

**Energy Efficiency Advisory Group (EEAG)
Minutes dated February 18th 2010**

Present:

Catherine Chertudi—City of Boise, Public Works Dept.	Celeste Becia*—Idaho Power
Ken Robinette—South Central Comm. Action Partnership	Lynn Young—AARP
Lynn Anderson—Idaho Public Utilities Commission	Ken Eklund—Office of Energy Resources
Nancy Hirsh—Northwest Energy Coalition	Sid Erwin—Idaho Irrigation Pumpers Association
Mike Youngblood—Idaho Power	Linnea Wittekind—Oregon Public Utilities Commission
Tom Eckman—Northwest Power & Conservation Council	

Not Present:

Don Sturtevant—Simplot
Jim Coles—Design West Architects

Guests and Presenters*:

Pete Pengilly*—Idaho Power	Denise Humphreys—Idaho Power
Mike Darrington—Idaho Power	Theresa Drake—Idaho Power
Shelley Martin—Idaho Power	Andrea Simmons—Idaho Power
Ric Gale—Idaho Power	Dennis Merrick—Idaho Power
Billie McWinn—Idaho Power	Ryan Hartnett—Idaho Power
Cheryl Paoli—Idaho Power	Patty Best—Idaho Power
Quentin Nesbit—Idaho Power	Becky Arte-Howell—Idaho Power
Rochelle Jensen—Idaho Power	Kathy Yi—Idaho Power
Todd Schultz*—Idaho Power	Randy Thorn—Idaho Power
Ann Wadsworth—Idaho Power	Mindi Shodeen—Idaho Power

Recording Secretary:

Shawn Lovewell—Idaho Power with Mike Darrington—Idaho Power

Meeting Convened at 9:34 am.

9:34—Celeste welcomed the group. Guests were introduced to the group and the minutes from October 2009 as well as the teleconference minutes from December 2009 were reviewed.

9:40 NEEA Contract Update—Celeste Becia

Celeste thanked the group for the important feedback given during the teleconference in December. Since that time, Idaho Power has further clarified with NEEA the 17.5 million dollar contract over the next five years. Included in the proposed contract is language that provides check-in points and if needed, the potential for an off ramp between Idaho Power and NEEA. Idaho Power is currently preparing a joint application with NEEA for the Idaho Public Utilities Commission's approval to fund the contract thru the rider. The expectation is that this will be finalized by the middle of 2010. One member asked if the rider fund would need to be increased in order to meet this contractual obligation with NEEA. Celeste reminded everyone that regardless of what happens with the NEEA contract that it will not interfere with Idaho Power providing incentives for current DSM programs.

9:45 2009 Year in Review/2010 Forecast—Celeste Becia & Todd Schultz *(please refer to the presentation slides along with the minutes)

Some of the information in the first few slides are estimates. Pete's team is finishing up the 2009 DSM Annual Report which will be finalized on March 15th so some of the final numbers might be different.

Ductless Heat Pump Pilot—This pilot was reviewed by EEAG about a year and a half ago and is still a pilot. Evaluations are still underway and the final results needed to determine permanent program status are not yet available. One of the members asked if there was a way to incorporate this into a low income program. Celeste informed the group that this is not an income qualified program. Idaho Power decided for 2010 to keep it as it was in 2009 for evaluation results. Idaho Power would not be opposed at looking at other ways to offer this program in the future. It was asked what the costs of the installed units are. Shelley Martin informed the group that it was approximately \$3500 to \$4000.

Heating & Cooling Efficiency—In 2009 some changes were made to the Heating and Cooling Efficiency Program. The tune-up incentives for air conditioners and heat pumps were removed because they were not cost effective. One member asked if the contractors who go thru Idaho Power's training class receive a certificate that they can use. Celeste informed the group that only contractors who go thru the class can participate in the program. Idaho Power also has quality assurance for this program, but not a certification process. Through extensive dealings with the local contractors, Idaho Power learned that in the service area, contractors typically size heat pumps for cooling load and not heating load which decreases effectiveness in the winter. Idaho Power is working to convey the message to the contractors differently starting with the sizing language written by Bob Davis, one of the trainers.

A/C Cool Credit—Through a partnership with the Idaho Food Bank, Idaho Power provided \$12,600 thru the end of January 2010 in Boise and \$560 in Oregon. This promotion continues through the end of February. In 2010, the goal for this program is to reach 40,000 customers.

Energy Efficient Lighting—It was determined that there is still potential for savings for the next 24 months in the service territory. The 2010 RTF did reduce the savings per bulb by about 1/3. One member asked if Idaho Power was going to launch socket saturation. Pete said that Idaho Power is hoping to have an End Use Survey done this year. One member asked how the bulbs are counted in savings if they were not purchased as part of a promotion. Celeste explained that if bulbs are not part of an Idaho Power promotion, the company does not count those savings, but that they could be part of NEEA's overall savings. Celeste also pointed out that Idaho Power partners with specific stores for bulb promotions.

See Ya Later Refrigerator—This program has a high customer satisfaction level. Idaho Power is looking into the idea of going to second hand stores and collecting working units to make sure they do not end up back in the residential market. The stores would receive the incentive. Another option that is being explored is the Charitable Giving Option. Southern Cal-Edison has a similar program. Jaco would send a list of customers that would like to donate their incentive to a third party charity. The charity would have to issue the official tax receipt. Celeste asked the group for feedback. One member who actually has participated in the program said she loves the idea and that if that option would have been available, she would have donated. One member, who also likes the idea, suggested that the charity be energy related, for instance, Project Share.

Rebate Advantage—In 2009 one-third of the dealerships closed down. The target for 2009 was 70 homes which was not reached. Idaho Power was spurred into action to come up with some creative marketing strategies. Customers were reached thru a company newsletter and dealerships were visited every quarter. Prior to 2009 it was more "point of purchase" marketing. One member stated that Bonneville is looking at making manufactured homes significantly more energy efficient.

Energy House Calls—Last year a survey was sent to potential qualifying customers to find out why they were not taking advantage of this free service. The responses were varied. Some customers were not aware that Idaho Power had this program, while others had a lack of understanding of how the program worked and how these changes could impact their energy bills. One member asked why our targets for this year are substantially lower given the actual number of homes serviced in 2009. Celeste explained that the program's performance assumes participation decrease and it is a difficult program to forecast. During budgeting, participation was lower

and then a surge of projects came in during the fall. These are just “targets” and if those numbers are exceeded then that is fine. Ryan also explained that ECOS helps to determine market saturation and to set these targets.

Home Products—This program has been around for about one and a half years and that 2009 was the first full year. Idaho Power is in the middle of contract negotiations to outsource the application entry process. The Office of Energy Resources has received stimulus money for funding an appliance program (*Handout passed around*) Customers can apply for both incentives. One member explained that OER is finalizing the contract with the rebate handler and the vendor has not been announced. One member stated the confusion that might be experienced by the customers with the two different incentives. It was explained that the customer will be able to reserve the rebate in advance and then there will be a set amount of time in order to use the voucher. It will be set up like a debit/gift card.

ENERGY STAR® Homes—This program exceeded expectations last year. Hubble Homes, a production builder, signed on last year. They build 1500-2000 sq ft sized homes. These homes are less expensive homes. In 2010 Idaho Power is partnering with NEEA and St. Jude’s Hospital to build a “Net Zero” energy home. Labor and materials for this project are donated and raffle tickets are being sold for \$100. The home is in the process of being built and will be raffled off at the end of June.

Home Improvement—This program currently offers only attic insulation, but cost-effectiveness analysis is being done to add other measures. The 2010 target is 1200 homes, but based on current customer participation rates it is likely that number will be much higher. One member asked what other measures are being looked at. Celeste mentioned that high efficiency windows and duct sealing are possible options.

Weatherization Solutions for Eligible Customers—The difference between this program and Weatherization Assistance for Qualified Customers (WAQC) is income qualifications.

Residential Education—Items that do not fit into a specific program fall under this umbrella. Lynn Anderson’s suggestions were put to use in the new Spanish translation of the book 30 Simple Things You Can Do To Save Energy. Celeste shared with the group that Idaho Power is partnering with Avista and Rocky Mountain Power to supply Idaho libraries with Kill-A-Watt meters for individuals to check out.

Building Efficiency—This program is for new construction and major remodels for industrial and commercial customers. Idaho Power also works closely with the Integrated Design Lab (IDL). They have a builder simulation group that meets once a month. One member asked why the year’s targets are cautious. Todd explained that there is a deliberate process for setting targets. They are evaluated midyear to see what is going on. The economy impacts these numbers too. Celeste also pointed out that as long as Idaho Power knows that it’s a target and not a limit, then the numbers are not the main focus as much as the actual energy savings. One of the other members pointed out that some of the targets are set with regard to the Integrated Resource Plan (IRP) for the purpose of planning load.

Easy Upgrades—This program is for smaller projects, lots of lighting projects are completed under this program. Modifications were made to some of the measures and the program is being looked at to see if process improvements can be made to streamline the application process.

Irrigation Peak Rewards—The application process on this program has been changed. One of the members asked what percentage of customers are participating in this program. Quentin Nesbitt answered that around 20% have participated in either of the irrigation programs. The newest option for the Irrigation program is the dispatch option where Idaho Power communicates via cell phone technology to turn off systems. One member asked if customers can opt out in the middle of the season due to crop growth or other issues. Quentin explained that there are some that choose to opt out, usually due to unforeseen circumstances, most often it has to do with management issues rather than crop issues. There is a penalty assessed to the customer if they completely opt out of the program after June 1st. Each customer is allowed 5 opportunities to opt out of a load control event for each service location. One member expressed his satisfaction with the program and expects it grow in years to come.

Flex Peak Program—This program will be offered in Oregon in 2010. This program was on a fast track and was approved in 2009. A company called ENERNOC is administering and promoting the program. In this program the customer determines the commitment reduction amount. Idaho Power is very pleased with the relationship ENERNOC has with customers. They conducted a post event survey to gauge customer satisfaction and all of the customers that participated in 2009 will be participating again in 2010.

Commercial Education Initiative—There were some group discussion on lighting changes due to the 2007 Energy Independence Act and one member suggested that Idaho Power have a spec sheet to advise customers on current and upcoming changes. Customers will need to be educated about the new changes coming in 2012 as well.

11:30—Break

11:40 2009 Financial & Savings Report (Est.) Idaho Prudency MOU—Pete Pengilly

Pete wanted to discuss the Memorandum of Understanding (MOU) that has been signed with the IPUC. The MOU sets forth guidelines for enhanced reporting and evaluation of Idaho Power's energy efficiency programs. The actual document will be included in the Demand-Side Management 2009 Annual Report posted on the Idaho Power website. The DSM Annual report is growing and will probably have some supplemental documents. One member asked if Idaho Power does bill analysis as part of the impact evaluation. Pete explained that it is done where appropriate, as it depends on the program and the level of impacts on a customer's bill. A Request for Proposal (RFP) will soon be issued for process evaluations. Pete explained that the Energy Efficiency Annual Savings slide numbers may not correspond with Celeste's numbers as they are preliminary. The Appendix 1 slide was shown to the group. In May the Oregon rider balance went into deficit spending. One member asked if there was a strategy to come out of the deficit. Pete explained that Idaho Power is exploring several different options. One member asked if this deficit is going to continue. Pete said that when the 10-year forecast is done funding, rates and expenses are escalated at 3% so as it moves forward that deficit balance won't change much.. NEEA is also included in that forecast. One member asked for clarification on what the rates are as of right now. Pete explained the Idaho and Oregon rates- 4.75% for Idaho and 1.5% for Oregon with caps. The Appendix 2 slide was shown to the group. One member asked how much of A/C and Peak Rewards is a one-time, capital expense. It was explained that those two programs have a high up front capital cost, but are expected to decrease over time. There was discussion regarding the usage of diesel generators during a demand response event and what impact that would have on cost effectiveness. Quentin commented that there are no customers to date that have a diesel generator, as far as Idaho Power is aware, it has not been an issue.

12:15 Lunch

12:36 Meeting Reconvened

12:38 Oregon Update—Mike Youngblood

The Oregon rate case settlement was explained. Other filings in Oregon include the APCU (annual power cost updated) which was filed in October and should result in about an 8.2% increase in base rates effective in June. Another filing going on shortly is the expansion of FlexPeak Management in Oregon using. The DSM Annual Report will also be filed in Oregon as well.

1:12 Stimulus Projects Update-Celeste Becia

City of Boise Audit—The funding for this project will give Idaho Power the opportunity to test an audit program to see if there is an opportunity for a program. It will also provide the ability to test gas heated homes as opposed to just electrically heated homes. The goal is to have a wide variety of homes take part in the audit. Paperwork is still being processed so the funding has yet to be released. Idaho Power can start charging time towards the program since approval has been given. A process workflow has been developed. An auditor RFP has been developed. Several of the ENERGY STAR[®] homes auditors have expressed interest in becoming involved.

Any auditor that applies has to be able to comply with the project requirements. One member asked if there was a certification stamp that the auditors will be required to have. Celeste said that a RESNET or Building Performance certification is required. Another member mentioned that the OER is conducting RESNET

certification in the spring. Celeste explained that the audit will include blower door testing, documentation of energy end uses and building envelope characteristics, and a visual inspection of the crawl space and attic. The low cost energy-saving measures may include limited sealing of air leaks, installation of CFLs, minor insulating of water pipes, installation of low flow shower heads and faucet aerators. It will also include customer education on a variety of items.

Idaho Office of Energy Resources—Slide was presented to the group. A handout showing the State Energy Efficient Appliance Rebate Program was given to the members.

Oregon Department of Energy—Slide was presented to the group.

Idaho Power Smart Grid Grant—The U.S Department of Energy (DOE) solicited energy utilities and companies to respond to a stimulus funding opportunity regarding Smart Grid Technologies. Idaho Power responded in August of 2009. Idaho Power was chosen to receive the grant of \$47 Million, since a plan for enhancement was already in existence as well as being so far along in our AMI Meter project. Idaho Power is in the negotiation stage for funds to be rewarded. As far as Idaho Power is aware, at the moment, it looks like the funding might be taxable. The DOE is working with the IRS to get a ruling to make the funds non-taxable. This ruling should come sometime in March. The Customer Systems slide was shown to the group. Because of Smart Grid, Idaho Power will need to update the Customer Information System (CIS). Obtaining the grant money will allow that to happen. This update will also enable critical peak pricing. There is some other software that is being looked at for a customer relations management (CRM) system. This software would help Idaho Power understand customer information in a more detailed way. The final software piece that is being looked at is the “engine” that drives this, called Meter Data Mart. This will allow customer data to be analyzed in a central spot. One member asked if this grant money would offset any of the AMI costs. Mike Youngblood explained that the \$47 million that Idaho Power set aside for this was for the expenses already incurred with the AMI installation project. The matching grant funds will help in implementing the back office systems that would have been delayed by 3 to 4 years. This grant will allow Idaho Power to do this sooner and with no costs to customers. There was some group discussion regarding electricity reliability and expressions of appreciation of how reliable Idaho Power is in keeping the lights on. Celeste brought up the incident in Sun Valley this past Christmas. One member stated that this should be an opportunity for Idaho Power to educate customers on what to do in case of a long term outage.

2:00 Students for Energy Efficiency—Todd Schultz

Todd passed around the kits that are used at the schools. He explained that this is a 2 year pilot program that is not rider funded and only available in the Idaho service territory. He also gave some background on this. Idaho Power sold some SO2 credits and went to the IPUC for guidance on what to do with the 19 million dollars. Most of that money went to the Power Cost Adjustment (PCA) for 2008 and some of the money was used to fund this pilot program. High school and 6th grade students are the focus of this pilot. It was explained to the group how the students used the kits that were given to them. After the students had performed their energy audits they presented their findings before the board about what they had learned through this process. The feedback from teachers, parents as well as the board has been overwhelmingly positive. Todd showed the group one of the slide presentations that was put together by one of the school teams. One of the members was very encouraged by this project and asked if there was any follow up being done with the schools on any projects that would help based on student recommendations. Todd explained that yes, follow up is being done. One member asked if Idaho Power needed more funding for this program. Todd responded the two year program was funded with \$500,000. The funding level appears to be sufficient for the two year program.

CAP Agency Energy Efficiency Education—Celeste Becia

The CAP agencies received \$25,000 each to provide Energy Efficiency Kits specifically for electrically heated homes. These kits were distributed to the agencies at the end of 2009.

Celeste informed the group that a copy of the 2009 DSM Annual Report would be coming to everyone in about 6 weeks. The next EEAG meeting will be held in May.

2:30 Meeting Adjourned