

Energy Efficiency Advisory Group (EEAG)
Minutes dated February 19th, 2009

Present:

Celeste Becia*-Idaho Power Co.	Nancy Hirsh-Northwest Energy Coalition
Catherine Chertudi-City of Boise, Public Works Dept	Ken Eklund-Office of Energy Resources
Lynn Anderson-Idaho Public Utilities Commission	Lynn Young-AARP
Mike Youngblood*-Idaho Power Co.	Theresa Paige-Paige Mechanical Group
Tom Eckman-Northwest Power & Conservation Council	
Ken Robinette-South Central Community Action Partnership	
Don Sturtevant-Simplot	

Not Present:

Dean Stevenson-Idaho Irrigation Pumpers Assoc
Lynn Kittleson-Oregon Public Utilities Commission
Robin Thorngren-Healthwise

Guests and Presenters*:

Pete Pengilly*-Idaho Power Co.	Danielle Gidding-Idaho Power Co.
Mike Darrington-Idaho Power Co	Cory Read-Idaho Power Co.
Patti Best-Idaho Power Co	Theresa Drake-Idaho Power Co.
Warren Kline-Idaho Power Co	Cheryl Paoli-Idaho Power Co.
Andrea Simonsen-Idaho Power Co	Shelley Martin-Idaho Power Co.
Ron Whitney-Northwest Energy Coalition	Ken Miller -Snake River Alliance
Donn English-IPUC	Matt Elam-IPUC

Recording Secretary: Shawn Lovewell-Idaho Power Co with Mike Darrington-Idaho Power Co.

Meeting convened at 9:40 am

9:40- Celeste Becia welcomed the group. Attendees and guest briefly introduced themselves. The previous meeting minutes were reviewed and acknowledged by the members. No changes were indicated for the minutes.

9:45 - 2008 Review, 2009 Preview **(please refer to the presentation slides along with the minutes.)*

Before Celeste presented the slides to the group, she informed the group that one of the department's goals of creating program handbooks was realized. Each of the program specialists created a handbook for their individual programs. One of these was passed around for review. The ACEEE State Energy Efficiency Scorecard slide was highlighted. Idaho Power increased program energy savings by 30% from 2006 to 2007 and was ranked 13th overall. Celeste gave highlights and previews for each of the energy efficiency programs.

Easy Upgrades-The actual savings for 2008 include the Vending Miser promotion. The 2009 goals for this program are more conservative due to the economy. Results as of February 9th 2009 show a savings of more than 5,000,000 kWh and a load reduction of more than 900 kW from roughly 140 final applications.

Custom Efficiency- This program partners with Idaho Design Lab frequently, therefore the contract with them was increased for 2009. They are instrumental in helping customers with planning and implementing their energy efficiency projects.

Building Efficiency-The 2008 target was far exceeded due in part to a large number of schools participating in this program as well as a 60 day application deadline that was implemented in February 2008.

Commercial Demand Response- This will be a demand response program available to customers taking service under Rate Schedule 9 and 19. There was some discussion by the group regarding the length of an event as well as whether or not we will be filing in Idaho and Oregon. . Theresa Drake let the group know that we will be filing a tariff in both Idaho and Oregon.

Residential Energy Efficiency-Idaho Power participates in many community events to raise the level of awareness in residential energy efficiency. They are also looking to larger corporate events in order to educate more people. Idaho Power is also doing weekly radio spots on the Home Fix Radio Show. Idaho Power has 20 events scheduled from now until mid July. Idaho Power will also be in the process of translating our book, 30 Simple Things You Can Do To Save Energy into the Spanish language.

Weatherization Solutions for Eligible Customers-Idaho Power is targeting 45-60 homes in the Twin Falls area that are just above the low income threshold.

A/C Cool Credit-Through a partnership with the Idaho Food Bank, Idaho Power provided \$20 to the Food Bank for each new enrolled participant in the Program. Through January we have received 2,392 new signups. The target goal in 2009 for this program is 12,000 new enrolled participants. This year, the Program will be expanded to the Twin Falls and Pocatello regions. This Program is one of our main focuses at all of the community events. One member asked if there was an opportunity to include other customer groups in this Program. Celeste informed the group that we are planning to offer a similar Program for small commercial customers, but the cost-effectiveness for this expansion has been difficult to confirm. Based on the Company's research, the expected load reduction per participant varies widely. In addition, Honeywell has increased the price for installations on commercial customers. Andrea Simonsen also added that the thermostat might be a more attractive option for the small commercial customer, but they are more expensive to install. One member commented that she found it hard to imagine that a program that targets peak demand is not cost effective. It was decided that Idaho Power would conduct a pilot program this summer for commercial customers to test actual demand reduction at their facilities.

Heating and Cooling Program-It has been determined that keeping the tune-up measure as well as incentivizing the air conditioners is not cost effective and Idaho Power has decided at this time to remove them from the program. More explanation of this program follows in the cost-effectiveness presentation.

ENERGY STAR® Homes-One of the Home Performance Specialist has signed Hubble Homes as an ENERGY STAR builder. They have an aggressive marketing plan in place with a planned 400-500 housing starts this year. One member wanted to know what percentage of the homes would be ENERGY STAR. The group was told that it would be 100%. There was discussion surrounding what Idaho Power's plans are in regards to this program with the real estate market in the decline. Celeste informed the group that Idaho Power's objective with this program is to increase the market share of ENERGY STAR homes and position the Program for when the market rebounds.

Insulation Pilot-The name of this pilot was changed to Home Improvement program. It is expected that other measures will eventually be included in this program. Contractor trainings will begin this spring. There was some discussion on whether Idaho Power will be including duct sealing into this program. The Company is investigating duct sealing as a potential measure to offer in the Program.

Rebate Advantage program-This program has been affected by the housing downturn which in turn has caused the actual numbers to be quite lower than the target.

Energy House Calls- This program offers a free service to manufactured home owners. This program has recently experienced a lower than expected participation rate and it has been challenging to reach customers in the Pocatello and Twin Falls area. A short survey is being sent out to try and identify some of the reasons why customers do not participate in the Program. One of the members pointed out that the majority of manufactured home owners are seniors and historically they are more skeptical of "getting something for nothing" which could be a barrier. There was discussion on what is the best way to get

access to some of these homes. One member stated that he found with this group, word of mouth is the best form of advertising.

Home Products Program- This program is averaging 35 applications per day.

ENERGY STAR Lighting- This program is still seeing the most savings from the residential sector. The feedback that was received from a telephone survey showed that about half of Idaho Power's customers have, on average, 10 CFL's in their homes.

Refrigerator Recycling- This program is slated to launch May 1st. Idaho Power will be using a third party, JACO, on recommendation of EEAG. JACO says Idaho Power can expect about 1% of customers to participate.

Irrigation Peak Rewards- With the new dispatchable program being implemented, Idaho Power anticipates a large demand reduction this year. The applications are being sent out to the customers. Idaho Power has received approval for this program from the IPUC, and approval from the Oregon PUC is expected soon.

11:00 Break

11:10 Cost-Effectiveness Methodology-Pete Pengilly

Idaho Power's methodology for cost-effectiveness was presented. The Heating and Cooling Efficiency Program was used as an example case. Slide #11 was discussed, which presented the analysis at the measure level. The slide shows that measures for new SEER 13, 14, and 15 units are not cost-effective based on the total resource cost (TRC). In addition, the measure for air conditioner and heat pump tune-ups are also not cost-effective. Based on energy savings estimates from third-party consultants, the conclusion is that the energy savings and demand reduction potential for air conditioning measures beyond code do not result in a high enough avoided cost benefit to be cost-effective once all costs of the Program are included from the TRC perspective. Slide #12, titled: 'Program Level on 2008 Actuals', demonstrates that even when costs are weighted by measure, these same measures are still not cost-effective. The evaporative coolers will stay in the program.

It was explained that the administrative costs were distributed among measures based on an allocation of the time and resources, i.e. contractor training, associated with each measure. One member also asked why there was no participation cost for the evaporative coolers. Pete answered that there is no code and that evaporative coolers are cheaper than the SEER 13 air conditioners which are code; therefore, there is zero incremental cost to the customer Idaho Power is considering co-marketing these with the Home Products program since they are usually purchased in retail stores and self-installed.

Celeste summarized by saying that we are moving forward with these changes to the program and the contractors are being made aware of the changes. Idaho Power will continue to evaluate this program going forward. One member expressed their appreciation for explaining the evaluation process.

11:45 Consumer Electronics Buy-down Opportunity-Celeste Becia

NEEA has developed a proposition for utilities to opt in to buy down the cost of a high efficiency television. The long term strategy of this is to support a platform across the Northwest that is capable of delivering key energy efficient consumer products for all major categories, including lighting and white Goods and small electronics. It will be structured similar to the CFL program. The consumer would get a lower price at the point of purchase instead of requesting a rebate. The administrative cost would be very low for Idaho Power. The savings opportunity in 2009 would be limited because products are already manufactured and being shipped. Getting involved now allows Idaho Power to have an influence in the incremental market share or in-store sales of the Tier 2 TVs for 2009, and to begin influencing the 2010 and 2011 products.

Idaho Power would like to get feedback on this opportunity from the members of EEAG. One member expressed concern of giving money to retailers to produce new TVs that encourage disposal which in turn puts the burden on

the municipalities for disposal costs, and felt that the manufacturers should be responsible for bearing the brunt of disposal fees. The intent of this program is to influence the manufacturer to produce higher efficiency units. The consumer needs to be made aware of what they are buying and the impact they can have by making smarter purchases. One member stated that this is a growing area for energy efficiency and that leveraging with NEEA makes sense. Overall, the EEAG supported the initiative. Celeste told the group that Idaho Power would look at this as a pilot. Collaboration may be the best way for us to break into the plug load market, due to low per unit energy savings.

12:15 Lunch

1:08 NEEA 2010-14 Funding Cycle – Celeste Becia

Celeste gave the history of NEEA and explained the funding cycles. Idaho Power proposes a number of reductions in the scope and cost of future NEEA activities. Idaho Power feels that these reductions are warranted due to the expanded role of utilities in delivering energy efficiency savings to the region, the increase in funding for energy efficiency by the federal government, the current economic situation, and our regulatory environment. Idaho Power supports three areas of focus over the next five years: regional research, regional training and education, and alliances and partnerships with national energy efficiency organizations and businesses. There were some areas that Idaho Power believes should not be part of NEEA's role in the Northwest. These areas include program implementation and associated activities such as marketing, measurement, and potential impacts of programs. NEEA is proposing programs whose savings rely on behavioral standards and changes, rather than measures such as replacing inefficient equipment, where savings are more easily verified. Idaho Power feels it has a lot of potential within its customer base to actually change out the equipment, which puts the company in a different place than the rest of the region.

One member felt that tripling the ratepayer contribution to NEEA could be problematic. Another member brought out that this is the lowest cost energy savings that Idaho Power is going to get and being able to leverage that is the best investment for the rate payer in Idaho. Another member voiced concern that even though NEEA has been involved in the past with the industrial programs, he feels that they have pulled back. He is not against NEEA, but he doesn't feel that tripling contributions and then having them pull away from the industrial sector is advantageous. One member felt that the contributions, being in a community pool, are in the end, all ratepayer money. That being said, Idaho Power is participating in the same activities as other utilities and at different points in time, all doing the same thing. Idaho Power should be careful that NEEA coordinates with the direction the company is going, but to not pull out altogether.

Celeste informed the group that the purpose of this discussion was to bring forth some of the Company's concerns. The proposed contributions that would be made over the next funding cycle would be equal to our current entire rider budget for one year. Idaho Power does not want to give the impression that they are pulling out of NEEA. One member brought out that for the last year the Power Council and BPA convened stakeholders in the region to look at the question of do we need to do more in the way of energy efficiency efforts. The number one recommendation that came from that was that expanding the role of NEEA and to make sure that we are using the regional entities. She also asked if the percentage of contributions to NEEA has gone up.

Celeste said that Idaho Power's percentage has increased; BPA's has decreased which is being picked up by some of the larger IOU's in the region. Not only has Idaho Power's slice of the pie has increased, but the pie is now larger, which has led to the proposed tripling of our contribution. NEEA's path going forward is to get board approval in April. There is continued talk as to what will be in the proposal. One of the outcomes could be the tripling of these contributions. Idaho Power wanted to make the group to know that this could be a significant change in how much is received from the customer. One member asked if Idaho Power's local target of energy savings will be going up since NEEA's target will go up. Another member felt that mixed signals were being given from NEEA. He felt that they are wanting more money but willing to deliver less. If contributions are going up then he felt that they should be increasing the deliverables.

One member expressed her appreciation for this discussion and was glad that it was included in the meeting.

1:51 Energy Efficiency and Integrated Resource Plan – Pete Pengilly

Pete provided an overview of the relationship for energy efficiency program planning and development and the Integrated Resource Plan (IRP). There was one question on the gas cost for the DSM alternative cost. Pete explained that the DSM alternative variable costs are based on the Company's gas forecast from a variety of sources. Pete also discussed how the energy savings and demand response forecasts are included in the IRP for resource planning.

2:25 2008 Preliminary Financial & Energy Savings Report – Pete Pengilly

Pete provided an overview of the preliminary appendices that will be included in the 2008 DSM Annual Report to be completed on March 13, 2009. These appendices show Energy Efficiency Rider Expenses and program performance. One member asked what the differences were between the total utility cost and the total resource cost. Pete explained that the utility cost is administration and labor and the total resource cost is the same without the incentive calculated in.

2:45 Regulatory Issues – Mike Youngblood

Mike presented and explained some of the current regulatory issues facing Idaho Power. These include the Company's General Rate Case, Energy Affordability Workshops, SO2 Emission Proceeds, Energy Efficiency Rider, Automated Metering Infrastructure, and the Federal Stimulus Package. There were some questions regarding the Energy Efficiency Rider. Mike indicated that it was important for the Company to obtain a prudence recommendation from the IPUC regarding DSM expenditures. Mike discussed the challenges of adequately funding new DSM Programs under the current Energy Efficiency Rider.

3:00 Schedule next meeting

Celeste asked the group to think about possible dates for the next EEAG Meeting. Also, Idaho Power would be open to any ideas from the group about future discussions. The group will be discussing the annual report that will be coming out in March and everyone should be getting a copy of that.

3:04 Adjourn