

Idaho Energy Efficiency Advisory Group Meeting November 14, 2024

Present

Connie Aschenbrenner – Idaho Power
Jason Talford – Idaho Public Utilities
Commission
Ken Robinette – South Central Community
Action Partnership

Matt Fuxon – Charlies Produce
Quentin Nesbitt – Idaho Power
Steve Hubble – City of Boise Public Works
Don Strickler – J.R. Simplot Company

Not Present

Taylor Thomas – Idaho Public Utilities
Commission
Emily Her – Office of Energy and Mineral
Resources

Christian Douglas – NW Power &
Conservation Council
Sidney Erwin – Idaho Irrigation Pumpers
Association

Guest & Presenters*

Andee Morton – Idaho Power
Annie Meyer – Idaho Power
Becky Arte Howell – Idaho Power
Billie McWinn* – Idaho Power
Ben Hemson – Idaho Power
Callie Freeman – Idaho Power
Chellie Jensen* – Idaho Power
Cheryl Paoli – Idaho Power
Chris Pollow – Idaho Power
Dahl Bietz – Idaho Power
Jeff Rigby – Idaho Power
Jordyn Neerdaels – Idaho Power
Julie Rosandick – Idaho Power
Katie O’Neil – City of Boise

Landon Barber* – Idaho Power
Laura Conilogue – Idaho Public Utilities
Commission
Mary Alice Taylor – Idaho Power
Matt O’Conner – Idaho Power
Melissa Thom – Idaho Power
Michelle Toney – Idaho Power
Mindi Shodeen – Idaho Power
Nathan Black – Idaho Power
Nicholas Ackerman – Idaho Power
Ray Short – Idaho Power
Shelley Martin – Idaho Power
Sheree Willhite – Idaho Power
Todd Greenwell – Idaho Power

Note Takers: Michelle Toney with Callie Freeman

Meeting Facilitator: Quentin Nesbitt

9:30 A.M. Welcome & Announcements—Quentin Nesbitt

Quentin introduced a new EEAG member representing the commercial sector, Matt Fuxon with Charlies Produce in Boise, and announced Alexa Bouvier with the Office of Energy and Mineral Resources and Brad Heusinkveld with the Idaho Conservation League have taken other roles and will no longer serve on EEAG. He added that the company is working with the Northwest Energy Coalition to identify a new member.

Connie mentioned the company received a positive order from the Idaho Public Utilities Commission (IPUC) finding the 2023 Demand-Side Management (DSM) expenditures as prudently incurred. She also mentioned that the company had filed a request with the IPUC for approval to continue to fund Idaho Power's participation in the Northwest Energy Efficiency Alliance (NEEA).

Discussion

One member asked about the timing of the prudence order. Quentin answered that the company files annually in March of every year and that the filing includes the prior year's expenditures and activities. He added we typically receive an order back from the IPUC sometime between October and December.

9:40 A.M. 2024 YTD Financials & Savings—Quentin Nesbitt

Quentin presented the year-to-date (YTD) 2024 Energy Efficiency (EE) and Demand Response (DR) financials, savings, and expenses. He then reviewed overall expenses by category and sector and previewed the 2025 evaluation plan.

Discussion

One member asked about the difference between Rider versus Non-Rider funds. Quentin answered that the Rider is a line item on customer's bills that funds energy efficiency activities, and we use it as a balancing account with regards to program related expenses, including administration and incentives. It is not a set budget, but if there is overspending, we ask the Commission to increase the amount of the rider. If the account balance is larger than what will be spent, the company will ask the Commission for approval to decrease the Rider. Non-Rider funds are for labor and limited other expenditures.

Another member asked about the energy efficiency services line item on the bill and if a percentage is based on usage. Connie responded that the line item is based on the total dollar amount. The larger kWh user would have a larger dollar amount.

One member asked about the DR programs being evaluated every year compared to the others that are evaluated around every three years. Quentin answered that the DR programs results need to be reviewed each year to determine the program savings. Typically, the savings for the EE programs are determined from each project or incentive that is paid and savings are totaled up for the year. Then those savings are evaluated by a third party about every three years. He

added the DR programs are analyzed internally every year than a third party evaluates them approximately every three years.

A member pointed out that there is a missing checkbox on the slide for the 2025 DR impact evaluation. Quentin clarified the company does plan to do an evaluation in 2025.

9:54 A.M. Cost Effectiveness—Landon Barber

Landon presented a refresher on cost-effectiveness. He reminded everyone what cost-effectiveness is and gave examples. He then highlighted the 2024 preview and the 2023 IRP impacts. Landon discussed the program assumptions, the IRP avoided cost changes, and the anticipated changes impacting 2024.

Discussion

One member asked about lifestyle factors, such as how many people are living in a home, and whether those are considered when determining savings from a measure, like when converting from an electric water heater to a heat pump water heater. Landon answered that those types of things are included in the average savings provided for a given measure by the Regional Technical Forum (RTF). He added that there are complexities in how the savings are calculated and the savings are sourced from the RTF. He added that it is difficult to account for behavioral differences in savings.

Another member asked about the company's participation goals. Landon answered that the company's targets are based on meeting savings that are identified through our Potential Study and used as part of our Integrated Resource planning process.

10:25 A.M. – Break

10:35 A.M. Residential Programs—Billie McWinn

Billie presented on program year-over-year performance, the A/C Cool Credit (ACCC) 2024 results, progress on the new Bring-Your-Own-Thermostat option, the Home Energy Report 2025 expansion and residential marketing efforts and updates.

Discussion

Home Energy Reports

One member asked about the weather component Billie referred to when sharing the year-over-year savings differences for the Home Energy Reports. Billie answered that there is higher savings potential during more extreme weather conditions, which can lead to an increase in average home savings during those times, such as during really hot summer months and really cold winter months.

Smart Thermostats

One member asked about the drop in smart thermostat participation. Billie said the drop in participation occurred notably when the incentive level was reduced from \$75 to \$50, but it is leveling out now, so current levels may be our new normal going forward.

One member asked about the timing requirements to apply for the incentive. Todd answered that there is no deadline to apply because the criteria is just that energy efficiency was part of the decision to purchase the Smart Thermostat.

ACCC

One member asked about the 65% cycling being dispatched on the day it was 97 degrees. Billie answered that that day was forecasted to be hotter but there was unexpected cloud cover midway through the event that decreased the overall temperatures.

Another member asked if customers receive advanced notification of the events. Billie answered that residential participants receive no notifications regarding events.

One member then asked about opting out. Billie responded that customers can opt out before or during events, however most people do not even know there is an event because there is not much temperature change, so they rarely opt-out as the event is happening.

Another member asked about having more opt-outs when there's a 65% cycling day. Billie added that while she didn't have the number of opt-outs from that day off-hand, we typically experience higher opt-out rates when cycling is higher. It is unknown, on that particular day, whether there were more opt-outs considering the cloud cover that reduced overall temperatures midway through the event.

The member then asked if there would have been higher reductions if those customers did not opt-out. Billie replied yes. Quentin added that when a customer opts out, most of the time they are not just opting out for the day but opting out of the program permanently.

The member then asked about the marketing for ACCC and whether the company targets specific groups. Billie answered that the company has the capability for targeted marketing and that for the Bring-your-own-thermostat (BYOT) option, the vendors will target those who have the Smart Thermostat.

One member asked about the penalty for opting out. Billie answered that we do not plan on having an opt-out penalty.

Another member gave support to the diversification of the programs and stated how innovative the technology is. The member appreciates the opportunity for demand response in the winter.

One member asked if the two incentives (the rebate for the Smart Thermostat and an incentive for ACCC program participation) create 'double dipping.' The member is looking forward to future winter DR opportunities. The member then commented on the erosion of the switch option and whether the market potential would bring in a higher volume of participation. The member added that there is an opportunity for retro-active marketing for rebates that have already been sent. Billie agreed that is a good idea and stated the company has the list of

customers that received smart thermostat incentives. Quentin responded to the 'double dipping' comment, stating that the Heating & Cooling Efficiency smart thermostat incentive is based on the value of the energy savings, while the ACCC incentive is based on the value of the demand reduction, so there is no double counting of the value.

Another member asked if the reduction for switch participants and the reduction for smart thermostat participants could be combined for a total reduction of 2.4 kW. Billie answered that a customer either participates using the switch option with the potential of 1.4 kW or through the smart thermostat option with the potential of 1 kW.

The member asked if there is data on the temperature reduction within the home and if it is different for every customer. Billie answered that it varies by home and that the company does not collect that data.

The member then asked about the vendor costs. Billie answered that all costs, including vendor costs, are included in the cost-effectiveness calculation. The member then commented that there could be an opportunity to get new participants. Billie said the plan is to file the contracts and tariffs with a target to launch the program in time for the 2025 season.

One member asked about the drop in the benefit value (\$/kW) for demand response in 2024. Quentin answered that it is an avoided cost number like what Landon presented for energy efficiency, but from a capacity perspective.

Home Energy Report (HER)

One member asked about the HER opt-outs. Billie answered that Idaho Power's program has a very low opt-out rate compared to other utility programs.

Marketing

One member asked whether the company would be receptive to a third party offering to offset the costs of Home Energy Audits for homeowners. Billie answered that the company is always open to exploring opportunities but added that it can be complicated as we always strive to make our offerings consistent to all customers across the service area.

Another member asked about the software used for Home Energy Audits. Becky answered that SnuggPro is the software that is used.

Another member commented on the great work the company does in South Central Idaho. The member specifically mentioned recent community involvement activities the company participated in.

11:29 A.M. Commercial, Industrial, Irrigation & Demand Response Programs—Chellie Jensen

Chellie presented on the overall and individual program results of the Commercial, Industrial and Irrigation programs through quarter 3 of 2024, the 2024 preliminary program results for

the Irrigation Peak Rewards and Flex Peak program, program proposed changes for Irrigation Menu, Irrigation Custom, and Industrial Custom projects.

Discussion

Flex Peak

One member asked about which types of customers are successful in the program. Chellie answered that various types of customers can be successful in the program and offered a couple examples of customers that are good candidates such as cold storage facilities, customers that have control systems for their HVAC, or customers with equipment that can be turned off during the event time. She added that the BYOT program that is being explored might be a good option for small businesses.

Irrigation Efficiency

One member asked about the proposed custom incentive of \$.30 kWh savings and \$540 per kW savings. Chellie answered that the incentive pays for the larger of the two between the kWh savings and the KW reduction and caps at 10% of the cost for new irrigation projects and 75% of the cost for retrofit projects.

Retrofits

One member asked about the outreach strategy. Chellie answered that the company has general marketing for all the programs and customer trainings. For lighting the company holds trainings for customers and contractors and relies on the trade ally network. For non-lighting, the company has customer trainings, technical trainings and Energy Advisors connect with our customers. Additionally, we have broad information going out to all business customers such as the Energy@Work newsletter.

Retrofits Midstream

One member asked about the potential outreach to residential. Quentin answered that there is no midstream incentive for the residential sector. Billie added that there are midstream efforts, but no incentives.

Another member asked about hiring new people for this or training current employees that are already involved in the program. Chellie answered that the company would train current employees.

One member asked about incentivizing vendors and contractors. Chellie answered that the company has implemented marketing incentives for lighting projects and there are trainings contractors have been invited to so they can learn more about the programs and support our customers. Additionally, the customers can elect for the incentives to go directly to a vendor or contractor.

Custom

One member asked about there being 40% more projects but 30% less savings and if that means that customers are spending less money and therefore the program is seeing smaller

projects. Chellie answered that the data on the graph is for projects that have been paid, and the variability of size and quantity of custom projects are expected from year to year. Customers have expressed concern about spending dollars in today's economy and there are still lingering supply chain problems post COVID.

12:00 P.M. – Lunch

1:00 P.M. NEEA—Quentin Nesbitt

Quentin presented an overview of NEEA and explained what they do. He provided background information, explained the NEEA model, and NEEA's goals of market transformation. Quentin showed the energy savings NEEA had delivered and overall cost from 1997-2023, and the next funding cycle high level initiatives.

Discussion

One member asked about the slide showing New York having a NEEA type organization doing "beyond energy efficiency." Quentin answered that the organization is focused on electrification and decarbonization, not energy efficiency.

NEEAs Delivery

One member asked about the differences between measures versus codes and standards. Quentin answered that the code and standard work NEEA does is to influence the adoption of a state or federal code or standard. A measure an energy efficiency product or service where the goal is to increase the market adoption.

Current Status

One member asked about other utilities within Idaho and if they are participating in NEEA at the same dollar value as Idaho Power. Quentin answered that Avista participates, and Rocky Mountain Power opted out in the mid-2000s. He added that the dollar amount that participants pay into NEEA is based each member utilities retail sales as a percentage of total retail sales of all members, highlighting that BPA is the largest funder and Idaho Power is the fourth largest.

1:30 P.M. Wrap-up/Open Discussion

These are much more engaging in person.

I appreciate being part of this. It is definitely a learning curve. I'll do some offline work to get up to speed on the industry in general.

Great information today. There is a lot of work that goes into these meetings and I appreciate that.

Thanks for having us. We enjoyed it as always. We have a lot of new staff in our facilities on the operational side of things. These program presentations are always a good reminder for us to get some follow up and just make sure we are capitalizing on incentives and demand response to the extent that we can. The lunch and logistics have always been super smooth, thank you.

Connie commented that she appreciates the comments and questions, and it helps us to tailor the meeting and presentations. Connie said she also appreciates the engagement EEAG members have in the community.

Quentin commented that he appreciates everyone's input and that it is helpful in developing and implementing the programs, and it is appreciated and helps the programs be more successful.

I enjoy these meetings and appreciate all the work that Idaho Power puts into these presentations, developing and then implementing the programs. I do prefer in person as well, but I also appreciate the opportunity to participate remotely as I had a couple of conflicts today. Being remote helped me participate where maybe I wouldn't have been able to. Thank you for that.

I really appreciate these meetings as they are helpful. Especially when we're reading through all the cases. It is good to know what is going on and what you're thinking the programs are needing. I appreciate you giving us all the information and keeping us updated.

1:45 P.M. Meeting Adjourned