

ITEM NO. CA7

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 27, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE September 28, 2016

DATE: September 20, 2016

TO: Public Utility Commission

FROM: JP Batmale 

THROUGH: Jason Eisdorfer and Michael Dougherty 

SUBJECT: IDAHO POWER COMPANY: (Docket No. ADV 362/Advice No. 16-12)
Schedule 68 – New schedule proposed for multi-family energy savings program.

STAFF RECOMMENDATIONS:

Staff recommends approval of Advice No. 16-12 authorizing Idaho Power Company (Company) to implement a new energy efficiency schedule, Schedule 68, the Multi-Family Energy Savings Program.

Issue

Whether the Company's Advice No. 16-12, creating Idaho Power's new Schedule 68, a multi-family energy savings program, meets the Commission's applicable criteria such that the Commission should approve the filing.

Applicable Law

ORS 757.205 requires all public utilities to file with the Commission all rates, tolls, and charges which it has established. Commission Order No. 94-590 sets forth the tests and criteria to use when evaluating energy efficiency programs and measures. These tests include the "total resource cost test" (TRCT) and the "utility cost test" (UCT).

DISCUSSION AND ANALYSIS:

Background

Idaho Power is seeking to implement an energy efficiency program that provides for the direct installation of multiple energy saving products in multi-family dwellings. It is called the Multi-Family Energy Savings Program (Program). The Program will deploy a contractor to identify and directly install select energy efficiency measures in a building

with five or more units at no cost to the property owners, property managers or residents. Units must be electrically heated and served under a residential schedule. The Program is based on a successful pilot conducted in February 2016. The projected cost-effectiveness is based on the costs and savings found during the demonstration project. The energy efficiency measures being directly installed through the Program are:

- Energy Star® rated LED Bulbs
- Faucet Aerators
- Low-Flow Showerheads
- Pipe Wrappings

Analysis

The Program appears well-designed. The Company is involved in individual project approval and in supplying the energy efficiency equipment to the contractor. The Program participation requirements are thorough. The Program requires a pre-audit, signed acknowledgement from the building owner or manager, occupant notification, and site personnel coordination and support the day of installation. Marketing materials left in each dwelling will be informative and also point customers to the Company’s website where customers can access the Company’s myAccount feature. The Program’s requirements for installation and contractor responsibilities are clearly set forth and are reasonable.

The Program’s selected four selected measures currently pass both of the cost-effectiveness tests set forth in Order No. 94-590.

Measure	Benefit Cost Ratios (BCR) from Pilot, Including Program Administration Costs	
	Utility Cost Test (UCT)	Total Resource Cost Test (TRCT)
Energy Star® rated LED Bulbs	1.6	3.8
Faucet Aerators	1.3	1.3
Low-Flow Showerheads	1.3	3.1
Pipe Wrappings	1.9	1.9

Based on the Company’s responses to Staff’s questions, Staff concludes that the additional costs associated with directly installing each measure should have limited negative impact on each measure’s cost-effectiveness. However, there are risks to the Program around installation rates and project volume. Staff recommends that the Company build upon the Program’s granular tracking of installations at the unit level and

monitor cost-effectiveness, at both the measure and at the Program level, throughout the year. In addition, the Company should attempt to include the non-energy benefits from water savings where appropriate.

The Company's responses to Staff's questions regarding overlapping energy efficiency programs and free-ridership were complete and informative. Staff believes that, the Program design precludes the overlapping or double-counting of savings from other Company offerings, like the Energy Savings Kits Program or the Weatherization Assistance for Qualified Customers Program.

LED savings form an important part of the Program's savings. The Program's design precludes unnecessary and non-cost-effective installations of LEDs. The Company also uses the Regional Technical Forum (RTF) deemed savings values for LED energy savings. Staff believes this is appropriate and poses no near-term problems, but Staff urges the Company to monitor RTF activity on LEDs and the levels of LED-penetration in its residential market as the regional lighting market is quickly transforming.

PROPOSED COMMISSION MOTION:

Approve Advice No. 16-12 creating Idaho Power's new Schedule 68, a multi-family energy savings program.