

**Energy Efficiency Advisory Group
(EEAG) Wednesday, May 10, 2023
Virtual meeting Via-WebX**

Present:

Alexa Bouvier – Office of Energy and Mineral Resources	Ken Robinette – Community in Action Partnership Association of Idaho
Brad Heusinkveld – Idaho Conservation League	Peter Kernan – Public Utility Commission of Oregon
Connie Aschenbrenner – Idaho Power	Quentin Nesbitt – Idaho Power
Diego Rivas – Northwest Energy Coalition	Sidney Erwin – Idaho Irrigation Pumpers Association
Don Strickler – Simplot	Taylor Thomas – Idaho Public Utilities Commission
Wil Gehl – City of Boise	Tina Jayaweera - NW Power & Conservation Council

Not Present:

Jim Hall – WaFd Bank

Guests and Presenters*:

Andee Morton – Idaho Power	Krista West – Idaho Power
Alexis Freeman* – Idaho Power	Laura Conilogue – Idaho Public Utilities Commission
Annie Meyer* – Idaho Power	Landon Barber – Idaho Power
Becky Arte Howell – Idaho Power	Michelle Toney – Idaho Powe
Billie McWinn* - Idaho Power	Nathan Black – Idaho Power
Chellie Jensen* - Idaho Power	Shelley Martin – Idaho Power
Cheryl Paoli – Idaho Power	Sheree Willhite – Idaho Power
Curtis Willis – Idaho Power	Ray Short – Idaho Power
Dahl Bietz – Idaho Power	Theresa Drake – Idaho Power
Denise Humphreys – Idaho Power	Todd Greenwell – Idaho Power
Jason Talford – Idaho Public Utilities Commission	
Kathy Yi – Idaho Power	

Note Takers:

Michelle Toney (Idaho Power) with Kathy Yi (Idaho Power)

Meeting Facilitator: Quentin Nesbitt

9:35 A.M. Announcements—Quentin Nesbitt

Quentin started the meeting and went over the agenda and then introductions. There were no questions or comments regarding February notes.

Connie mentioned the company filed its annual DSM prudence request in Idaho, on March 15th, along with the DSM report for 2022 program operations. The link to the DSM report is available at idahopower.com.

9:45 A.M. 2023 YTD Financials & Savings—Quentin Nesbitt

Quentin presented the YTD 2023 expenses and savings by program. He discussed the evaluations and went over a change with the impact & process evaluations for the Heating & Cooling Efficiency Program. The company plans to move this impact & process evaluation from 2024 to 2025.

Discussion

One member asked why there were no Process Evaluations for the DR programs. Quentin answered they have been performed, but it was prior to 2018. Quentin mentioned that it is something the company will consider including in 2025 when a third-party Impact Evaluation is planned.

A member asked about the category of “Other Evaluations.” Quentin responded that it is to designate that the evaluation was completed internally and not by a third-party.

9:55 A.M. Residential Programs—Billie McWinn

Billie presented the YTD savings, changes, and participation by program. She then provided specific updates for the Heating & Cooling program, the Lighting Buy-down program, Welcome Kits, AC Cool Credit (ACCC) and the new multifamily program exploration.

Discussion

Heating & Cooling Program

One member stated there will be an uptick with Heat Pump applications because of the federal money coming in and asked if the company is tracking that or receiving feedback. Billie responded that the company is tracking trends and availability of those funds.

One member asked if the ductless heat pump (DHP) incentives are different depending on the number of heads. Todd Greenwell answered that the incentive is the same regardless of the number of heads. The member suggested looking at the impact of head counts.

One member asked how much the savings differ on heat pump water heater (HPWH) between retrofits and new construction. Kathy Yi responded that it's complicated because there are so many different application combinations. As an example, the new construction HPWH savings can be up to 10% lower or higher than the similar existing home application, depending on the situation.

One member asked how the company will educate the public about the new federal efficiency standards. Todd Greenwell responded that there is a regionally accepted plan between the old ratings and the new ratings that will be used to assist the public in understanding the new standards and that both the old and new rating requirements are on the incentive program's website and application forms. The member added that there is some questioning about that plan. Todd replied that the plan was to use multipliers created by the Consortium for Energy Efficiency using data from manufacturers who tested products to both the old and new test methods prior to the January 2023 effective date of the new standards. Todd agreed with the EEAG member that the RTF may end up doing additional testing to obtain their own empirical data to potentially tweak those multipliers if necessary.

One member asked if the company has any information on the number of customers in specific areas with propane, oil, or natural gas heating that can be used for marketing the ducted ASHP measure. Kathy answered that the company has end-use data on this, but it is not perfect. Billie stated that in 2020 a probable list of those customers was created, and the company marketed the heat pump incentives directly to about 6,300 customers that likely heat with propane/oil. Billie also mentioned the company can look to refresh that list to be able to market this new incentive level.

Lighting Buydown

One member commented that they appreciate the company's efforts to stay on top of the lighting program changes and making the transition smooth.

Welcome Kits

One member asked if the new kits are cost effective. Billie replied that the kits are not cost-effective, but they are intended to increase energy efficiency knowledge and awareness of Idaho Power incentive programs as an educational item.

AC Cool Credit (ACCC)

One member asked about the marketing plan and suggested increasing the incentive. Billie answered that it is something the company regularly reviews.

One member asked if residential customers could enroll anytime. Billie answered yes.

Bring Your Own Thermostat (BYOT)

One member asked what kind of system and tracking would be in place for BYOT & ACCC overlap. Billie answered that a plan would be created that ensures customers are allowed to participate in one program or the other, but that would not encourage customers to switch programs.

One member thanked the team for looking into BYOT and asked how the energy efficiency incentive for a smart thermostat would be aligned with BYOT participation. Billie said incentives are being evaluated separately because customers can use a smart thermostat regardless of whether they participate in BYOT. Also, the energy efficiency incentive applies to a broader list of manufacturers of smart thermostats that do not offer DR capability.

Another member asked if the BYOT is expected to be a different incentive than ACCC because of the different costs associated with it. Billie answered that the plan would be to offer the same incentive on an annual basis. However, an enrollment incentive for BYOT would likely be offered, whereas the company has not offered the same for ACCC due to the cost of the switch.

One member asked if the company would capture the energy efficiency savings from BYOT participants. Billie answered that energy efficiency savings would be claimed if the customer applied for an incentive through the Heating & Cooling Efficiency (H&CE) program. The company could, however, market both the H&CE program smart thermostat incentive and the DR program incentives together to customers that do not already have a smart thermostat.

One member asked if the company would account for BYOT program opt outs. Billie responded that the vendor would provide data showing the total number of people opting out and this would influence load reduction results.

10:32 A.M. – Break

10:44 A.M. Commercial, Industrial, & Irrigation Programs—Chellie Jensen

Chellie presented year-to-date updates, participation and savings numbers, changes, and challenges for the commercial, industrial, and irrigation programs. She also provided an update on Peak Rewards & Flex Peak enrollment and what actions the company is taking to encourage enrollment.

Discussion

Retrofits

There were several questions related to why the company is proposing to continue to offer the LED screw in incentive through 2024 when in July 2023 people can only buy LEDs. Chellie responded that it is to encourage early replacement of inefficient lighting. Kathy added that the company is adjusting the cost effectiveness to reflect a one-year measure life based on the remaining useful life of the existing, inefficient bulb.

One member asked how the participation is different between TLEDs vs retrofit kits. Chellie replied that the TLEDs do offer an opportunity for a lower cost option. Shelley Martin added that the incentive is structured towards a 'good, better, best' approach with options for TLEDs, kits, and fixtures.

11:30 A.M. Marketing—Annie Meyer & Alexis Freeman

Annie presented Idaho Power's new energy efficiency add campaign that will be used to promote energy efficiency. The new campaign is called "Good Energy" and will replace the "Joulie & Wattson" theme. Annie showed the new commercials associated with the campaign.

Alexis presented an overview of the residential and commercial, industrial & irrigation program marketing. She went over marketing information that has been sent to customers including bill inserts, My Account popups, event participation and DR specific marketing.

There were no questions or comments.

12:00 P.M. – Lunch

1:02 P.M. NEEA Evaluation—Melissa Kosla, Adam Thomas, & Heather Polonsky ADM

Quentin introduced the third-party evaluation completed for the company's participation in the NW Energy Efficiency Alliance (NEEA) and introduced Melissa Kosla, Adam Thomas, Heather Polonsky from ADM who conducted the evaluation.

Melissa presented the overall evaluation approach, showed evaluation results, overall findings, and ADM recommendations.

Discussion

One member asked if the report will be public and if there will be more information on how ADM performed their quantification. Quentin answered yes, it will be a supplement to the company's Idaho prudence filing and will be publicly available at that time.

One member stated one of ADMs conclusions is that the funder share is not appropriate and asked ADM about those conclusions and how does it work to switch to the utility service territory allocation method. Melissa responded that the service territory share allocation is already being done for some other funders, and it is a more accurate representation of energy savings coming back to Idaho.

One member commented that if some funders use service territory allocation and others use funder share allocation then the overall savings will not add up, especially when most do funder share. Melissa agreed and

added that NEEA may need to make some adjustments, but ADM was only looking at Idaho and that it would be good issue to bring up with NEEA and understand how that would be handled.

One member asked how the evaluation looked at code and standard improvements that have spillover benefits in other states and how did ADM calculate the impact of that. The member also stated as the market transforms in larger population centers in the west the transformation would then move east. Melissa answered that main factor for quantifying benefits was to use manufacturer sales data to partition the total benefits by state and service territory. If that level of detail is not present in the data, then ADM recommends using another type of allocation but not necessarily default to funder share. Melissa added, ADM tried to to determine the benefits being accrued in Idaho, specifically for each year, which is a different perspective than what NEEA uses. They assume a more long term effort and aggregate all the benefits and costs for the entire region, ADM was focused on estimating the actual accrued cost and benefits for each year within the state of Idaho.

Adam Thomas added that the suggestions in the evaluation are ultimately to help realign NEEA's reporting to specifically show benefits to Idaho.

One member asked if the market is expected to see a jump at some point from NEEA influence in an EE measure as a percentage of the total market. Melissa said yes and that NEEA wants efforts on measures to hopefully lead to a standard being integrated. She added that the evaluation saw a large percentage of NEEA savings being derived from standards, and the NEEA goal is that standards are incorporated in each state and when that happens, NEEA claims savings from a percentage of sales in that state. The rate of that change is not known, but it is assumed to happen over time, which again highlights the perspective that NEEA uses versus the perspective that utilities use for cost-effectiveness.

One member asked if NEEA's responses to the report will be part of the filing. Connie said that the plan is to incorporate NEEA's feedback into Idaho Power's response for each of the recommendations. Theresa added the company conducted the evaluation through an outside party, which has been what Melissa shared here as she went through the findings and results, it is the responsibility of the company to respond to the commission based on what they asked of us.

1:49 P.M. Wrap-up/Open Discussion

Member Comments:

I really appreciate the information shared and look forward to your updates and seeing what changes are made to the programs and to see those kinds of impacts over the next months. I appreciate everyone's preparation and information.

Thanks for the meeting and I appreciate you bringing in ADM to speak about the NEEA evaluation. I've been curious about it for a while and look forward to what's coming.

I appreciate the meeting today and ADM's presentation, insightful feedback and appreciate everyone's insight. Thank you.

I very much appreciate these EE and DR efforts. They are much more important than what some of the public sees in them. Maybe it's because of my own involvement in many facets of the programs. I may be a little more aware than most, but if we want to keep electric rates reasonable, we need to continue to do important things with stepping up to the plate with both DR and EE.

I look forward to reading through the materials. I was struck by the range of cost effectiveness that came through with NEEA's programs.

I echo those EE and DR effort comments. We are also seeing a rate increase, which with the size of our facility, is quite a bit. So it does help us prioritize looking at ways to save on our side and reduce costs with DR and EE.

Thanks everybody, good meeting. I will also echo those EE and DR comments. It's important the region faces the questions of resource adequacy and reliability and cost.

I am happy to be here and hear from everyone. I realize how important DR is today and going forward. There are strong results from the company so far. I encourage you to see the potential there. As the region maintains both resources and transmission constraints, there is a lot of optimism that the DR programs can grow.

Thank you again for this meeting. I always look forward to these quarterly meetings. I learned quite a bit of information. I want to make a friendly reminder of the federal funding in relation to the Inflation Reduction Act. OEMR is actively speaking to the DOE regarding program implementation which is expected to be released midsummer. So, if you are receiving phone calls, please refer customers to OEMR.

Connie thanked everybody for their advocacy and advisory support towards keeping the programs running.

Quentin thanked everyone for their participation. Stated that the next meeting is August 17th and 4th quarter meeting is November 8th.

2:00 P.M. Meeting Adjourned