



Oregon

Tina Kotek, Governor

Public Utility Commission

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March 7, 2023



BY EMAIL

Idaho Power Company

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RE: Advice No. 23-01

At the public meeting on March 7, 2023, the Commission adopted Staff's recommendation in this matter docketed as ADV 1487. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**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:

Useful Life	Current CEL (\$/kWh)	Proposed CEL (\$/kW)
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

SCHEDULE 78
RESIDENTIAL ENERGY CONSERVATION
PROGRAM
(Continued)

COST-EFFECTIVENESS GUIDELINE (Continued)

The following Energy Conservation Measures shall be deemed to have the following life cycles:

1. Attic, ceiling, wall and under-floor insulation: 30 years
2. Insulation of walls in heated basements: 30 years
3. Insulation of heating system supply and return air ducts: 30 years
4. Thermal doors: 30 years
5. Storm windows: 15 years
6. Replacement windows meeting the requirements of Chapter 53 of the Oregon Residential Energy Code: 25 years
7. Storm doors: 7 years

COST-EFFECTIVE COMPUTATIONS

Energy Conservation Measures having an expected life cycle of 7 years shall be considered Cost-Effective if the installed cost is less than \$0.24 per annual kWh saved. Energy Conservation Measures having an expected life cycle of 15 years, 25 years, and 30 years shall be considered Cost-Effective if the installed cost is less than \$0.42 per annual kWh saved, \$0.55 per annual kWh saved, and \$0.59 per annual kWh saved, respectively. (C)
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FINANCING

The Company will provide financing for Energy Conservation Measures at the request of a dwelling owner who occupies the dwelling as a residential space heating Customer or rents the dwelling to a tenant who is a residential space heating Customer if the dwelling has an electrical space heating system, installed and operational, which is designed to heat the living space of the dwelling. The financing program shall give the eligible dwelling owner a choice between a cash payment or a loan. As a condition of eligibility for either a cash payment or a loan, an Energy Audit of the dwelling will be required in order to determine which Energy Conservation Measures are Cost-Effective.

The Company will offer to all qualifying owners a choice between the following levels of assistance:

COST EFFECTIVE MEASURES

1. A loan by the Company not to exceed \$5,000, upon approved credit, to be used to pay for the Energy Conservation Measures over a period of time not to exceed 10 years. Minimum monthly payment will be \$15. Interest will be paid at a 6½ percent annual rate for the cost of those measures, or a portion of the cost thereof, which are in accordance with the Cost-Effectiveness criteria of this schedule; or
2. A cash payment to the dwelling owner for 25 percent of the Cost-Effective portion of the Energy Conservation Measures recommended, including installation (but not including the dwelling owner's own labor), not to exceed the cost of the measure, up to a maximum cash payment of \$1,000.

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