

Public Utility Commission 201 High St SE Suite 100 Salem, OR 97301-3398 Mailing Address: PO Box 1088 Salem, OR 97308-1088 503-373-7394

September 5, 2023



BY EMAIL Idaho Power Company dockets@idahopower.com

RE: Advice No. 23-07

At the public meeting on September 5, 2023, the Commission adopted Staff's recommendation in this matter docketed as ADV 1532. 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: September 5, 2022

PUBLIC MEETING DATE: September 5, 2023

REGULAR ____ CONSENT X EFFECTIVE DATE ___ September 6, 2023

DATE: August 28, 2023

TO: Public Utility Commission

FROM: Joe Abraham

THROUGH: JP Batmale and Sarah Hall SIGNED

SUBJECT: IDAHO POWER COMPANY:

(Docket No. ADV 1532/Advice No. 23-07)

Modifies Schedule 71 to update Student Energy Efficiency Kit and

Giveaway Programs.

STAFF RECOMMENDATION:

Approve Idaho Power's Advice No. 23-07, modifying Schedule 71 to update Student Energy Efficiency Kit and Giveaway Programs.

DISCUSSION:

<u>Issue</u>

Whether the Commission should approve Idaho Power's advice filing requesting to modify Schedule 71 to update Student Energy Efficiency Kit and Giveaway Programs.

Applicable Rule or Law

Under ORS 757.210, 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.

According to ORS 757.220 and OAR 860-022-0015, 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.

Docket No. ADV 1532 August 28, 2023 Page 2

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.

<u>Analysis</u>

Background

In February 2016, Idaho Power (IPC) filed Advice No. 16-03, requesting to implement Schedule 71 to provide direct energy savings and promote energy efficiency education to its customers in Oregon. Schedule 71 includes educational offerings that are lowand no-cost, delivered directly to customers, and intended to increase awareness and demand for energy efficiency programs.

On March 9, 2016, the Commission approved the implementation of Schedule 71, which includes the Student Energy Efficiency Kit (SEEK or Kit) Program and Give-Away Opportunities. PC's SEEK Program provides grade school students with instruction regarding the wise use of electricity. Participating students receive an energy efficiency kit that includes items specifically intended to encourage energy savings at home and engage families in activities that support and reinforce the concepts taught at school. IPC's Give-Away Opportunities includes distribution of energy-saving items to IPC customers free of charge either through direct mail or at events including home and garden shows, county fairs, and community presentations.

In April 2022, the U.S. Department of Energy (DOE) issued a Final Rule pursuant to requirements of the Energy Independence and Security Act (EISA) that requires a 45 lumen-per-watt backstop for light bulbs. The new standard is currently effective, and DOE began full enforcement and penalties on July 1, 2023. In practice, the standard raises the baseline efficiency of light bulbs to that of an LED bulb. Because the SEEK

¹ Advice No. 16-03. https://edocs.puc.state.or.us/efdocs/UAA/uaa161037.pdf.

² Notice of Commission Decision re: Docket No. ADV 212/Advice No. 16-03. https://edocs.puc.state.or.us/efdocs/UBA/adv212uba101921.pdf.

Docket No. ADV 1532 August 28, 2023 Page 3

kits include LED bulbs, the new standard impacts the cost-effectiveness of IPC's SEEK Program.

Summary of Proposed Changes

IPC proposes changes in Schedule 71 to modify Kit contents. IPC cites the EISA lighting standard as a driver for the proposed changes. Rather than eliminate LED bulbs from Kits, IPC proposes to reduce the number of bulbs in each Kit because higher wattage bulbs are still being replaced in student homes and therefore realizing savings. IPC also proposes to add language that allows IPC to adjust Kit components as needed by stating that Kit contents are "not limited to." This same language is used in Schedule 71 for IPC's Residential Energy Efficiency Kits under the Give-Away Opportunities offering. IPC states the added language will support adjustments for subsequent school years to maintain and/or improve cost-effectiveness resulting from changes in the curriculum, energy efficiency technology, and markets.

Staff supports the changes to Schedule 71. IPC provides sufficient rationale for reducing but not eliminating the number of LED bulbs in its Kits. Staff also supports adding the "not limited to" tariff language for adjusting Kit components. Staff agrees that it will offer IPC additional flexibility to adapt the Kits to changes in curriculum, technology and markets without impacting the requirement that the SEEK Program must remain cost-effective.

IPC also proposes to modify tariff language for Give-Away Opportunities. Currently Schedule 71 states that energy-saving measures may be distributed to IPC customers by Idaho Power field representatives. IPC would like to clarify that that Give-Away items may be distributed by all Idaho Power employees. With this clarification, employees from IPC's corporate headquarters or the Customer Interaction Center, who are frequently called upon to represent IPC at events and presentations, would be able to also distribute items. IPC would also like to remove LED bulbs from the list of energy savings measures, as they are no longer cost-effective due to the new EISA lighting standard.

Staff supports IPC's proposed modification to Schedule 71 to allow all IPC employees to distribute Give-Away items. Staff finds it is reasonable to expect that this will have no adverse impact on Program performance or cost-effectiveness. Staff also finds it will likely improve energy savings among IPC's customers in Oregon as more IPC employees will be able to distribute Give-Away items at more events.

Stakeholder Engagement and Feedback

IPC has consistently engaged the utility's Energy Efficiency Advisory Group (EEAG) in consideration of the Student Energy Efficiency Kit offering. The Company discussed its

Docket No. ADV 1532 August 28, 2023 Page 4

intent to modify the Kits during the August and November 2022 EEAG meetings. At these meetings, stakeholders did not voice opposition to the proposal to modify the Kits, add the "not limited to" language, allow all IPC employees to distribute Give-Away items, and remove LED bulbs from the list of Give-Away energy savings measures.

Conclusion

Staff supports IPC's proposal to modify tariff language in Schedule 71 to update its SEEK and Give-Away Opportunities Programs. IPC's proposed modifications will provide beneficial Program flexibility that will help its Oregon customers realize greater energy efficiency without impacting Program performance.

PROPOSED COMMISSION MOTION:

Approve Idaho Power's Advice No. 23-07, modifying Schedule 71 to update Student Energy Efficiency Kit and Giveaway Programs.

CA1 Docket No. ADV 1532

SCHEDULE 71 EDUCATIONAL DISTRIBUTIONS

This schedule describes the direct energy savings opportunities with a focus on energy efficiency education activities offered by the Company. These program options are funded by the Energy Efficiency Rider.

STUDENT ENERGY EFFICIENCY KIT PROGRAM

AVAILABILITY

The Student Energy Efficiency Kit (SEEK) program is delivered to students through teacher participants in the Company's service area within the State of Oregon. This optional program is intended for fourth to sixth grade students. Teachers apply to Idaho Power to participate for a specific school semester. Participation is available on a first-come, first-serve basis. During the first year a school participates, all three grade levels are eligible. In subsequent years, participation will be limited to the youngest grade level that participated the previous year. This minimizes the risk of a single student participating more than one time.

PROGRAM DESCRIPTION

The SEEK program provides grade school students with quality, age-appropriate instruction regarding the wise use of electricity. Each participating student receives a kit that includes specific energy savings devices and educational items. Students install the devices in their homes and learn about energy use through provided measuring devices and educational materials. Teachers receive supporting curriculum and activities for classroom use and are asked to submit program reporting paperwork in a timely manner.

SERVICES PROVIDED

Once a class is enrolled in the program, teachers receive curriculum and supporting materials. Students receive classroom study materials, a workbook, and a take-home kit containing energy-saving measures such as, but not limited to, light emitting diode (LED) bulbs, a high-efficiency showerhead, LED nightlights, a furnace filter alarm (whistle), a digital thermometer for measuring water, refrigerator, and freezer temperatures, a water-flow rate test bag, a shower timer, etc. All materials and kits are free to teachers and students.

(-)

(C)

GIVE-AWAY OPPORTUNITIES

AVAILABILITY

Energy saving measures are given to Idaho Power customers by direct mail, in person, or by an Idaho Power employee or approved contractor. Measures are chosen for use in customers' homes and residential dwellings or businesses.

PROGRAM DESCRIPTION

Idaho Power distributes specific measures either by direct mail, at events such as home and garden shows, county fairs, and community presentations, free of charge. These measures may be distributed to customers by Idaho Power employees or through Community Action Partnership agencies. The target audience is residential or small to medium commercial customers of Idaho Power. Educational material is to be provided at the same time.

THIRD REVISED SHEET NO. 71-2
CANCELS
SECOND REVISED SHEET NO. 71-2

P.U.C. ORE. NO. E-27

SCHEDULE 71 EDUCATIONAL DISTRIBUTIONS (Continued)

SERVICES PROVIDED

Energy savings measures include:

- Residential Energy Efficiency Kits which may include, but are not limited to, one or more of the following measures; LED bulb(s), 2.0 gpm or lower showerhead(s), faucet aerator(s), and/or load sensing power strip.
- In addition, the Company may choose to distribute "other" energy-saving items directly to customers, free of charge. These "other" items may have additional benefits beyond traditional energy savings such as: educating customers about energy efficiency, expediting the opportunity for customers to experience newer technology, and allowing the Company to gather data or validate potential energy savings resulting from behavior change. To qualify as an "other" educational distribution, the initial cost-effectiveness analysis must indicate the item is either currently cost-effective or is expected to be cost-effective in the near future. The energy savings associated with these measures may have a relatively high behavioral component or provide an opportunity to further energy efficiency education of customers.

(D)