

**Energy Efficiency Advisory Group (EEAG)
Minutes dated October 2nd, 2008**

Present:

Celeste Becia*-Idaho Power Company	Robin Thorngren-Healthwise
Catherine Chertudi-City of Boise, Public Works Dept	Tim Tatum-Idaho Power Company
Lynn Anderson-Idaho Public Utilities Commission	Lynn Young-AARP
Lynn Kittilson-Oregon Public Utilities Commission	Ken Eklund-Office of Energy Resources
Ken Robinette-South Central Community Action Partnership	
Tom Eckman-Northwest Power & Conservation Council	Nancy Hirsh-Northwest Energy Coalition

Not Present:

Dean Stevenson-Idaho Irrigation Pumpers Assoc.
Don Sturtevant-J.R. Simplot Company

Guests and Presenters*:

Pete Pengilly*-Idaho Power Co.	Andrea Simmons-Idaho Power Co.
Ryan Hartnett-Idaho Power Co.	Denise Humphreys-Idaho Power Co.
Lisa Nordstrom-Idaho Power Co.	Danielle Gidding-Idaho Power Co.
Warren Kline-Idaho Power Co.	Mike Darrington-Idaho Power Co.
Mike Youngblood-Idaho Power Co.	Cory Read-Idaho Power Co.
Billie McWinn-Idaho Power Co.	Becky Arte-Howell-Idaho Power Co.
Shelley Martin-Idaho Power Co.	David Davis-Idaho Power Co.

Recording Secretary-Shawn Lovewell-Idaho Power Co.

Meeting convened at 9:38a.m.

Celeste Becia welcomed the group. Attendees and guests briefly introduced themselves. Tim Tatum informed the group that it would be his last meeting as an Idaho Power representative and introduced Mike Youngblood as his replacement. Meeting minutes were reviewed and acknowledged by the members.

9:40 - Refrigerator Recycling Program

Celeste reviewed the planned program with the group along with different structural options. Idaho Power expects implementation of the new program to begin during spring of 2009. Idaho Power presented two options for program management to the group for feedback on which option would be best suited for customers. The first option would be an internal program completely managed and operated by Idaho Power, while the second option includes a contract with a third-party to manage the program's operation. During the review of the two different options, there was discussion among the group on the pros and cons of each. Under the first option, the Idaho Power-operated program, a participating customer would be responsible for the removal and disposal of the old refrigerator. It was noted that, for many customers, moving a refrigerator to the landfill or curbside would be quite challenging if not prohibitive. The group favored the design of the second option in this instance, as

the removal and disposal of the old unit would be handled by the third-party contractor. The group also discussed that it would be difficult to verify the condition of the old unit on a consistent basis under the first option. The group again favored the design of the second option in this instance, as the third-party contractor would verify as a condition of participation that the old unit was in working condition at the time of pick-up. One of the members also suggested that working with the local infrastructure, as would be required under the first option, may be daunting and more challenging for the customer.

The cost effectiveness results for both options were presented to the group. The most cost effective option for the program was option 1, the internally managed program, while option 2, which includes a third-party contractor, was least cost effective. However, after considering both options, the group consensus was that Idaho Power should pursue option 2. While option 2 would be less cost effective, the program design is likely to result in greater participation levels. The group also wanted to make sure that this program would be offered in Oregon. Based on the groups' recommendation, Idaho Power will move forward on working with a third-party contractor to implement the program.

10:22 - Commercial Demand Response Programs

Celeste introduced the proposed Small Commercial A/C Cycling pilot program to the group. This program would be similar to the residential A/C Cool Credit program, but for small commercial customers (< 2,000 kWh/mo.). There would be no bill credit with this program, as is currently the case with the residential program, and they may or may not qualify depending on the size of the customer's load. The pilot program would use a thermostat developed by Honeywell and would be installed for participating customers at no cost. Idaho Power proposed a possible launch date for this program of March 2009. During the presentation there was some discussion from the group as to why Idaho Power would do a pilot as opposed to a full program rollout. The feeling was that given the high cost of serving the summer peak hours, Idaho Power should be more aggressive in getting this program off the ground. It was explained that the potential for cost-effective peak load reduction in the targeted market is uncertain, resulting in the need for a pilot program to study the impacts. There was a suggestion from the group to incorporate a lighting retrofit along with the programmable thermostat to the commercial participants, if possible.

Pete Pengilly introduced the Commercial Demand Response program to the group. In the proposed program, Idaho Power would contract with a third-party demand response aggregator to provide peak load reduction. The demand response aggregator would recruit customers and guarantee Idaho Power a determined amount of peak load reduction at a contracted price. Idaho Power issued a request for proposal (RFP) at the end of September. Four proposals were received and are being reviewed. One member asked how the cost effectiveness was being calculated. Pete informed the group that Idaho Power is using the published DSM alternative costs in the 2006 IRP, to analyze the cost-effectiveness of the proposals.

It was expressed that because the third-party contractors may be used to working in more urban areas as opposed to Idaho Power's more rural service territory, the contractors might need to tailor a program that better aligns with Idaho Power's system and its commercial customers.

11:00 - Break

11:18 - Easy Upgrades Program Changes

Celeste discussed with the group the proposed changes and timelines for the Easy Upgrades Program. During the discussion surrounding High Performance (HP) T8 lighting, an issue was raised as to whether or not the program should require HP T8 lighting as a minimum right now, or transition incrementally. Some in the group were in favor of continuing to offer incentives for other energy-efficient lighting options and simply offering a higher incentive for the HP T8 lighting to motivate the customer to upgrade sooner. Another member suggested a two-tiered approach whereby customers would have one year to make the transition to the HP T8 technology and then by the end of 2009 the company would provide incentives to only the HP T8's.

The improvements to the pre-application process for the Easy Upgrades program were discussed. Idaho Power is working with a software vendor to develop a paperless application. This new process will save time and help to eliminate errors. The company is looking at providing an incentive of up to \$200 to those customers who opt for the paperless application. This would be a "limited time only" incentive to motivate customers to adopt the new process quickly. The group was in favor of offering an incentive to change to a paperless application, and a suggestion was given that after the end of the "limited time only" period the company consider assessing a processing fee for those customers who submit a paper application.

The Business Energy Tax Credit (BETC), an income tax credit equal to 35% of the cost for an energy-saving capital cost was discussed with the group. One member in the group asked if the amount available for this would be the same each year. Tim Tatum advised the group that it will depend on Idaho Power's tax obligation on a year by year basis.

11:50 - Lunch

12:40 - Reconvened after lunch

Celeste mentioned to the group that Idaho Power has contracted with Fluid Market Strategies for another 99 cent spiral bulb promotion for the fall. Idaho Power is also kicking off the Fall Library Series October 2nd at the Boise Public Library.

12:45 - Pilot Program Updates

Attic Insulation Study

Ductless Heat Pumps

Celeste presented the group with the results of the weatherization pilot offered earlier this year and informed the group that Idaho Power is in the process of developing weatherization measures for a complete program launch in the spring of 2009. There was much discussion among the group. It was asked if any of the pilot participants' homes ducts were sealed during the pilot. None had been sealed at the time. However, the contractors and customers that participated in the program were encouraged to have duct sealing completed if a need was noticed by the insulation installers. One of the members

asked if the program includes non-electrically heated homes as well. Idaho Power indicated non-electrically heated homes were included as it is expected this program will make a difference for those customers in the summer months when air conditioners are in use. There is a possibility of having a two-tiered incentive with this program, one for electrically heated homes, and one for non-electric homes. It was also asked if Idaho Power had information on what types of homes were insulated and when they were built. David Davis noted that there were quite a few newer homes that were not initially expected to benefit as greatly, but in fact saw benefit.

Celeste gave an overview of the Ductless Heat Pump pilot. Idaho Power will be conducting an independent study that will conform to the requirements of the NEEA/BPA study. Idaho Power will be limiting the amount of contractors that will be used in this pilot due to the small sample size. Through the Heating and Cooling Efficiency program, Idaho Power has an effective contractor network in place already. The group asked a question regarding the incentive amount and why it is lower than the NEEA amount. The lower incentive amount was developed to limit the incentive's effect on market prices.

1:25 - 2008 Market Potential Study – Preliminary Results

PowerPoint slides were presented to the group. A company called Nexant out of San Francisco is doing the study. The deliverables will be a final report and an Excel model for each sector that allows Idaho Power the ability to enter new avoided costs, discount rates, and change parameters to see how it affects the potential outputs. With regard to residential energy efficiency, the study did not identify a significant amount of additional potential beyond what Idaho Power is currently offering in this area already. It was suggested by the group that Idaho Power might want to consider a peer review given the results of the study. One member thought that the results seemed odd considering that Idaho Power is not currently offering incentives for residential weatherization measures on a broad scale. Pete said that the study does recommend weatherization, and Idaho Power is investigating weatherization measures for cost effectiveness.

The slides covering the market potential for the commercial sector were discussed. Most of Idaho Power's agriculture programs are centered on irrigation, but the study suggested other ways besides irrigation for savings. From a tariff perspective they are identified separately from other customers.

Idaho Power is starting to look at industrial demand response. There is significant potential for cost-effective energy savings in this sector; the challenge will be developing the programs. One member pointed out that the study should be split out by state due to differing rules in Oregon and Idaho.

1:45 - 2008 Fiscal Update / 2008 Mid-Year Program Savings

Since the spreadsheet presented is current as of August 31st, Pete gave the group updated balances as of that morning. At that time, the Idaho rider had a deficit balance of approximately \$1.8 million. The Oregon rider had a surplus balance of approximately \$270,000. The mid-year performance numbers will not sync up since the 3rd quarter just ended, and typically program projects finish up at the end of the year. One member asked if these were first year savings. Pete stated that they were.

One member asked if Idaho Power implemented new programs into the goals. It was noted that significant savings come from the Custom Efficiency program for industrial customers and many projects are completed at the end of the year. Other impacts to energy savings discussed included the lose of a large irrigation customer in Oregon this year which reduced Idaho Power's numbers and that the company just began offering the A/C Cool Credit program in Oregon this year.

One member asked if Idaho Power could do a cost comparison between load reduction and a peaker power plant. Pete informed the group that Idaho Power does look at that in the cost effectiveness analysis.

Pete let the group know that he will structure this information differently for next time, so that there is more comparative information and totals available.

2:00 - Break

2:10 - Irrigation Dispatchable Demand Response Program

The new program was presented to the group. There was some discussion from the group with regard to the way this program would communicate with the customers. One member asked why would Idaho Power plan to use one-way communication when it will become an obsolete technology when AMI is online. Pete explained that AMI will not be in place in time to get load reduction next summer. Another member asked if this program will be available in Oregon. Pete informed the group that it will.

2:30 - Schedule Next Meeting

The next EEAG meeting is typically scheduled in late winter. At that meeting Idaho Power would like to provide the group with final year-end 2008 financial figures which would put the next meeting in February. Various dates will be presented to the group around the second and third week of February. In the next month or two these dates will be sent to the group for a final decision. At that time there should be a complete view of the potential study. Idaho Power will also provide updates on imminent roll outs of upcoming programs as well as progress updates on the weatherization program and insulation program.

2:32 - Adjourn