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April 9, 2018

ELECTRONICALLY FILED

Public Utility Commission of Oregon Filing Center 201 High Street SE, Suite 100 P.O. Box 1088 Salem, Oregon 97301

Re: Oregon Tariff Advice No. 18-04 Discontinuance of Schedule 77, ENERGY STAR[®] Homes Northwest

Attention Filing Center:

Pursuant to ORS 757.205, Idaho Power Company ("Idaho Power" or "Company") hereby submits this tariff advice filing requesting to discontinue Schedule 77, ENERGY STAR[®] Homes Northwest ("Schedule 77"). The Northwest Energy Efficiency Alliance's ("NEEA") Northwest ENERGY STAR[®] Homes program was discontinued and a replacement pilot program does not pass cost-effectiveness. Therefore, the Company seeks authority from the Public Utility Commission of Oregon to close the schedule.

The ENERGY STAR[®] Northwest Homes Program was initiated by Idaho Power in 2003 with NEEA's collaboration. The Program promoted homes that used electric heat pump technology and were at least 15 percent more energy efficient than those built to standard Oregon code. Since its inception in 2003, the Company has had four participants in its Oregon service area. Until January 1, 2016, the program specifications for ENERGY STAR[®] Homes Northwest were verified by ENERGY STAR[®] raters and were certified by Northwest ENERGY STAR[®] providers -- Washington State University Extension Energy Program and Building Energy, Inc. -- while Northwest ENERGY STAR[®] providers also conducted program quality assurance. NEEA ended its oversight on January 1, 2016, and homes throughout the northwest that were permitted on or after January 1, 2016, were required to meet the national Environmental Protection Agency's ENERGY STAR[®] program certification requirements.

As an alternative to the national ENERGY STAR[®] Home certification process for builders who wanted to build above code, energy efficient homes, NEEA created the Utility Incentive, Version 1 certification process on January 31, 2017. This certification process required all the specifications of the ENERGY STAR[®], Version 3 process including testing, verification, and home data entry into the Pivotal Energy Solutions AXIS database by the rater. Builders favored the regional certification process as the ENERGY STAR[®] certification became more laborious and expensive, and they are not willing to pay for the certification any longer.

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Idaho Power worked with the Energy Efficiency Advisory Group to develop a replacement pilot in the Idaho jurisdiction for 2018, but analysis of four different potential home designs that would meet the Oregon program specifications did not pass cost-effectiveness tests. The primary difficulty for cost-effectiveness in Oregon is that Oregon's building codes are more stringent than Idaho's building codes and require more costly measures to reach the program's requirement of 20 percent more energy efficiency than existing building code. The Total Resource Cost test results for the four potential home designs ranged between 0.37 and 0.64, while two of the four designs failed the Utility Cost test. The Company will continue to monitor building standards to evaluate if the Idaho pilot can be extended in the future to the Oregon jurisdiction cost-effectively.

The Company respectfully requests that the enclosed Schedule 77 be discontinued effective May 22, 2018. If you have any questions regarding this filing, please contact Regulatory Analyst Paul Goralski at (208) 388-2608 or pgoralski@idahopower.com.

Sincerely,

Lia D. Modotrom

Lisa Nordstrom

LDN:kkt Enclosure P.U.C. ORE. NO. E-27

SCHEDULE 77 <u>ENERGY STAR®</u> <u>HOMES NORTHWEST</u>

DISCONTINUED