

**Energy Efficiency Advisory Group (EEAG)
Notes January 23, 2019**

Present:

Kent Hanway-CSHQA	Pete Pengilly*-Idaho Power
Wil Gehl–Community Action Partnership Assoc. of ID	Ben Otto-Idaho Conservation League (via phone)
Stacey Donohue–Idaho Public Utilities Commission (via phone)	Katie Pegan–Office of Energy & Mineral Resources
Diego Rivas–Northwest Energy Coalition	Sid Erwin–Idaho Irrigation Pumpers Association
Connie Aschenbrenner–Idaho Power	Jim Hall-Bodybuilding.com
Anna Kim–Public Utility Commission of Oregon (via phone)	Selena O’Neal-Ada County Operations
Haley Falconer-City of Boise	

Not Present:

Don Strickler–Simplot
Tina Jayaweera-Northwest Power & Conservation Council

Guests and Presenters*:

Quentin Nesbitt*-Idaho Power	Brittany Nixon–Idaho Power
Tracey Burtch*–Idaho Power	Theresa Drake–Idaho Power
Shelley Martin–Idaho Power	Becky Arte-Howell–Idaho Power
Billie McWinn*–Idaho Power	Melissa Thom-Idaho Power
Melissa Thom–Idaho Power	Tonja Dyke–Idaho Power
Tracey Burtch*–Idaho Power	Zeke VanHooser-Idaho Power
Annie Meyer–Idaho Power	Chris Pollow–Idaho Power
Brad Iverson-Long-Idaho Public Utilities Commission	Donn English-Idaho Public Utilities Commission
Krista West-Idaho Power	

Note Takers:

Shawn Lovewell (Idaho Power) with Kathy Yi (Idaho Power)

Meeting Facilitator: Rosemary Curtin

Meeting Convened at 9:32 a.m.

Pete convened the meeting with housekeeping items and announcing Wil Gehl of Community Action Partnership Association of Idaho as a new EEAG member. He informed the group that member, Scott Pugrud, has taken new position within the Office of Energy and Mineral Resources and will no longer be a member of EEAG. Katie Pegan would be sitting in for Scott today. Pete provided the balances for the Idaho and Oregon rider. Connie updated the group on the recent filing made in Oregon to adjust the rider tariff and the solar PV rider tariff. She also stated that Idaho Power is looking at assessing the appropriate level of collection for the Idaho Rider. The company will update EEAG members at a future conference call. Rosemary asked for introductions of members and guests and any comments or questions on the October meeting notes.

9:43 a.m. October EEAG meeting Follow-up

Kathy provided an update on weatherization measures that could be included in the multifamily housing program. This idea was brought up during the October 30 meeting. Kathy stated that Idaho Power looked at savings numbers from the Regional Technical Forum (RTF) and other utilities around the country. The numbers she found were based on single family homes, not multi-family. Preliminarily, these measures could be cost-effective. Idaho Power's next steps will be to talk to contractors who currently work with the Home Energy Audit and Energy House Calls programs and explore options with them.

Kathy also addressed the topic of the drying racks and how the survey results from empowered community compared with the participant pre and post survey. The type of questions asked were; do you have clothes washer, what is the age of the washer, how many loads of laundry, and how many loads go into the dryer. The survey results were consistent.

Quentin provided an update on the savings numbers from the Irrigation program. At the last meeting he suggested that Idaho Power would use the adjusted savings numbers for 2019 and convene a workgroup to explore options. Based on feedback at the meeting, the company decided to accept the RTF savings numbers instead. The cost-effective exceptions filing in Oregon were approved. The incentives will be the same, but the savings will be adjusted. When the RTF updated the savings, they did not have a workgroup with experts in the area, so Idaho Power still plans to convene a workgroup moving forward to investigate further if the new RTF savings used the correct assumptions.

Quentin updated the group on the potential Small Business Direct Install program. The request for proposal (RFP) is in the final edit stage. Once the company receives responses it will evaluate the proposals, look at the cost effectiveness, and bring back those findings to the next EEAG meeting.

10:00 a.m. Evaluation Proposal—Pete Pengilly

Pete provided a historical look at Idaho Power's evaluations and the company's proposed 2019-2020 evaluation strategy. At the last EEAG meeting, the company heard from members that there could be cost savings by leveraging multi-year evaluation contracts. He asked for comments and feedback from EEAG.

There were comments regarding frequency, the need for evaluating programs with small percentage of overall portfolio savings, and the comment that the Idaho Public Utilities Commission (IPUC) staff direct other utilities to look at Idaho Power's evaluations as an example of what to do. There was a comment cautioning the company to not go in the wrong direction since there didn't seem to be a problem with the frequency and method of previous evaluations.

10:16 a.m. 2017 Idaho Prudence Order—Connie Aschenbrenner

Connie reminded the group of the Idaho Commission's order to address several issues with the EEAG and highlighted the topics that the company planned to discuss today.

Topic #7- "Consider tailoring its marketing efforts to achieve the micro-targeting proposed by the Company's evaluator." Tracey informed the group that Idaho Power does include micro-targeting in its marketing and will do a better job of communicating that with EEAG. The evaluator was making the recommendation regarding the Rebate Advantage program. Idaho Power conducted research and found that the Rebate Advantage customers have a lower overall adoption of technology, are likely to listen to the radio, and they are an older and more rural population.

Tracey provided examples of other types of micro-targeting that the company has done and asked EEAG members for feedback on 2019 marketing options from slide 13. Those options were: 1. Accept evaluator's

proposal of search and display ads and geofencing, 2. Consider more traditional methods, or 3. Hybrid of option 1 and 2.

There were comments and questions regarding how many manufactured homes were purchased over the internet, whether the company puts flyers in areas where people utilize the internet, and if it was possible to put ads on manufacturer websites. In general, the group was supportive of Idaho Power using a common-sense approach to the evaluator's recommendation. One member favored Idaho Power using the hybrid approach of option 1 and 2.

Topic #8- “Apply the UCT, not the TRC, as the best measure of the costs and benefits of efficiency programs as a resource.”

An energy efficiency potential study is used to identify the amount of energy efficiency potential to include in the Company's Integrated Resource Plan (IRP). The amount of energy efficiency potential included in the IRP establishes the targets to be achieved by energy efficiency programs. Guided by these targets, the energy efficiency programs group designs, implements and evaluates energy efficiency programs. Pete reviewed the cost-effectiveness tests that Idaho Power uses in planning programs.

The Company explained that it believes this topic is most appropriately considered in the context of the IRP, but that it wanted to update the EEAG on the issue and solicit any feedback EEAG members had regarding the cost-effectiveness perspective utilized from a long-term resource planning perspective. The Company shared that from its perspective, using the Total Resource Cost (TRC) test is preferred because it results selecting resources that will provide the lowest overall energy costs for customers across its system.

There was discussion about the different tests, the differences in how they are used for resource planning vs. program planning, why the company utilizes the TRC for resource planning, why the company uses all three tests for program planning, and the importance of Idaho Power being a trusted energy advisor for its customers. The Company explained that it does not want to encourage customers to make uneconomical decisions. One member suggested that it might be helpful for program participants if Idaho Power could provide a cost calculator associated with programs on its website. The Company stated that the IRP discussion is ongoing and committed to following up with the EEAG in the future with the outcome of those discussions.

12:00 Lunch

12:48 Meeting Reconvened Topic #9- “Reconsider the discontinuation of the Home Improvement Program.”

Billie provided a timeline of the Home Improvement Program (HIP) history and its cost-effectiveness. She also provided a slide that outlined what the company looked at when it revisited the cost-effectiveness. Based on past discussions with EEAG on the topic of cost effectiveness of programs, the Company is committed to providing a more transparent proposal for discussions about the future treatment of existing programs at the May EEAG meeting.

There was general agreement from EEAG that the explanation that was provided by Idaho Power on its discontinuation of the HIP was satisfactory and they were happy to see the company committed to presenting a proposal in the May EEAG meeting regarding a framework for future program continuation decision making.

Topic #10 “Rigorously examine the potential for expanded demand response in its 2019 IRP.

Quentin informed the group that the information had previously been presented to the IRP advisory committee (IRPAC), but that it wanted to update the EEAG on the issue and solicit any feedback EEAG members had regarding how Idaho Power planned to model demand response (DR) in its IRP. Quentin briefly explained the three DR programs and provided a snapshot of all the demand response programs 2018 performance. He

provided an abbreviated presentation of the one given to the IRPAC. Quentin explained that the Company has evaluated capacity need outside of the Aurora Model and is putting DR into the Aurora Model with some constraints and allowing Aurora to determine whether it is needed in different portfolio scenarios.

There were questions and comments regarding expanding the program event hours, customer tolerance for cycling events, and concern over adding additional costs to customers if the demand response programs were expanded. It was stated that once the company pays more for market energy vs. incentives, that would be the time to expand the programs. It was suggested that Idaho Power could pick up additional participants in the irrigation sector in the current timeframe, but they would not go beyond the four-hour cycling event. It is one thing to decide the company needs more demand response and another thing to get more participation. It was also suggested that the irrigation program is a good example of optimizing dispatch times. The same type of spreading customers into multiple groups could be applied to Flex Peak and A/C Cool Credit. That would be utilizing lessons learned and applying those to the other two programs.

Topic #11- “Work with the EEAG to ensure that Energy Independence Security Act program savings remain healthy beyond 2020.

Pete provided the background of the Energy Independence Security Act (EISA) and how it will impact energy savings for the programs that have lighting measures. Billie reminded the group of the numerous presentations that Idaho Power has given on how EISA will reduce the residential programs savings potential. The energy savings will still occur, but they will be the result of federal standards and not Idaho Power programs.

There were questions and comments regarding the next steps in lighting, controls, Idaho Power providing more education regarding building codes, and providing more opportunities for the residential customers to participate in. It was suggested that as a group, EEAG could go through activities to work through perceived program constraints to look for opportunities that are “outside the box.” Every program has constraints, is there a way the group can go through those to find a new opportunity? Billie reiterated that the Company believes a key role of the EEAG is to have these discussions and to have an exchange of ideas. It was suggested that Idaho Power could provide members with information so that they can provide advice and suggestions, such as:

- Reports from organizations like NW Power and Conservation Council and Regional Technical Forum to kick-start a brainstorming session.
- What other utilities, that are struggling with the same issues, are looking towards for new opportunities.

Opportunities that can be explored by the EEAG include:

- Partnering with other utilities or co-branding.
- Behavioral programs
- Ways to work closer with rural areas to capture “low-hanging fruit” in those areas.

Pete stated that Idaho Power staff will talk about these suggestions and can bring back some of the resources that EEAG suggested. Theresa thanked the group for the great conversation and input.

2:24 Meeting Adjourned