasonable

¹ See Docket No. ADV 1446. Staff Report. December 19, 2022.
<https://edocs.puc.state.or.us/efdocs/HAU/adv1446hau142520.pdf>.

and reflective of updated cost-effectiveness analysis. The modifications include new measures to acquire more savings and adjustments to existing measures to increase participation. Measures are eliminated where changes to costs, savings, and federal efficiency standards reduced the cost effectiveness of certain measures.

PROPOSED COMMISSION MOTION:

Approve Idaho Power Company's Advice No. 23-06, updating Schedule 89 for the Commercial and Industrial Energy Efficiency Program (C&I Program), effective with service on and after September 5, 2023.

Appendix A: Summary of Proposed Changes

Program	Category	Measure	Action	Prior Incentive	Updated Incentive
New Construction	Equipment for New Construction, Expansion, or Major Renovations	Indoor Pool Cover	Add	n/a	\$2.00 per sq ft
Retrofit	Other Equipment	Indoor Pool Cover	Add	n/a	\$2.00 per sq ft
Retrofit	Food Service Equipment	Refrigerated Case Doors	Add	n/a	\$130.00 per linear foot
Retrofit	Food Service Equipment	ENERGY STAR Electric Combination Ovens 5-40 pans	Modify	\$800	\$800
Retrofit	Food Service Equipment	ENERGY STAR Hot Food Holding Cabinet (half and full size)	Remove	\$200 (half) / \$400 (full)	n/a
Retrofit	Food Service Equipment	ENERGY STAR Electric Combination Oven 16-28 pans and	Remove	\$800	See ENERGY STAR Electric Combination Ovens 5-40 pans
Retrofit	Lighting and Lighting Controls	LED Level 1 retrofit kit with luminaire level lighting controls	Add	See LED Level 1 retrofit kit with networked controls	\$0.23/kWh
Retrofit	Lighting and Lighting Controls	LED Level 2 retrofit kit with luminaire level lighting controls	Add	See LED Level 2 retrofit kit with networked controls	\$0.31/kWh
Retrofit	Lighting and Lighting Controls	Screw in LED	Remove	\$0.08/watt (interior) \$0.12/watt (exterior)	n/a

Program	Category	Measure	Action	Prior Incentive	Updated Incentive
Retrofit	Lighting and Lighting Controls	Fixture mount occupancy sensor – interior	Remove	\$25.00	n/a
Retrofit	Lighting and Lighting Controls	Permanent fixture removal as part of overall lighting retrofit project	Modify	\$15.00 (exterior) \$20.00 (interior)	\$20.00 all applications
Retrofit	Lighting and Lighting Controls	Permanent fixture removal as part of overall lighting retrofit project	Modify	\$25.00 (exterior) \$30.00 (interior)	\$30.00 all applications
Retrofit	Lighting and Lighting Controls	Pin-base LED	Modify	\$0.08/watt (exterior) \$0.12/watt (interior)	\$0.12/watt all applications
Retrofit	Lighting and Lighting Controls	HID LED screw-in replacement lamp	Modify	\$0.24/watt (exterior) \$0.26/watt (interior)	\$0.26/watt all applications
Retrofit	Lighting and Lighting Controls	Linear LED tube (Types A, B, and DM)	Modify	\$1.00/ft (exterior) \$1.00/ft (interior)	\$1.50/ft all applications
Retrofit	Lighting and Lighting Controls	Linear LED tube (Type C)	Modify	\$0.04/kWh (exterior) \$0.10/kWh (interior)	\$0.10/kWh all applications
Retrofit	Lighting and Lighting Controls	LED Level 1 retrofit kit	Modify	\$0.08/kWh (exterior)	\$0.14/kWh all applications

Program	Category	Measure	Action	Prior Incentive	Updated Incentive
				\$0.12/kWh (interior)	
Retrofit	Lighting and Lighting Controls	LED Level 1 retrofit kit with single control strategy	Modify	\$0.12/kWh (exterior) \$0.14/kWh (interior)	\$0.17/kWh all applications
Retrofit	Lighting and Lighting Controls	LED Level 1 retrofit kit with multiple control strategies	Modify	\$0.14/kWh (exterior) \$0.16/kWh (interior)	\$0.19/kWh all applications
Retrofit	Lighting and Lighting Controls	LED Level 1 retrofit kit with networked controls	Modify	\$0.16/kWh (exterior) \$0.18/kWh (interior)	\$0.21/kWh all applications
Retrofit	Lighting and Lighting Controls	LED fixture or LED Level 2 retrofit kit	Modify	\$0.14/kWh (exterior) \$0.19/kWh (interior)	\$0.22/kWh all applications
Retrofit	Lighting and Lighting Controls	LED fixture or LED Level 2 retrofit kit with single control strategy	Modify	\$0.16/kWh (exterior) \$0.21/kWh (interior)	\$0.25/kWh all applications
Retrofit	Lighting and Lighting Controls	LED fixture or LED Level 2 retrofit kit with multiple control strategies	Modify	\$0.18/kWh (exterior) \$0.24/kWh (interior)	\$0.27/kWh all applications

Program	Category	Measure	Action	Prior Incentive	Updated Incentive
Retrofit	Lighting and Lighting Controls	LED fixture or LED Level 2 retrofit kit with networked controls	Modify	\$0.20/kWh (exterior) \$0.26/kWh (interior)	\$0.29/kWh all applications
Retrofit	Lighting and Lighting Controls	LED exit sign or equivalent (<5 watts)	Modify	n/a (exterior) \$40.00 (interior)	\$40.00
Retrofit	Lighting and Lighting Controls	LED sign lighting retrofit	Modify	\$0.12/kWh (exterior) \$0.14/kWh (interior)	\$0.20/kWh
Retrofit	Lighting and Lighting Controls	Fixture mount occupancy sensor – exterior	Modify	\$15.00 (exterior) n/a (interior)	\$25.00
Retrofit	Lighting and Lighting Controls	Multiple control strategies on existing LED - exterior	Modify	\$25.00 (interior) n/a (exterior)	\$35.00