

Energy Efficiency Advisory Group (EEAG)
Minutes dated October 20th, 2009

Present:

Catherine Chertudi–City of Boise, Public Works Dept	Don Sturtevant-Simplot
Ken Robinette-South Central Comm. Action Partnership	Lynn Young–AARP
Matt Elam-Idaho Public Utilities Commission	Ken Eklund–Office of Energy Resources
Nancy Hirsh-Northwest Energy Coalition	Sid Erwin-Idaho Irrigation Pumpers Assoc.
Mike Youngblood-Idaho Power	Jim Coles-Design West Architects
Tom Eckman-Northwest Power & Conservation Council	Celeste Becia*-Idaho Power

Not Present:

Brady Peeks-Oregon Dept. of Energy
Theresa Gibney-Oregon Public Utilities Commission

Guests and Presenters*:

Pete Pengilly*-Idaho Power	Tim Tatum*-Idaho Power
Lynn Anderson-Idaho Public Utilities Commission	Rochelle Jensen-Idaho Power
Sheree Willhite-Idaho Power	Mike Darrington-Idaho Power
Quentin Nesbit-Idaho Power	Kathy Yi-Idaho Power
Dennis Merrick-Idaho Power	Todd Schultz-Idaho Power
Theresa Drake-Idaho Power	Cory Read-Idaho Power
Ryan Hartnett-Idaho Power	Dave Thornton-Idaho Power
Andrea Simmons-Idaho Power	Shelley Martin-Idaho Power
Barb Jensen-Idaho Power	Warren Kline-Idaho Power

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

Meeting convened at 11:00am

11:00-Celeste welcomed the group. Guests and new employees were introduced to the group and the minutes from 06/11/09 were reviewed.

Before the first presentation was started, one member asked if the EEAG group could have a discussion of the Evaluation, Measurement and Verification (EM&V) at the next scheduled meeting.

11:10 2nd Quarter Financial & Savings Report-Pete Pengilly

Pete presented the Progress Report slide to the group. So far Idaho Power has reached 96% of its energy saving targets this year. The targets are for the entire year, and reaching them doesn't indicate that energy savings stops. These numbers do not show anything that is in the pipeline, only what has been paid to date. One of the members commended Idaho Power in continuing to show an excellent trend of exceeding targets set. A question was asked that, since targets are exceeded, does it seem that the targets are too conservative, and that maybe some adjustments need to be made. Pete brought out that these targets are for employees and managers and are used as a gauge only.

Celeste pointed out that some of the residential program savings are lower due to when the program started, and Holiday Lighting is lower since it doesn't start until mid to end of the year. Pete showed the Appendix 1 slide to the group that displayed the total expenditures for the year up to the 3rd quarter. One of the members asked if the monitoring and evaluation will be included here, and how much of the total

expenditures are dedicated to EM&V. Pete explained that EM&V costs are assigned to the applicable program's work orders and that it is an expense of the individual program. Currently, approximately 1 ½ percent of the budget is dedicated to EM&V.

The next slide shown was of the Idaho Rider/Oregon Rider/BPA and NEEA funding balances. One member asked if Idaho Power accrues interest on funds it pays out when the rider funding is in deficit. It was brought out that the IPUC has authorized Idaho Power 2% interest. One member stated that it would be helpful to see the cost effectiveness of the programs on this slide and asked if that could be added in the future. Pete mentioned that it is published in Appendix 4 in the DSM Annual Report. Appendix 3 gives the levelized cost for each program, but a levelized cost snapshot could be provided at either the winter or spring meeting.

11:40 Demand Response Summer Results-Pete Pengilly

Pete informed the group that the numbers presented in the slide are not final. These numbers will be finalized in the DSM Annual Report as well as the Irrigation Report. As it turned out, 2009 was a great summer for learning how to use the demand response programs. The Company had significant demand response resources available, but due to relatively mild weather conditions the Company took advantage of the opportunity to develop strategies for initiating demand response events more efficiently. Members inquired whether or not the system peak demand was being shifted and if the Company was experiencing snap-back effects from demand response. It was explained that much depends on the load forecast and the daily weather. The Company can dispatch events in a manner that ramps load reduction up and down to reduce impacts on the system load.

Other discussion was based on how the demand response was valued. It was explained that the value of demand response to the Company is not dependent on the market price of electricity, but is valued at the avoided capacity cost of a peaker plant as part of the Integrated Resource Plan (IRP) process.

Another question was asked on the status of commercial air conditioning cycling. Celeste responded that due to the uncertainty of load reduction capability of commercial air conditioners this program was not approved by the IPUC last summer. The Company does offer the FlexPeak Management Program to large commercial customers to participate in a demand response program.

12:10 IRP Energy Efficiency Forecast-Pete Pengilly

Pete explained that the energy savings forecast that is used for the Integrated Resource Plan (IRP) is developed from several sources including utility program experience, the 2009 DSM potential study, and other regional studies including the Draft Sixth Power Plan for the Northwest. Some potential new measures from the IRP process were shown to the group. These new measures will be reviewed for inclusion in programs.

One member asked if the CFL load reduction is reflected in the load forecast. Pete explained that the expected reduction in energy savings from lighting code changes were included in the energy savings forecast.

Pete also provided an Idaho Power website address, www.idahopower.com where some of the Company's studies are available.

12:30-Lunch

1:18 Meeting reconvened

1:20-Proposed Program Changes for 2010-Celeste Becia

Celeste presented proposed new measures to the existing programs. It was pointed out that the Home Improvement Program is very cost effective for customers. Idaho Power is looking at the cost effectiveness of adding a heat pump water heater measure to the program. One of the issues with the heat pump water heaters is that they have cold air waste; it could interfere with the heating load of a home. There was some discussion in the group around studies done on the efficiency of these types of water heaters. One member managed a study done of exhaust air heat pumps. It was found that there wasn't much appreciable heating loads on these buildings if they are set up for the heat pump to grab the exhaust air and return it to the heat pump.

The Ductless Heat Pump Pilot will continue into 2010. The criteria changed this year for the program. It is no longer a requirement to declare residency in the home after installation. Going forward, forced air furnaces would be disallowed and peripheral gas usage would be allowed. One member asked why customers with forced air furnaces could not participate in the program. Shelley informed the group that it is hard to isolate the actual energy savings when a forced air furnace is present. Customers would still need to run a furnace to keep the rest of the home heated.

The Irrigation Programs have a few proposed changes. Quentin Nesbitt explained to the group that currently the Green Motors program pays an incentive to have pump motors re-wound to NEEA standards. If the customer uses a participating shop that is qualified, the customer gets an incentive. As it stands right now, this is not a well known option for irrigation customers. Idaho Power wants to include this in the program material as a way of advertising this option to customers.

Regarding the hardware measures in the Irrigation Efficiency Rewards program, the Company is participating in the Regional Technical Forum's review of the 'deemed measures' which might help to identify needs for evaluation. All of the menu items are repair items that are related to leaky systems. It is estimated that more than half of incentives are paid out on the menu program.

Quentin handed out a slide to the members on the Peak Rewards Program that was not on the Power Point presentation. He explained to the group that Idaho Power would like to extend the end date from July 31st to August 15th. Idaho Power would also like to change the cycling times from 2-8pm to 1-8pm, and also add Saturday. This would not extend the hour limits, but just give Idaho Power more flexibility within the new time frame. These proposals will be filed with the Idaho Public Utilities Commissions within the next month. One member expressed that this program is well received by the irrigation customers and that the new changes seem appropriate and should not be difficult to add.

2:45 NEEA Contract-Celeste Becia

Celeste updated the group from the last EEAG Meeting regarding NEEA and the function they serve and reminded them of the significant jump in contributions Idaho Power is being asked to commit. Currently, Idaho Power is still in negotiations with NEEA for the renewal of the contract with them. One member asked if funding for this would come out of the existing rider balance, and if so would that mean that this would be a reduction in program incentives. Celeste replied that every budgeted item keeps you from doing some other budgeted item. Idaho Power is determining how those savings occur and making sure that all expenditures are prudent. *(On October 30th, Celeste sent an email to the EEAG members clarifying her answer. A copy of her email is attached.)* Idaho Power would like to have more accountability from NEEA and have the energy savings more local. One member continues to struggle with the increase in contributions and everything that NEEA does. He asked that during the next meeting if Idaho Power would explain their function so that he would be more informed before he votes in favor of increasing the contribution amounts.

2:49 DSM Incentive Workshop-Tim Tatum

Tim informed the members that the Idaho Office of Energy Resources and Idaho Power had convened a series of workshops. The purpose of the workshops is to explore performance-based DSM incentive mechanisms that would make sense for Idaho Power. There are several approaches from other utilities that are being reviewed including capitalization of energy efficiency investment, shared savings, and fixed percentage of targets. It is expected that the workshops will be completed by the end of 2009, or early 2010.

3:00 Meeting adjourned

E-mail Copy Attachment

From: Becia, Celeste

Sent: Friday, October 30, 2009 3:18 PM

To: 'Catherine Chertudi'; 'Don Sturtevant'; Jim Coles (jcoles@designwestid.com); 'Ken Eklund'; 'Ken Robinette'; 'Lynn Anderson'; 'Lynn Young'; 'Nancy Hirsh'; Theresa Gibney; 'Tom Eckman'; Youngblood, Mike; Brady Peeks (R.BRADY.Peeks@state.or.us); Sid Erwin (erwinjl@hughes.net)

Cc: Drake, Theresa; Pengilly, Pete; Tatum, Tim

Subject: EEAG meeting notes clarification

Hello all;

After reviewing notes from the recent EEAG meeting, I wanted to clarify my response to Nancy Hirsch's question regarding the impact of increased NEEA funding on the Rider funding mechanism, and the Rider's ability to meet program needs.

As I said at the time, NEEA funding does come from the Rider, and there are many program demands on this funding source. However, the Rider funding level does not drive the Company's decisions regarding the level of energy efficiency program activity it pursues. Idaho Power is committed to pursuing all cost-effective energy efficiency opportunities and will endeavor to secure a level of funding that is adequate to support that goal. This philosophy is illustrated by the almost \$10 million deficit in the Rider at this time, and our continual commitment to new programs and measures as presented during our meeting. I hope this clears up any misconceptions that may have occurred.

Have a good weekend,

Celeste