

**Energy Efficiency Advisory Group (EEAG)
Minutes dated May 13th, 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	Nancy Hirsh-Northwest Energy Coalition
Bill McNamee-Oregon Public Utilities Commission	Ken Eklund-Office of Energy Resources
Dean Stevenson-Idaho Irrigation Pumpers Assoc.	Lynn Young-AARP
Ken Robinette-South Central Community Action Partnership	

Not Present:

Tom Eckman-Northwest Power and Conservation Council
Don Sturtevant-J.R. Simplot Company

Guests and Presenters*:

Pete Pengilly*-Idaho Power Company	Kathy Yi-Idaho Power Company
Danielle Gidding-Idaho Power Company	Mike Darrington-Idaho Power Company
Cory Read-Idaho Power Company	Theresa Paige-Paige Mechanical Group
Patty Best-Idaho Power Company	Theresa Drake-Idaho Power Company
Cheryl Paoli-Idaho Power Company	David Davis-Idaho Power Company

Recording Secretary-Shawn Lovewell –Idaho Power Company

Meeting convened at 9:40 a.m.

9:40-Celeste Becia welcomed the group. Attendees and guests briefly introduced themselves. Personnel changes were discussed. Meeting minutes were reviewed and acknowledged by the members.

9:45-2007 DSM Annual Report Review

Pete introduced the Customer Research and Analysis team to the group. The format of the DSM Report was discussed. The slide presentation highlighted the 2007 DSM Annual Report. This presentation provided an overview of report structure and of programs offered in 2007 and included highlights from the report. During the presentation of the results of energy efficiency and DSM programs, a question was asked if the energy savings included NEEA. Pete responded that the energy savings presented in slide 8 did include NEEA savings. This presentation discussed the demand response programs and there was some discussion if Idaho Power is seeing any peak reduction from energy efficiency programs. Pete responded yes, but is not included in slide 12; however the peak reduction does not necessarily include coincident peak reduction.

The appendix slides as well as the rider balances were discussed. The Energy Efficiency Rider balancing account is currently carrying a deficit balance. There was discussion by the group regarding what has driven the numbers to change so that we are paying out more than we are receiving. Pete and Celeste explained that there are many contributing factors for this. The primary reason that expenses now exceed rider revenues is that new programs are being added almost quarterly, and the amount of

incentives paid and other associated expenses have increased, along with the savings associated with them. In addition, expenses are highly variable due to when projects are initiated. A/C Cool Credit is a good example of this with a large portion of the program's 2008 expenses (i.e. switches) being incurred during the 1st quarter. . There was also some discussion regarding how expenses were broken out, how they were tracked as well as what is driving the energy savings. Pete and Celeste mentioned that the Energy Efficiency group added another staff member in May which will increase the ability to educate customers. Energy efficiency awareness is growing as evidenced by an increase in customer inquiries including repeat customers inquiring about additional opportunities. Furthermore, companies are starting to build energy efficiency into their annual budgets. A comment from one of the members commended Idaho Power in this regard stating that removing the incentive cap from Customer Efficiency and adding additional staff is good. Idaho power has "risen to the challenge" of promoting energy efficiency improvement and is a model for others.

10:17-Program Cost-Effectiveness – Cost-Effective Limit

An explanation of how Idaho Power determines if a program is cost effective was given to the group. The cost effective process is explained in the 2006 IRP appendices. During the discussion of the cost effectiveness benefit-cost ratio and Utility Cost ("UC") and Total Resource Cost ("TRC") slides, there was much discussion by the group in regards to how tax credits should be accounted for in cost effectiveness methodology. Pete's response was that Idaho Power uses the standard practices manuals (EPRI, END-Use technical assessment guide, the California Standard Practice Manual.) and any deviation from these manuals should be noted in cost effectiveness analysis.

The Cost Effective Limit ("CEL") slide was explained. The CEL represents a program's levelized lifecycle energy savings benefit. When compared to a program's levelized cost, the CEL provides a measure of a program's cost-effectiveness (see slide 27). It is a good snapshot of how we are doing each year. During the discussion the group raised questions in regards to fully understanding the CEL methodology and expressed interest in including the CEL in reporting. Pete explained that we would like to include it in our annual reporting to the Idaho and Oregon commissions. There was some discussion on how non-energy benefits are captured in cost effectiveness. It was pointed out that Oregon includes a 10% adder to capture societal benefits and Pete explained we will quantify benefits when we can.

There was also discussion on the determination of measure life. It was explained that we use documented resources and third-party experts to determine measure life in cost effectiveness.

10:50 Break

11:08 First Quarter 2008 Financial Report

Information was presented on 1st quarter expenses and energy savings by program. As was expected by the Company at the end of the first quarter, expenditures were greater than funding. Idaho Power has begun using an automatic upload system to pay incentives which aids in eliminating errors and allows the Company to track energy savings for each program. Idaho Power has commissioned a third-party energy efficiency potential study that is expected to be completed by the end of July to help determine future opportunities for energy savings.

A question was raised in regards to why the Heating and Cooling program shows no savings. Pete and Celeste explained that this program has required a lot of education and training for program contractors. There is a large market transformation element with this program and the adoption rate by contractors is slower than expected even though customer demand is good. One of the members discussed implementing this in new ENERGY STAR homes so that they meet the air flow requirements. Research shows that efficient heating and cooling systems require proper airflow. There was some discussion about what Idaho Power has done to make the company's buildings more energy efficient. Theresa Drake directed the members to page 50 of the DSM Annual Report which explains what Idaho Power has done. There was also a request from several members asking that future slide presentation handouts include a maximum of two slides per page making them easier to read.

11:29 Revised Idaho Energy Efficiency Rider Filing – Case #IPC-E-08-03

Slide presentation given. Pete explained that the Company has made a filing with the IPUC requesting the Energy Efficiency Rider funding be increased from 1.5% to 2.5% for base rates. This presentation also discussed DSM expenditures and projected year end balances for the next 2 years. As part of this filing the Company proposes combining the energy efficiency rider and fixed cost adjustment into one line item on customer bills. This proposal resulted in discussion among the group. There was also some concern expressed that it would be confusing to customers. The Company presenters provided a general reason why the Company has sought to combine line items on the bill, but preferred not to give specific details regarding a pending regulatory proceeding. A few members expressed their desire, from a customer point of view, that they would like to see individual line items on the bills for each component (i.e., Rider, FCA, etc.).

Additional conversation among the group included the small scale renewable proposal and how they would be administered by the Company because they are more costly than energy efficiency programs, however support was expressed because of the significant market potential that could impact future success of small scale renewables PP- Customers would have to qualify for the net metering as a condition for participation. A small-scale renewables program would be structured in a manner that would keep the incentive level in a range that would be cost-effective from a utility cost perspective.

Lunch 12:00

12:48 Low Income Weatherization Pilot

A new Weatherization Pilot concept was introduced. This pilot program would target customers who applied for but were deemed ineligible for participation in WAQC. Idaho Power will partner with South Central Community Action Partnership to complete 20 homes in 2008. Rider funds will be used for this program. The target market is customers who are not likely to participate in other programs with an annual threshold income of \$33,900 for a family of four. The program is similar to our Energy House Calls program that has no cost for the customer. After the measures have been installed Idaho Power will complete the verification and analysis process, which includes comparing the current Savings Investment Ratio (SIR) with Idaho Power cost-effectiveness models.

There was discussion among the group expressing their approval of this pilot. Some wanted clarification on the difference between this being a pilot as opposed to the existing WAQC program. The difference between the pilot and the existing WAQC program is that the income eligibility criteria are different. Also, the administrative mechanisms currently in place to deliver the WAQC program would not completely align with the pilot. That is, the other five CAP agencies that currently administer the WAQC program in Idaho Power's service territory would have to implement new administrative processes in order to offer the additional services under the pilot. A pilot structure allows Idaho Power to proceed without implementing a full program so that we can evaluate the results to decide if it is truly cost effective.

1:23 ENERGY STAR Lighting

The BPA is extending this promotion thru September 2008 for specialty light bulbs only. Idaho Power has provided a printed message to customers about proper disposal methods for CFLs. The message directs customers to contact their local landfill for information about the proper handling and disposal of CFLs. There was discussion among the members on public education of mercury disposal and how to communicate to consumers that it is far better to use a CFL and learn proper disposal methods than not use them because of the fear of mercury. The idea of finding a way to partner with the disposal companies to make it easier for the consumer to dispose of CFLs was raised. It was also suggested that as a Company Idaho Power should work at both the community and the manufacturing levels to push these companies to come up with alternatives.

CFL markdown and ENERGY STAR fixture opportunities were discussed with the group. Idaho Power is looking to co-market the fixtures with the existing appliance program. We anticipate offering a \$15 incentive per fixture and a \$20 incentive for ceiling fans. Existing channels will be utilized to move forward with these new offerings. Idaho Power would like to launch late summer with August 1st being the target.

1:47 Progress Updates: Appliance Program, Insulation Pilot, Refrigerator Recycling, Holiday Lighting, Idaho Green Expo.

Highlights of the Appliance program were given to the group. This program is only available in Idaho, but Idaho Power is hoping to introduce to Oregon in the near future. So far, with no consumer advertising, Idaho Power has paid 50 incentives. There is no deadline or end date for this program. Since Idaho Power has determined that this program is cost effective, adding refrigerators to the menu is the next goal. There was discussion among the group on how we are educating the consumer on which washers are ENERGY STAR. Celeste informed the group that Idaho Power has met with retailers to provide them with educational materials about the program process as well as consumer information and point of purchase materials. Discussion by the group also focused on refrigerator recycling. Catherine Chertudi of the City of Boise Public Works Department shared with the group a research summary that her department initiated to find out how many Freon appliances were collected for recycling and taken out of service. The results were that between the dates of March 3 thru April 29th 179 were collected. Out of that number 128 were not working, 30 were working and 18 didn't know.

The Insulation Retrofit Study slides were explained. Idaho Power has currently contracted with three insulation contractors to manage the targeted areas of the Treasure Valley, Twin Falls area and Pocatello. There were some questions as to why we chose to just incent blown in fiberglass insulation and not cellulose insulation made from recycled materials. Celeste explained that based on contractor feedback, it would be the easiest to launch due to overall customer acceptance. We could go back to the contractor group to get a more detailed explanation of the cost difference between fiberglass and cellulose. A copy of the application was passed around to the group and explained that these will be filled out jointly by the applicant and contractor at the time of service, but that it will be up to the homeowner to submit the paperwork to receive the incentive.

The LED Holiday Lighting incentive program is on track for the 2008 season. The difference between our program and other utilities that offer LED lighting incentives is that Idaho Power has a recycling element to its program. Idaho Power has also been recognized at a national lighting conference because of this program. Robin Thorngren of Healthwise explained that her Company participated in the program in 2007 and expressed how simple it was.

Celeste mentioned that Idaho Power would be at the upcoming Idaho Green Expo and that the solar trailer would be there powering the main stage for the musical performances. Each member was given a copy of the book 30 Simple Things You Can Do To Save Energy that will be given out at the expo. Pete also informed the group that the NEEA workshop invitation would be emailed soon.

2:30 Schedule Next Meeting

General group consensus is to hold the next meeting mid-late October. A choice of dates will be sent to the group via email.

2:36 Adjourn