

***Weatherization Assistance
for Qualified Customers***



***2008 Annual Report
April 1, 2009***

2008



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DESCRIPTION

The Weatherization Assistance for Qualified Customers (WAQC) program provides financial assistance to regional Community Action Partnership (CAP) agencies in the Idaho Power service area. This assistance helps cover weatherization costs of electrically heated homes belonging to qualified customers with limited income. The WAQC program also provides a limited pool of funds for weatherization of buildings occupied by non-profit organizations serving primarily special-needs populations, regardless of heating source, with priority given to buildings with electric heat. Weatherization improvements enable residents to maintain a more comfortable, safe, and energy-efficient home while reducing their monthly electricity consumption. Improvements are available at no cost to qualifying applicants who own or rent their homes. These customers also receive educational materials and efficiency ideas for further reducing energy use in their homes. Local CAP agencies determine program eligibility according to the same federal and state guidelines that are used to determine eligibility for energy assistance.

BACKGROUND

In 1989, Idaho Power began offering weatherization assistance in conjunction with the State of Idaho Weatherization Assistance Program. Through the WAQC program, Idaho Power provides supplementary funding to state-designated CAP agencies for the weatherization of electrically heated homes occupied by qualified customers and buildings occupied by non-profit organizations that serve special-needs populations. Idaho Power enters into an agreement with each CAP agency that specifies the funding allotment, billing requirements, and program guidelines. Currently, Idaho Power administers the program in Idaho through five regional CAP agencies, including Canyon County Organization on Aging, Weatherization, and Human

Services (CCOA); Eastern Idaho Community Action Partnership (EICAP); El-Ada Community Action Partnership (El-Ada); South Central Community Action Partnership (SCCAP); and Southeastern Idaho Community Action Agency (SEICAA).

With the following sections, this report satisfies the reporting requirements set out in the Idaho Public Utilities Commission's (IPUC) Order No. 29505:

- Review of Weatherized Homes and Non-Profit Buildings by County
- Review of Measures Installed
- Overall Cost-Effectiveness
- Customer Education, Advocacy, and Satisfaction
- Plans for 2009

REVIEW OF WEATHERIZED HOMES AND NON-PROFIT BUILDINGS BY COUNTY

In 2008, Idaho Power provided a total of \$1,306,587 to Idaho CAP agencies with \$1,143,312 directly funding audits, energy-efficient measures, and health and safety measures for qualified customers' homes (production costs), \$44,494 directly funding energy efficient measures and health and safety measures for non-profit buildings, and \$118,781 funding the administration costs incurred by the CAP agencies. The total number of homes weatherized during the year was 434. Five non-profit buildings were also weatherized during 2008. Table 1 reviews the number of homes and non-profit buildings weatherized, production costs, average cost per home or non-profit building served, administration payments, and total payments made by Idaho Power per county.

Table 1
2008 Weatherization Activity—Homes and Non-Profit Buildings

Weatherization Assistance for Qualified Customers						
2008 Weatherization Activities and Expenditures By Agency and County						
Agency	County	# of Jobs	Production Costs	Average Cost per Home Served	Administration Payment	Total Payment Includes Administration
Homes						
CCOA						
	Canyon	80	\$220,981	\$2,762	\$22,098	\$243,080
	Gem	7	\$22,320	\$3,189	\$2,232	\$24,552
	Payette	9	\$20,662	\$2,296	\$2,066	\$22,728
	Washington	3	\$10,743	\$3,581	\$1,074	\$11,818
	CCOA Total	99	\$274,707	\$2,775	\$27,471	\$302,177
EICAP						
	Lemhi	6	\$11,625	\$1,938	\$1,163	\$12,788
	EICAP Total	6	\$11,625	\$1,938	\$1,163	\$12,788
EL-ADA						
	Ada	203	\$565,549	\$2,786	\$56,555	\$622,103
	Elmore	9	\$30,727	\$3,414	\$3,073	\$33,800
	Owyhee	2	\$7,061	\$3,530	\$706	\$7,767
	EL-ADA Total	214	\$603,336	\$2,819	\$60,334	\$663,670
SCCAP						
	Blaine	2	\$2,895	\$1,448	\$290	\$3,185
	Camas	1	\$2,191	\$2,191	\$219	\$2,410
	Cassia	5	\$11,668	\$2,334	\$1,167	\$12,835
	Gooding	7	\$13,511	\$1,930	\$1,351	\$14,862
	Jerome	10	\$29,275	\$2,927	\$2,927	\$32,202
	Lincoln	5	\$13,554	\$2,711	\$1,355	\$14,909
	Minidoka	1	\$4,172	\$4,172	\$417	\$4,589
	Twin Falls	32	\$74,920	\$2,341	\$7,492	\$82,412
	SCCAP Total	63	\$152,186	\$2,416	\$15,219	\$167,405
SEICAA						
	Bannock	31	\$63,462	\$2,047	\$6,346	\$69,808
	Bingham	16	\$31,324	\$1,958	\$3,132	\$34,457
	Power	5	\$6,671	\$1,334	\$667	\$7,338
	SEICAA Total	52	\$101,457	\$1,951	\$10,146	\$111,603
Homes Total		434	\$1,143,312	\$2,634	\$114,331	\$1,257,643

Table 1
2008 Weatherization Activity—Homes and Non-Profit Buildings (Continued)

Weatherization Assistance for Qualified Customers						
2008 Weatherization Activities and Expenditures By Agency and County						
Agency	County	# of Jobs	Production Costs	Average Cost per Home Served	Administration Payment	Total Payment Includes Administration
Non-Profit Buildings						
	Ada	1	\$5,402	\$5,402	\$540	\$5,942
	Bannock	1	\$2,179	\$2,179	\$218	\$2,397
	Gem	1	\$22,994	\$22,994	\$2,299	\$25,294
	Gooding	1	\$6,588	\$6,588	\$659	\$7,247
	Twin Falls	1	\$7,332	\$7,332	\$733	\$8,065
	Non-Profit Buildings Total	5	\$44,494	\$8,899	\$4,449	\$48,944
Grand Total 2008		439	\$1,187,807	\$2,706	\$118,781	\$1,306,587

In an effort to help the CAP agencies maximize the number of customers served under WAQC, Idaho Power includes in its agreements with the agencies a provision allowing a maximum annual average cost per home to an amount specified in the agreement. The average cost per home served is calculated by dividing the total annual Idaho Power production cost of homes weatherized per agency by the total number of homes weatherized that the CAP agency billed to Idaho Power during the year. The maximum annual average cost per home by CAP agency allowed under the 2008 agreement was \$2,826. Overall, in 2008, the CAP agencies had a combined average cost per home served of \$2,634. There is no average cost limit for weatherization of non-profit buildings.

During 2008, Idaho Power provided administrative payments totaling \$118,781 to CAP agencies to cover their program administration costs. Administration fees are based on 10% of the Idaho Power production costs. The average administration cost per home weatherized in 2008 was \$263, and the administration costs for non-profit buildings weatherized averaged \$890.

Additionally, Idaho Power staff labor, marketing, and support costs for the WAQC program totaled \$69,956 for the year.

In compliance with IPUC's Order No. 29505, weatherization assistance funds are tracked, and unspent funds are carried over and made available to CAP agencies in the following year.

In 2008, a total of \$96,030 was carried forward from 2007. Table 2 details the funding base amount, any carryover funding, and the total amount of annual funding.

Table 2
Base and Carryover Funding

Agency	2008 Year (1/1/08–12/31/08)			
	Base	Carryover From 2007	Total 2008 Allotment	2008 Spending
CCOA	\$302,259	\$256	\$302,515	\$302,177
EICAP	\$12,788	\$0	\$12,788	\$12,788
EL-ADA	\$568,479	\$95,191	\$663,670	\$663,670
SCCAP	\$167,405	\$0	\$167,405	\$167,405
SEICAA	\$111,603	\$0	\$111,603	\$111,603
Non-Profit Buildings	\$50,000	\$583	\$50,583	\$48,944
Totals	\$1,212,534	\$96,030	\$1,308,564	\$1,306,587

REVIEW OF MEASURES INSTALLED

Table 3 details the measure counts, the production costs of those measures, and the kilowatt-hour (kWh) savings by measure during 2008. The measure counts column represents the number of times each measure was billed to Idaho Power during the year. In reality, measure counts are higher when considering each home. In some homes, the measure was actually installed and billed 100% to the state weatherization program and not to Idaho Power. Consistent with the State of Idaho Weatherization Assistance Program, Idaho Power offers several measures that

have costs, but do not save energy or savings cannot be measured. Included in this category are such elements as health and safety, vents, furnace repair, and home energy audits. Health and safety measures are necessary to ensure weatherization activities do not cause unsafe situations in a client's home or compromise a household's existing indoor air quality. Other non-energy savings measures are allowed under this program in order to help facilitate the effective performance of those measures yielding energy savings.

Table 3
2008 kWh Savings and Home/Non-Profit Measure Expenses, Excluding Administration

Weatherization Assistance for Qualified Customers			
2008 Measure Cost and kWh Savings			
1/1/08–12/31/08			
Home Measures	Measure Counts	Production Cost	kWh Savings
Windows	294	\$405,598	1,882,095
Doors	276	\$163,476	711,749
Wall insulation	10	\$5,332	22,938
Ceiling insulation	208	\$116,668	225,868
Vents	17	\$1,154	0
Floor insulation	148	\$116,339	200,400
Infiltration	344	\$108,727	416,648
Ducts	59	\$16,237	65,760
Health & Safety	7	\$966	0
Water Heater	27	\$2,199	10,292
Pipes	21	\$724	416
Furnace Modify	6	\$11,145	23,723
Furnace Repair	9	\$2,032	0
Furnace Replace	82	\$155,209	325,373
CFL	336	\$6,718	49,133
Audit Investment	352	\$30,788	0
Total Home Measures	2,196	\$1,143,312	3,934,395

Table 3
2008 kWh Savings and Home/Non-Profit Measure Expenses, Excluding Administration (Continued)

Weatherization Assistance for Qualified Customers			
2008 Measure Cost and kWh Savings			
1/1/08–12/31/08			
Non-Profit Building Measures	Measure Counts	Production Cost	kWh Savings
Windows	1	\$4,835	30,155
Doors	1	\$6,099	8,698
Wall insulation	0	\$0	0
Ceiling insulation	3	\$5,448	20,370
Vents	1	\$313	0
Floor insulation	2	\$11,633	27,926
Infiltration	1	\$3,978	9,446
Ducts	3	\$9,767	31,064
Health & Safety	2	\$169	0
Water Heater	2	\$51	1,425
Pipes	3	\$327	387
Furnace Modify	0	\$0	0
Furnace Repair	1	\$378	0
Furnace Replace	1	\$119	435
CFL	0	\$0	0
Audit Investment	5	\$1,378	0
Total Non-Profit Measures	26	\$44,494	129,905
Total Home and Non-Profit Buildings	2,222	\$1,187,806	4,064,300

Idaho Power's total kWh savings in 2008 for weatherized homes was 3,934,395. The total kWh savings in 2008 for weatherized non-profit buildings was 129,905. The total energy savings within Idaho from WAQC during 2008 was 4,064,300 kWh.

OVERALL COST-EFFECTIVENESS

Idaho Power monitors overall cost-effectiveness by requiring each CAP agency to ensure that each project has a savings to investment ratio (SIR) equal to or greater than 1.0. The total

project's SIR reflects all the measure costs associated with the project, including measure costs that have no kWh savings, and compares that total cost to the benefit of the total kWh savings of the project. Under this standard, projects with an SIR greater than 1.0 are deemed to be cost-effective by the energy audit program used by the State of Idaho.

Figure 1
SIR Frequency Distribution

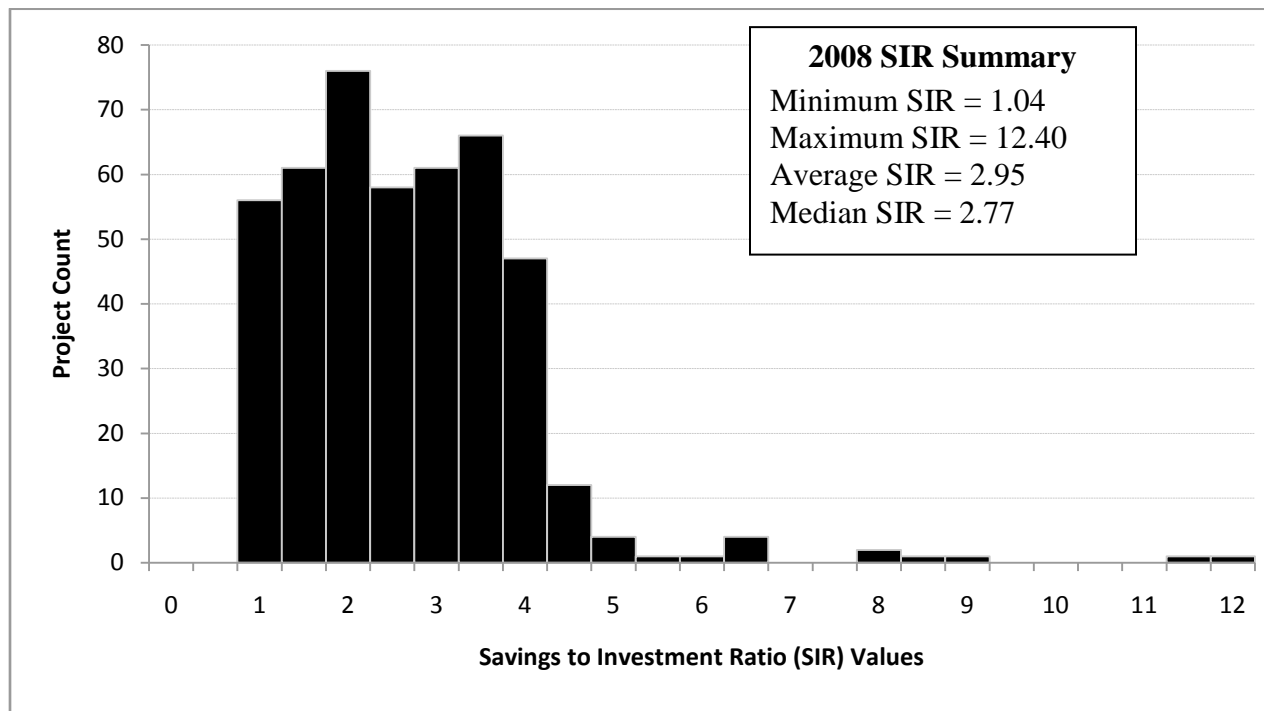


Figure 1 shows the SIR frequency distribution of the 2008 projects funded through WAQC. During 2008, SIR values ranged between 1.04 and a high project value of 12.40 with a mean SIR of 2.95. The 25-year levelized cost of saved energy in 2008 for the WAQC program is \$0.025/kWh from a utility cost perspective and \$0.032/kWh from a total resource cost perspective.

CUSTOMER EDUCATION, ADVOCACY, AND SATISFACTION

Idaho Power provides materials to each CAP agency to assist in the education of special needs customers who receive weatherization assistance. Included in this material are the Idaho Power brochures *Practical Ways to Manage Your Electricity Bill*, and *Energy Saving Tips*, which describe energy conservation tips appropriate for both the heating and cooling seasons.

Included in the materials is a two-sided card describing the energy-saving benefits of using compact fluorescent light (CFL) bulbs and helpful hints about using the bulbs. The educational information is available in Spanish and in large print versions.

In addition to the materials provided to the CAP agency weatherization offices and energy assistance offices, each autumn Idaho Power distributes to all customers Energy Assistance brochures describing eligibility guidelines and application locations. Idaho Power also actively informs customers about the program through energy, health, and senior fairs.

In order to stay current with new programs and services, the Idaho Power program specialist overseeing WAQC attends state and federal energy assistance/weatherization meetings and other weatherization-specific conferences, such as the National Energy and Utility Affordability Conference. Idaho Power is also active in the Policy Advisory Council, helping advise and direct Idaho's state weatherization application to the United States Department of Energy, and the Idaho State Low Income Home Energy Assistance Program (LIHEAP) Collaborative Workgroup.

During 2008, the WAQC program's Idaho customers were surveyed to measure their opinion of how the program would help keep their homes comfortable, how much they learned about saving electricity during the weatherization process, and about their energy-saving behavior changes.

Survey respondents were categorized into age groups. Results indicated 21% of the respondents were between 18 to 40 years-old, 44% were between 41 to 70 years-old, and 35% were over 70 years-old.

Of 357 surveys mailed in 2008, 104 Idaho customers returned questionnaires. Over 92% reported thinking the program would help keep their homes a lot more comfortable or somewhat more comfortable. Eighty-six percent reported learning a lot or some about saving electricity during the weatherization process. Over 97% responded that they had tried a lot or some ways to save electricity in their home.

PLANS FOR 2009

Idaho Power will continue working in partnership with the Idaho Department of Health and Welfare (IDHW), Community Action Partnership Association of Idaho (CAPAI), and individual CAP agency personnel to maintain the targets, guidelines, and cost-effectiveness of the WAQC program. In so doing, Idaho Power will provide a valuable service to its special-needs population.

Idaho Power estimates 343 homes and 5 non-profit buildings will be weatherized in 2009 with an annual average cost of \$3,055 per home. In 2009, Idaho Power expects to fund \$1,214,511 in weatherization measures and administration fees, of which \$51,640 will be used to weatherize buildings housing non-profit agencies who serve primarily special needs customers. Idaho Power plans to continually evaluate the need for additional program changes. As in years past, a minimum of 5% of all weatherized homes submitted for reimbursement will be audited.