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September 25, 2023

VIA ELECTRONIC FILING

puc.FilingCenter@puc.oregon.gov

RE: Tariff Advice No. 23-10
New Schedule 68, Multi-Family Energy Efficiency Incentive Program

Attention Filing Center:

Pursuant to ORS 757.054 and ORS 757.205 and Order No. 94-590, Idaho Power Company ("Idaho Power" or "Company") hereby respectfully submits this tariff advice to the Public Utility Commission of Oregon ("Commission") requesting authorization to modify the previously discontinued Schedule 68, renamed Multi-Family Energy Efficiency Incentive Program ("Schedule 68"), effective November 1, 2023.

Second Revised Sheet No. 68-1 Cancelling First Revised Sheet No. 68-1
Original Sheet No. 68-2
Original Sheet No. 68-3

In this filing, the Company is proposing to reopen Schedule 68 to offer prescriptive multi-family energy savings incentive measures through a new Multi-Family Energy Efficiency Incentive Program ("Program"). The Program is an incentive-based program designed to help reduce the costs of installing energy efficiency features in existing and new construction multi-family dwellings with five units or more per building. The Program provides incentives for a variety of prescriptive measures designed to reduce electricity bills for residents and lower operating costs for building owners and managers. The Company also requests a cost-effectiveness exception for all measures at the program level.

BACKGROUND

In August 2016, Idaho Power filed the Multi-Family Energy Savings Program ("Previous Program") under Schedule 68. The Previous Program provided for the direct install of multiple energy savings products in multi-family dwelling with five units or more per building, at no cost to the property owners or managers. Previous Program participants may have received an ENERGY STAR ® light-emitting diode ("LED") bulbs, air filters, low-flow showerhead with thermostatic shower valve, faucet aerator, pipe wrap, and other educational materials.

In March 2020, Idaho Power temporarily suspended in-home program work due to safety concerns related to the COVID-19 pandemic. Prior to the suspension of in-home work, the program was cost-effective from the Utility Cost Test ("UCT") and Total Resource Cost Test

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("TRC") perspective. However, by the time in-home work resumed in October 2021, updates to key assumptions around savings and avoided costs impacted the Previous Program's cost-effectiveness.

Idaho Power held a preliminary discussion about the future of the Previous Program with its Energy Efficiency Advisory Group ("EEAG") on November 10, 2021, where the Company highlighted some immediate and long-term cost-effectiveness challenges. On January 14, 2022, the Company filed for a temporary program cost-effectiveness exception through December 31, 2022, in Docket No. UM 1710. The Company committed to evaluate potential changes and gather stakeholder feedback to address the cost-effectiveness challenges and decide to either modify or close the program offering based on the Company's analysis and stakeholder feedback.

At its public meeting on March 22, 2022, the Commission adopted Staff's recommendation to approve the cost-effectiveness exception through December 31, 2022 in Order No. 22-095. The Commission also adopted Staff's recommendations for the Company to:

- Conduct additional analysis and meet with EEAG stakeholders to discuss options.
- Use the avoided cost numbers from the 2021 Integrated Resource Plan ("IRP") before making a final decision on the Program as Staff anticipates the IRP will be acknowledged before the expiration of the cost-effectiveness exception and avoided costs are likely to increase.

In March of 2022, the Company convened a meeting with interested EEAG stakeholders. As a result of that meeting, the Company committed to working with Energy Trust of Oregon ("ETO") to compare multi-family offerings and understand any key learnings or findings based on ETO's experience. From April through June 2022, the Company had several discussions and communications with ETO and learned they faced similar cost-effectiveness challenges requiring significant re-designs of its overall multi-family program, including direct install options. Ultimately, ETO had discontinued their multi-family direct install program in 2020. However, in those discussions, ETO also explained that while their multi-family program had been discontinued, many multi-family measures had been incorporated into its retrofit, new construction, and HVAC type programs where customers bear some of the cost. Generally, ETO has been consolidating multi-family offerings into larger programs in recent years to coincide more with sectors.

Due to the continued cost-effectiveness challenges associated with a multi-family direct install program, the Company filed in November 2022 a request to close the Previous Program as of January 1, 2023. In the filing, the Company committed to continuing to evaluate multi-family offerings with the intention of rolling out an updated program in the future. The Company also contracted to have a multi-family specific Technical Reference Manual ("Multi-Family TRM") completed in 2023. After reviewing the potential measures and savings within the new Multi-Family TRM, the Company designed an incentive-based multi-family offering. The Company presented the proposed Program offering to EEAG at its May and August 2023 meetings and expressed its intent to launch the program in Q4 2023 with the Program expected to be cost-effective from the UCT perspective.

PROPOSED PROGRAM

As a result of the discussions, input, and analyses outlined above, the Company has developed a new offering for its customers that reside in multi-family dwellings. To qualify for the proposed Program, a multi-family dwelling must have five or more individual living units per building. A preliminary application is required on all projects prior to project completion. The final application and supporting documentation are required for all projects. A professional assistance incentive will also be provided to a third-party architect or engineer that submits the application and provides the supporting documentation required to complete the application and incentive process. The professional providing the assistance is eligible for an incentive equal to 20% of the participant's total incentive with a maximum amount capped at $5,000 per project.

The prescriptive measures for the Proposed Program are as follows:

- Ductless mini-split heat pump
- Air-source heat pump
- Package terminal air conditioners ("PTAC")
- Package terminal heat pumps ("PTHP")
- Smart thermostats
- Continuous exhaust fans
- Manual exhaust fans
- Reflective roof
- Efficient windows
- Low-E storm windows

COST-EFFECTIVENESS & EXCEPTION REQUEST

The majority of the savings assumptions were derived from the Multi-Family TRM version 1.0. For measures not included in the Multi-Family TRM, such as smart thermostats and low-e storm windows, the Regional Technical Forum is the source of the savings. The cost-effectiveness for the Program is dependent on participation. In 2024, the program is forecasted to have 268,294 kilowatt-hours ("kWh") of first-year savings and provide $75,910 of incentives. The total budget for the program is approximately $125,665. The program is anticipated to have a UCT of 1.32 and TRC of 0.50.

Below are the estimated cost-effectiveness ratios by measure.

Table 1. Multi-Family Energy Efficiency Incentive Program Cost-Effectiveness Ratios

Program/Measure	New Construction w/Admin Costs		Retrofits w/Admin Costs	
	UCT	TRC	UCT	UCT
Ductless mini-split heat pump	2.19	0.36	3.12	0.24
Air-source heat pump – tier 1	2.47	2.83	2.28	0.32
Air-source heat pump – tier 2	1.59	1.76	2.40	0.32
PTAC – 10% better than code	1.49	0.20	1.66	0.06
PTAC – 20% better than code	1.37	0.37	1.52	0.08
PTHP – 10% better than code	2.80	0.71	4.85	0.22

Table 1. Multi-Family Energy Efficiency Incentive Program Cost-Effectiveness Ratios (Continued)

Program/Measure	New Construction w/out Admin Costs		Retrofits w/out Admin Costs	
	UCT	TRC	UCT	TRC
PTHP – 20% better than code	2.43	0.48	4.04	0.12
Smart thermostat	1.52	0.19	1.52	0.19
Continuous exhaust fan	3.58	1.74	3.58	1.05
Manual exhaust fan	4.14	2.03	4.59	0.97
Reflective roof	2.17	2.38	2.17	0.06
Efficient window – Tier 1	5.24	2.03	5.24	2.03
Efficient window – Tier 2	5.51	2.02	5.51	2.02
Efficient window – Tier 3	4.74	2.03	4.74	2.03
Low-e storm windows	N/A	N/A	4.54	0.11

As with other energy efficiency activities pursued by Idaho Power, the Company believes there are non-quantifiable energy savings and non-quantifiable non-energy benefits that would be realized as part of the proposed Program. More efficient equipment would benefit all residents in a multi-family dwelling with increased comfort and health along with saving customers money on the initial purchase of equipment and future energy bills.

In Order No. 94-590, the Commission outlines specific cost-effectiveness guidelines for energy efficiency measures and programs managed by the program administrators. It is the expectation of the Commission that measures pass the TRC test. Measures that do not pass the TRC test may be included in the programs if they meet one or more of the following additional conditions specified by Section 13 of Order No. 94-590:

A. The measure produces significant non-quantifiable non-energy benefits. In this case, the incentive payment should be set at no greater than the cost-effective limit (defined as present value of avoided costs plus 10 percent) less the perceived value of bill savings, e.g., two years of bill savings;
B. Inclusion of the measure will increase market acceptance and is expected to lead to reduced cost of the measure;
C. The measure is included for consistency with other DSM programs in the region;
D. Inclusion of the measure helps to increase participation in a cost-effective program;
E. The package of measures cannot be changed frequently, and the measure will be cost-effective during the period the program is offered;
F. The measure or package of measures is included in a pilot or research project intended to be offered to a limited number of customers;
G. The measure is required by law or is consistent with Commission policy and/or direction.

Idaho Power requests a program-level cost-effectiveness exception for all measures in the Multi-Family Energy Efficiency Incentive Program. The exception will enable the Company to offer the program in both its Oregon and Idaho service areas. The Company will be offering the program in its Idaho service area, because it is expected to be cost-effective from the UCT perspective. By continuing the Program in Oregon as well, it will maintain consistency with other DSM programs within the region. The program also produces non-quantifiable non-energy benefits. This is consistent with Order No. 94-590, conditions A and C.

A. The measure produces significant non-quantifiable non-energy benefits.

C. The measure is included for consistency with other DSM programs in the region.

CONCLUSION

Idaho Power discussed the proposed Program at the Energy Efficiency Advisory Group ("EEAG") meetings that occurred on May 10, 2023 and August 17, 2023. The discussions centered around rolling out an incentive based program as opposed to the Previous Program, which was a direct install program, and what measures would be included. The Company also had a collaborative meeting with OPUC Staff on September 12, 2023, where the Company proposed to pursue launching the Multi-Family Energy Efficiency Incentive Program in its Oregon service area, because Idaho Power will launching Proposed Program in Idaho due to it being UCT cost-effective.

The Company respectfully requests that the proposed Schedule 68 and the cost-effectiveness exception become effective November 1, 2023. If you have any questions regarding this filing, please contact Regulatory Analyst Zack Thompson at (208) 388-2892 or zthompson@idahopower.com.

Sincerely,

Connie Aschenbrenner

CA:sg
Enclosure

SCHEDULE 68
MULTI-FAMILY ENERGY EFFICIENCY INCENTIVE PROGRAM (C)

AVAILABILITY (N)

Service under this schedule is available to owners or managers of multi-family dwelling properties throughout the Company's service area within the State of Oregon.

APPLICABILITY

Service under this schedule is applicable to multi-family dwellings with five or more attached individual living units per building.

PROGRAM DESCRIPTION

The Multi-Family Energy Efficiency Program is an incentive-based program designed to help reduce the costs of installing energy efficiency features in existing and new construction multi-family dwellings with five units or more per building. The Program provides incentives for a variety of prescriptive measures designed to reduce electricity bills for residents and lower operating costs for building owners and managers.

INCENTIVE STRUCTURE

Installed measure must meet the requirements of the Multi-Family Energy Efficiency Program as detailed in this schedule and must also comply with the current Program terms and conditions posted to the Program website at www.idahopower.com/business. Incentives will not be paid for measures required by Oregon code, and incentive payments will not exceed 100% of the installed cost.

PRESCRIPTIVE MEASURES

Table 1: New Construction, Major Renovations and Retrofit Measures

Measure Type	Eligibility Type	Incentive Amount	Requirements
Ductless Mini-Split HP	New Construction/Major Renovations	$125 per ton	< 5 tons cooling capacity and ENERGY STAR
	Retrofit	$125 per ton	< 5 tons cooling capacity and ENERGY STAR
Air Source Heat Pump CEE Tier 1	New Construction/Major Renovations	$75 per ton	< 5 tons cooling capacity and CEE Tier 1 efficiency
	Retrofit	$75 per ton	< 5 tons cooling capacity and CEE Tier 1 efficiency
Air Source Heat Pump CEE Tier 2	New Construction/Major Renovations	$125 per ton	< 5 tons cooling capacity and CEE Tier 2 efficiency
	Retrofit	$125 per ton	< 5 tons cooling capacity and CEE Tier 2 efficiency
Package Terminal Air Conditioner – 10% better than code	New Construction/Major Renovations	$25 per ton	< 5 tons cooling capacity and 10% better than code
	Retrofit	$50 per ton	< 5 tons cooling capacity and 10% better than code
Package Terminal Air Conditioner – 20% better than code	New Construction/Major Renovations	$50 per ton	< 5 tons cooling capacity and 20% better than code
	Retrofit	$75 per ton	< 5 tons cooling capacity and 20% better than code

(N)

(N)

SCHEDULE 68
MULTI-FAMILY ENERGY EFFICIENCY INCENTIVE PROGRAM

Table 1: New Construction, Major Renovations and Retrofit Measures Continued			
Measure Type	**Eligibility Type**	**Incentive Amount**	**Requirements**
Package Terminal Heat Pump – 10% better than code	New Construction/Major Renovations	$75 per ton	1< 5 tons cooling capacity and 0% better than code
	Retrofit	$75 per ton	< 5 tons cooling capacity and 10% better than code
Package Terminal Heat Pump – 20% better than code	New Construction/Major Renovations	$100 per ton	20% better than code
	Retrofit	$100 per ton	20% better than code
Smart Thermostat	New Construction/Major Renovations	$30 per unit	ENERGY STAR with on-board motion sensor or packaged with a motion sensor. Electric heat only.
	Retrofit	$30 per unit	ENERGY STAR with on-board motion sensor or packaged with a motion sensor. Electric heat only. Replacing non-qualifying thermostat.
Continuous Exhaust Fans	New Construction/Major Renovations	$25 per unit	ENERGY STAR
	Retrofit	$25 per unit	ENERGY STAR continuous exhaust fan replacing a less efficient existing continuous exhaust fan
Manual Exhaust Fan	New Construction/Major Renovations	$25 per unit	ENERGY STAR Most Efficient
	Retrofit	$25 per unit	ENERGY STAR Most Efficient manual exhaust fan replacing a less efficient existing manual exhaust fan
Reflective Roof (Low Slope)	New Construction/Major Renovations	$0.05 per square ft	Slope less than 2:12.
	Retrofit	$0.05 per square ft	Slope less than 2:12.
Efficient Windows (low rise only) Tier 1	New Construction/Major Renovations	$0.25 per sq ft	U-factor <0.30 and >0.27 in an electrically heated space
	Retrofit	$0.25 per sq ft	U-factor <0.30 and >0.27 replacing a less efficient window in an electrically heated space
Efficient Windows (low rise only) Tier 2	New Construction/Major Renovations	$0.50 per sq ft	U-factor <=0.27 and >0.24 in an electrically heated space
	Retrofit	$0.50 per sq ft	U-factor <=0.27 and >0.24 replacing a less efficient window in an electrically heated space
Efficient Windows (low rise only) Tier 3	New Construction/Major Renovations	$1 per sq ft	U-factor <=0.24 in an electrically heated space
	Retrofit	$1 per sq ft	U-factor <=0.24 replacing a less efficient window in an electrically heated space

(N)

SCHEDULE 68 (N)
MULTI-FAMILY ENERGY EFFICIENCY INCENTIVE PROGRAM

Table 1: New Construction, Major Renovations and Retrofit Measures Continued			
Measure Type	**Eligibility Type**	**Incentive Amount**	**Requirements**
Low E Storm Windows	Retrofit	$1 per sq ft	Must use glazing materials with an emissivity less than or equal to 0.22 and a solar transmittance greater than 0.55, as listed in the International Glazing Database. Must be the same opening type as the existing prime window, permanently installed, and oriented with the low-e coating facing toward the interior of the dwelling unit. Electrically heated.

Note: A Professional Assistance Incentive will be provided to a third-party architect of engineer that submits the application and provides the supporting documentation that is required to complete the application and incentive process. The professional is eligible for an incentive equal to 20% of the participant's total incentive to a maximum amount of $5,000 per project. (N)