

# McDowell Rackner & Gibson PC



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February 10, 2014

## VIA ELECTRONIC AND U.S. MAIL

PUC Filing Center  
Public Utility Commission of Oregon  
PO Box 1088  
Salem, OR 97308-1088

**Re: Docket LC 58 - Idaho Power Company's 2013 Integrated Resource Plan ("IRP")**

Enclosed for filing in the above-identified docket are an original and five copies of Idaho Power Company's Final Comments.

A copy of this filing has been served on all parties to this proceeding as indicated on the attached Certificate of Service.

Please contact this office with any questions.

Very truly yours,

Wendy McIndoo  
Office Manager

cc: Service List

Enclosures

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**

3 **LC 58**

4 In The Matter of:

5 Idaho Power Company's 2013  
6 Integrated Resource Plan.

**IDAHO POWER COMPANY'S FINAL  
COMMENTS**

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9 **I. INTRODUCTION**

10 Idaho Power Company ("Idaho Power" or "Company") respectfully submits these  
11 Final Comments to the Public Utility Commission of Oregon ("Commission"). These  
12 comments respond to the final comments of the Public Utility Commission of Oregon Staff  
13 ("Staff"), the Citizens' Utility Board of Oregon ("CUB"), the Renewable Northwest Project  
14 ("RNP"), and the Oregon Department of Energy ("ODOE").

15 **II. DISCUSSION**

16 **A. The Commission should Acknowledge Idaho Power's Preferred Portfolio.**

17 The primary goal of an Integrated Resource Plan ("IRP") is to select the best  
18 cost/risk portfolio for the utility and customers.<sup>1</sup> To meet this goal, the Commission  
19 requires the IRP to analyze a planning horizon of "at least 20 years."<sup>2</sup> While the  
20 fundamental goal of the IRP is the identification of the preferred portfolio, the  
21 Commission's Guidelines also require the IRP to include an Action Plan that identifies the

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24 <sup>1</sup> *Re Investigation into Integrated Resource Planning*, Docket UM 1056, Order No. 07-002 at 5 (Jan.  
25 8, 2007) (Guideline 1(c): "The primary goal must be the selection of a portfolio of resources with the  
26 best combination of expected costs and associated risks and uncertainties for the utility and its  
customers.").

<sup>2</sup> Order No. 07-002 at 5.

1 specific resource activities the utility intends to undertake in the next two to four years.<sup>3</sup>  
2 When adopting the IRP Guidelines, the Commission noted that, “in an IRP, the  
3 Commission looks at the reasonableness of individual action items in the context of the  
4 entire plan.”<sup>4</sup>

5 Consistent with the Commission’s Guidelines, Idaho Power developed its preferred  
6 portfolio based on a comprehensive analysis of a 20-year planning horizon. Idaho Power  
7 also developed an Action Plan that identifies the specific actions that the Company intends  
8 to undertake over the course of the entire 20-year planning horizon to implement the  
9 preferred portfolio.<sup>5</sup> Idaho Power recognizes that the Commission’s IRP Guidelines do not  
10 require the Company to specifically identify action items beyond the next two to four years  
11 and that action items beyond four years are more uncertain than those planned in the near  
12 term and may be modified, enhanced, or removed as evolving conditions change between  
13 now and the next IRP cycle conducted every two years. Therefore, Idaho Power requests  
14 acknowledgement of only those action items occurring within the next four years. The  
15 Company’s request is consistent with Staff’s approach, which “makes recommendations to  
16 the Commission regarding specific resource action items, as well as on other issues  
17 relevant to the IRP development process.”<sup>6</sup>

18 While the Company requests acknowledgment of only those action items occurring  
19 within the next four years, the Company maintains that the primary purpose of the IRP  
20 process is to identify and develop the preferred portfolio and requests that the Commission  
21 acknowledge the 2013 IRP in its entirety, as being compliant with the Commission’s  
22 required planning process, rather than acknowledging only certain action items. The IRP

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24 <sup>3</sup> Order No. 07-002 at 12 (Guideline 4(n)).

25 <sup>4</sup> Order No. 07-002 at 25.

26 <sup>5</sup> 2013 Integrated Resource Plan at 113 (“2013 IRP”).

<sup>6</sup> Staff’s Final Comments at 1.

1 complies with the Commission's IRP Guidelines and the additional requirements resulting  
2 from the Company's most recently acknowledged IRPs.<sup>7</sup> Therefore, the Commission  
3 should acknowledge the Company's 2013 IRP.

4 **B. The Commission Should Acknowledge the Boardman to Hemingway**  
5 **Transmission Project as Part of the Company's Preferred Portfolio.**

6 Staff recommends acknowledgement of Action Plan Item 1, which calls for the  
7 ongoing permitting, planning studies, and regulatory filings associated with the Boardman  
8 to Hemingway Transmission Project ("B2H").<sup>8</sup> Staff observed that both the preferred  
9 portfolio and the next lowest "total cost portfolio" both include B2H as a supply-side  
10 resource.<sup>9</sup> In the Company's next IRP, Staff recommends that the Company provide  
11 additional analysis regarding impact of B2H on potential wind curtailment during low load  
12 hours.<sup>10</sup> Staff also recommends that the Company provide Staff with the following after  
13 the acknowledgment of the 2013 IRP but prior to the filing of the 2015 IRP:

- 14 1. An updated project plan incorporating changes due to  
15 the referenced Bureau of Land Management delays  
and Energy Facilities Siting Council developments;  
16 2. Any final agreements on sharing of construction costs;  
17 and  
18 3. Any significant regulatory decisions that impact the  
project schedule.

19 Staff's recommendations are reasonable and generally consistent with the  
20 Commission's approach to acknowledgment of B2H in previous IRPs.<sup>11</sup> As in past cases,  
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22 <sup>7</sup> See 2013 IRP, Appendix C at 137-168.

23 <sup>8</sup> Staff's Final Comments at 3.

24 <sup>9</sup> Staff's Final Comments at 2.

25 <sup>10</sup> Staff's Final Comments at 3.

26 <sup>11</sup> See e.g., *Re Idaho Power Company's 2009 Integrated Resource Plan*, Docket LC 50, Order No. 10-392 at 9 (Oct. 11, 2010); *Re Idaho Power Company's 2011 Integrated Resource Plan*, Docket LC 53, Order No. 12-177 at 4 (May 21, 2012). While Staff recommends acknowledgment of Action

1 the Company agrees that it will continue to treat B2H as an uncommitted resource in its  
2 next IRP and the Company will continue to provide the Commission and stakeholders  
3 updated analyses related to the project.

4 **C. The IRP’s Treatment of Coal-Fired Plants is Reasonable.**

5 **1. The Commission Should Acknowledge the Company’s Planned Emission**  
6 **Control Investments at the Jim Bridger Plant.**

7 The Company’s Action Plan includes the commitment to install selective catalytic  
8 reduction (“SCR”) emission-control technology at Units 3 and 4 of the Jim Bridger coal-  
9 fired power plant (“Jim Bridger”). As required by the Environmental Protection Agency’s  
10 (“EPA”) Regional Haze rules, the State of Wyoming adopted a State Implementation Plan  
11 (“SIP”) that required the installation of SCR on all four of the units at Jim Bridger.  
12 Wyoming’s SIP was submitted to the EPA for approval on January 12, 2011. On January  
13 10, 2014, the EPA submitted its final rule on the Wyoming SIP, which removed significant  
14 uncertainties related to the Jim Bridger SCR investments. The EPA’s final rule requires  
15 the installation of SCR at Jim Bridger Units 3 and 4 by December 31, 2015, and December  
16 31, 2016, respectively.<sup>12</sup> The EPA also approved the nitrogen oxide emission limit of 0.07  
17 lb/MMBtu (30 day rolling average), which is the pollutant addressed by SCR. The EPA’s  
18 approved compliance dates and emission limits were the same as those Idaho Power

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19  
20 Plan Item 1, Staff does not recommend acknowledgement Action Plan Item 6, which is the Action  
21 Plan Item that calls for the completion of B2H. Staff’s Final Comments at 3-4. The expected in-  
22 service date for B2H is 2020, which is “beyond the timeframe for which Staff would typically make a  
23 recommendation for acknowledgement of a resource action.” Staff’s Final Comments at 3. The  
24 Company continues to maintain that it is appropriate for the Commission to acknowledge the entire  
2013 IRP, which includes B2H in its preferred portfolio, and not just individual Action Plan items.  
However, to the extent the Commission chooses to acknowledge specific Action Plan items,  
consistent with the Commission’s IRP guidelines, it is reasonable to specifically acknowledge only  
Action Plan items that occur within the next two to four years. Order No. 07-002 at 12.

25 <sup>12</sup> The EPA also proposed SCR compliance dates for Jim Bridger Units 1 and 2 of December 31,  
26 2022, December 31, 2021, respectively. Because the SCR installation at Jim Bridger Units 1 and 2  
are outside of the four-year action plan, the Company is not seeking acknowledgment of these  
resource actions in the 2013 IRP.

1 used for modeling in the 2013 IRP and the “Coal Unit Environmental Investment Analysis  
2 for the Jim Bridger and North Valmy Coal-Fired Power Plants” (referred to herein as the  
3 “Coal Study”). Therefore, the 2013 IRP analysis is consistent with the EPA's recent final  
4 rule.

5 Staff recommends acknowledgment of the Company's SCR Action Plan item.<sup>13</sup> Staff  
6 concludes that Idaho Power's 2013 IRP and Coal Study are reasonable and substantially  
7 comply with the Commission's requirements from the Company's 2011 IRP.<sup>14</sup> Staff  
8 recommends that Idaho Power engage with Staff and stakeholders when designing future  
9 coal plant investment analysis to ensure that appropriate scenarios are included.<sup>15</sup> Staff's  
10 recommendation is reasonable and the Company agrees to engage Staff and  
11 stakeholders when designing analysis related to future coal plant investments.

12 **2. The Commission Should Acknowledge the Company's Planned Emission**  
13 **Control Investment at the North Valmy Plant.**

14 The Company's Action Plan includes the installation of dry sorbent injection (“DSI”)  
15 at the North Valmy coal-fired power plant (“North Valmy”). Staff recommends  
16 acknowledgement of this Action Plan Item because the DSI investment is relatively small  
17 and therefore does not affect the analysis of whether to retire or convert the plant due to  
18 the increased costs of emission controls.<sup>16</sup> The Company agrees with Staff's analysis and  
19 supports acknowledgment of the DSI investment.

20 CUB continues to claim that North Valmy will be retired early. CUB claims that Unit 1  
21 will be retired in 2022 and the entire plant will be retired by 2025.<sup>17</sup> Contrary to CUB's

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23 <sup>13</sup> Staff's Final Comments at 6-7.

24 <sup>14</sup> Staff's Final Comments at 6.

25 <sup>15</sup> Staff's Final Comments at 6.

25 <sup>16</sup> Staff's Final Comments at 4-5.

26 <sup>17</sup> CUB Final Comments at 7.

1 claims, there is currently no planned closure of the two units at North Valmy.<sup>18</sup> As  
2 previously stated, neither company can decommission a unit without the consent of the  
3 other partner.

4 **D. The Company's Treatment of the Gateway West Transmission Project is**  
5 **Reasonable.**

6 Staff argues that the Company has not sufficiently quantified the benefits of the  
7 Gateway West Transmission Project ("Gateway West") and therefore recommends that  
8 the Commission not acknowledge Idaho Power's Action Plan Item related to that project's  
9 ongoing permitting, planning studies, and regulatory.<sup>19</sup> The Company disagrees with  
10 Staff's recommendation and recommends that the Commission acknowledge the  
11 Company's Gateway West permitting efforts.

12 Gateway West is necessary to address Idaho Power's critical need for reliable  
13 transmission capacity to support delivery of electricity to Idaho Power's load centers.  
14 Idaho Power's transmission system has significant capacity constraints between the  
15 eastern Idaho, Magic Valley, and Treasure Valley load centers. These constraints limit  
16 Idaho Power's ability to site future resources east of the Treasure Valley and also restrict  
17 Idaho Power's ability to move additional energy, such as economic market purchases and  
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20 <sup>18</sup> CUB's claims regarding the early retirement of North Valmy may be informed by the depreciable  
21 life used by NV Energy for ratemaking and accounting purposes. NV Energy currently applies  
22 depreciation rates for North Valmy that are based upon end-dates of 2025 for both Unit 1 and Unit  
23 2. Indeed, the Unit 1 end-date for depreciation purposes was recently changed from 2021 to 2025  
24 in a ruling by the Public Utilities Commission of Nevada. Idaho Power currently uses end-dates of  
25 2031 for Unit 1 and 2035 for Unit 2 in its currently approved depreciation rates. As set forth in  
26 Idaho Power's Reply Comments, both NV Energy and Idaho Power review their depreciation rates  
at differing intervals, as required by their respective state regulatory commissions, and these dates  
are used for the sole purpose of establishing depreciable lives for accounting and ratemaking  
purposes and do not represent agreed upon decommissioning dates between NV Energy and  
Idaho Power.

<sup>19</sup> Staff's Final Comments at 4.

1 sales, between the east and west sides of its system.<sup>20</sup> Idaho Power is currently  
2 undertaking efforts to upgrade equipment and re-configure its existing transmission  
3 system to gain additional transfer capacity across its system on the Midpoint West  
4 transmission path. However, the expected capacity increase provided by these upgrades  
5 is already commercially accounted for, meaning that the upgraded transmission path will  
6 have no additional capacity after the upgrades. In addition, these facility upgrades will  
7 exhaust all capacity upgrade options short of building a new transmission line.

8 Idaho Power has identified Gateway West as a unique opportunity to work with its  
9 project partner, PacifiCorp, to address the transmission constraints that will persist even  
10 after Idaho Power upgrades its existing system, allow future resource flexibility, and  
11 provide future load service to the Magic Valley and Treasure Valley. Unlike B2H, which is  
12 designed to specifically allow increased imports to Idaho from the Pacific Northwest, the  
13 need for Gateway West is based on maintaining system reliability and increasing the  
14 ability to move energy between load centers within Idaho Power's service area.  
15 Specifically, Gateway West will relieve existing transmission constraints between Idaho  
16 Power's eastern and western load centers, interconnect source substations as identified in  
17 both the Treasure Valley and Magic Valley Electric Plans, provide options for locating  
18 future generation sources east of the Treasure Valley, and increase the reliability of the  
19 regional electrical transmission network through diversity of transmission paths across  
20 southern Idaho.

21 Moreover, Idaho Power's analysis demonstrates that the permitting costs associated  
22 with Gateway West are significantly lower than the permitting costs associated with the  
23 independent development of a non-Gateway West alternative. In response to Staff Data

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24 <sup>20</sup> In contrast to B2H, however, the Company is not seeking acknowledgement of Gateway West  
25 permitting as a supply side resource in and of itself. Rather, the Company requests  
26 acknowledgement that Gateway West is reasonable to address existing transmission system  
constraints and provide for future least cost resource development.



1 Request 32, referenced in Staff's Final Comments, the Company demonstrated that the  
2 cost estimate to permit a line right-of-way from the Magic Valley to Boise would be [BEGIN  
3 CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL], and the anticipated time frame to permit a  
4 right-of-way is seven to ten years. In contrast, the Gateway West permitting is nearing  
5 completion and Idaho Power's allocation of the costs is estimated to be [BEGIN  
6 CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. This analysis demonstrates that moving  
7 forward with Gateway West is least cost when compared with the alternative.

8 **E. Idaho Power's Assumed Wind Capacity Factor is Reasonable.**

9 In final comments RNP reiterates its view that the IRP's assumed 26 percent  
10 capacity factor for wind resources is too low.<sup>21</sup> The Company's assumed 26 percent  
11 capacity factor is based on a study conducted by the National Renewable Energy  
12 Laboratory ("NREL"), which reports that class 3 resources have an average capacity factor  
13 of 33 percent. Idaho Power's existing and future wind resources, however, are likely to be  
14 either class 2 or class 3. Therefore, Idaho Power adjusted the NREL capacity factor to  
15 account for the likelihood of class 2 resources, which have a lower capacity factor.

16 The reasonableness of Idaho Power's assumed capacity factor is confirmed by a  
17 review of observed capacity factors for Public Utility Regulatory Policies Act ("PURPA")  
18 wind generation projects in southern Idaho. Idaho Power has energy sales agreements  
19 with 25 PURPA wind projects in southern Idaho. For 2013, these projects produced at a  
20 capacity factor of 28 percent. Further, the capacity factor for the seven most recent  
21 projects that came online during 2012 was only 26 percent. These results provide  
22 independent support for the capacity factor used in the Company's latest study.

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26 <sup>21</sup> Final Comments of Renewable Northwest Project at 5.

1 **F. The 2013 IRP's Solar Capacity Credit is Reasonable.**

2 Idaho Power's 2013 IRP utilized a 39 percent capacity credit for distributed solar  
3 photovoltaic ("PV") systems.<sup>22</sup> ODOE recommends that Idaho Power use the Effective  
4 Load Carrying Capability ("ELCC") method to calculate the capacity credit.<sup>23</sup> Idaho Power  
5 has not been persuaded that the ELCC calculations and associated approximations are  
6 necessarily the most appropriate method to determine the capacity credit used in Idaho  
7 Power's IRP.<sup>24</sup> However, Idaho Power shares ODOE's and other's concerns regarding  
8 the IRP's treatment of distributed solar PV generation.

9 The treatment of distributed solar PV generation has been a frequent subject at  
10 Idaho Power's IRP Advisory Council meetings.<sup>25</sup> Idaho Power seeks to attribute the  
11 proper capacity credit to distributed solar PV and to that end in January 2014 the  
12 Company initiated an IRP Advisory Council distributed solar PV work group to address the  
13 cost and capacity credit appropriate for distributed solar PV.<sup>26</sup> The Company invited IRP  
14 Advisory Council members and members of the public with special expertise in distributed  
15 solar PV to participate in "break-out" sessions over the next several months ahead of  
16 starting the Company's 2015 IRP later this year. Idaho Power anticipates that the break-  
17 out sessions will likely address other topics related to solar PV including panel orientation  
18 and tracking systems. In addition, Idaho Power is presently analyzing utility grid  
19 integration of large-scale solar PV projects and working with knowledgeable members of  
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21 <sup>22</sup> 2013 IRP at 84.

22 <sup>23</sup> Final Comments of Oregon Department of Energy at 1.

23 <sup>24</sup> See Idaho Power Company's Reply Comments at 21-23 (Nov. 8, 2013).

24 <sup>25</sup> 2013 IRP at 85.

25 <sup>26</sup> Idaho Power has successfully utilized similar break-out sessions in the past to discuss resource  
26 planning topics such as declining stream flows, the carbon adder, coal alternatives, portfolio design,  
stochastic analysis, and the analysis of solar PV resources as part of the 2013 IRP. Idaho Power  
incorporated the comments received from the IRP Advisory Council and the public during the beak-  
out sessions to improve the 2013 IRP.

1 the public who are serving on an Idaho Power Solar Integration Study Technical Review  
2 Committee.

3 Rather than dictate the use of a specific technique, Idaho Power requests that the  
4 Commission allow the members of the Idaho Power IRP Advisory Council and the public  
5 to work with Idaho Power and address the issues concerning distributed solar PV cost and  
6 distributed solar PV capacity credits for the 2015 IRP.

7 ODOE is also critical of Idaho Power for planning for reliability only during peak loads  
8 and not during all other times of the year.<sup>27</sup> ODOE misunderstands Idaho Power's  
9 reliability planning process, which ensures reliability across all hours of the year.  
10 Consistent with the Commission's IRP Guidelines, Idaho Power identifies sufficient  
11 resources to reliably serve Idaho Power's current and forecast load throughout the 20-year  
12 planning period.<sup>28</sup> If the Company identifies any peak or energy deficits, the Company  
13 designs a resource plan to meet the projected peak or energy deficits. The planning  
14 process ensures that Idaho Power is able to reliably meet the customer load at all hours  
15 throughout the entire 20-year planning period.

16 **G. The Company's Decision to Discontinue NEEA Funding is Reasonable.**

17 In comments, both Staff and CUB are critical of Idaho Power's decision to  
18 discontinue its financial support of the Northwest Energy Efficiency Alliance ("NEEA") in its  
19 next funding cycle (2015-2019). Although the Company understands this response, Idaho  
20 Power believes it is appropriate to question the manner in which its customers' funds are  
21 spent to ensure they are being used effectively.

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25 <sup>27</sup> Final Comments of Oregon Department of Energy at 2-3.

26 <sup>28</sup> 2013 IRP at 1; Order No. 07-002 at 11 (Guideline 4(c)).

1           **1. NEEA has been Unresponsive to the Company’s Long-Standing Concerns.**

2           CUB is concerned that Idaho Power’s decision to discontinue funding for NEEA was  
3 “abrupt.”<sup>29</sup> Idaho Power disagrees. During 2009, the year leading up to NEEA’s current  
4 funding cycle, Idaho Power expressed its desire for NEEA to alter how it designs its  
5 services and corresponding funding in the 2010-2014 business plan. Idaho Power sought  
6 to direct its funding toward those activities it believed would bring the most value to its  
7 customers. In particular, Idaho Power supported NEEA’s regional research, especially  
8 with emerging technologies and its “upstream” work with manufacturers. Idaho Power  
9 communicated in written comments to NEEA its preference for an alternative funding  
10 model that would allow Idaho Power’s funds to be directed toward the costs of the  
11 activities Idaho Power supported. After Idaho Power represented this position repeatedly  
12 throughout the planning process, NEEA took no steps to accommodate the Company’s  
13 request. Idaho Power continues to work proactively to seek a funding model with NEEA  
14 that maximizes the investment of customer funds in those NEEA activities that bring value  
15 to Idaho Power’s customers. Due to its concerns about the funding model, Idaho Power  
16 provided notice in November of 2012 of its intention to not pursue a commitment with  
17 NEEA for the next funding cycle of 2015-2019. Idaho Power provided such notice more  
18 than two full years prior to the end of the current funding cycle in order to allow NEEA  
19 ample time to adjust its business plan and corresponding budget to take into account  
20 Idaho Power’s departure.

21           **2. Idaho Power Continues to Work with NEEA.**

22 The Company has not foreclosed the possibility of funding those NEEA activities that bring  
23 value to Idaho Power customers. Idaho Power currently has a representative on the NEEA  
24 Board of Directors as well as all the other NEEA standing committees. The Company’s  
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26       <sup>29</sup> CUB Final Comments at 8.

1 NEEA Board member is currently the chair of an interim sub-committee of the Board that is  
2 providing direction to NEEA's executive staff for exploring alternate funding models. The  
3 Company continues to work with NEEA on the possibility of funding those initiatives that  
4 bring value to its customers. Idaho Power recognizes NEEA's influence on the development  
5 and market uptake of several products, such as ductless heat pumps and energy efficient  
6 televisions. Idaho Power supports these NEEA activities.

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8 **3. Staff's Criticisms of Idaho Power's Decision Regarding NEEA Funding are Misplaced.**

9 In its comments Staff maintains that if Idaho Power were to discontinue funding  
10 NEEA, it would jeopardize the cost-effective energy efficiency savings NEEA provides to  
11 Oregon's other ratepayers and the investments made by other NEEA funders.<sup>30</sup> Idaho  
12 Power does not believe that its customers should be responsible for funding the energy  
13 savings provided to ratepayers of other utilities; the costs of those energy savings should  
14 be borne by the ratepayers who directly benefit from them.

15 Staff also claims that "much of Idaho Power's energy efficiency program build out  
16 was a direct result of their investment in NEEA."<sup>31</sup> To support this conclusion, Staff points  
17 to the percentage of the Company's energy efficiency savings that have resulted from  
18 NEEA programs from 2002 through 2007.<sup>32</sup> Staff's comments show the declining energy  
19 savings provided by NEEA's programs, which decreased from approximately 77 percent of  
20 Idaho Power's portfolio savings in 2002 to 31 percent in 2007. Had Staff's comments  
21 included more recent data, it would have shown that the contribution of NEEA's programs  
22 to Idaho Power's total energy efficiency savings has continued to decline—16 percent in

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24 <sup>30</sup> Staff's Final Comments at 11.  
25 <sup>31</sup> Staff's Final Comments at 11.  
26 <sup>32</sup> Staff's Final Comments at 11.

1 2008, 7 percent in 2009, 11 percent in 2010 and 2011, and 10 percent in 2012.<sup>33</sup>  
2 Importantly, these energy savings have not come without financial costs. Indeed, since  
3 2002 NEEA energy efficiency savings have increased by 37 percent while Idaho Power's  
4 share of NEEA funding has increased 163 percent, from \$1.3 million in 2002 to \$3.4  
5 million in 2012.

6 Staff's comments also ignore the role of other partners in Idaho Power's demand-  
7 side management efforts, such as the Bonneville Power Administration ("BPA"), who have  
8 contributed to the success of Idaho Power's programs. BPA helped initiate and originally  
9 funded Idaho Power's Rebate Advantage and the Energy House Calls programs. BPA is  
10 also a significant partner along with a third party contractor in Idaho Power's Energy  
11 Efficiency Lighting and Home Products programs.

12 Staff also claims that Idaho Power's Custom Efficiency Program was built on the  
13 concepts of Strategic Energy Management ("SEM"), a product and strategy originally  
14 developed by NEEA.<sup>34</sup> Staff is incorrect. Idaho Power's Custom Efficiency Program,  
15 which began in 2004, was built upon the concept of capital improvements of equipment  
16 and processes that result in energy savings, not SEM as Staff claims. NEEA initially  
17 piloted the Continuous Energy Improvement ("CEI") program in 2008 targeting the food  
18 processing and the pulp and paper sectors. The program changed regularly over the next  
19 two years before being renamed SEM.

20 Additionally, Staff claims that the Company's Building Efficiency program is partly  
21 coordinated and supported through NEEA's BetterBricks program.<sup>35</sup> Staff's claim is  
22 incorrect. In fact, Idaho Power independently sponsors the biannual BetterBricks  
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24 <sup>33</sup> Idaho Power's Demand-Side Management 2012 Annual Report at 156-157.

25 <sup>34</sup> Staff's Final Comments at 12.

26 <sup>35</sup> Staff's Final Comments at 12.

1 awards.<sup>36</sup> Idaho Power's sponsorship of this program is above and beyond the funding  
2 Idaho Power provides to NEEA. Idaho Power last sponsored the BetterBricks awards in  
3 2010 and a recent communication with NEEA staff reveals that these awards will probably  
4 not occur again. Staff is correct in its claim that Idaho's Integrated Design Lab ("IDL")  
5 provides technical assistance for Idaho Power's Building Efficiency Program and that  
6 NEEA supports the IDL. However, Staff neglects to point out that Idaho Power is a  
7 significant funder of the IDL for the support that the IDL provides for its programs outside  
8 of the IDL's NEEA funding.

9 Staff claims it is at a loss as to why Idaho Power would want to discontinue funding  
10 NEEA. Idaho Power, through its participation on the NEEA's Board of Directors, has tried  
11 for a number of years to convince NEEA that it should alter its funding structure to better  
12 serve funder needs and has seen no real effort to do so. To be clear, Idaho Power's  
13 objective is to achieve as much value as possible for its customers.

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24 <sup>36</sup> Idaho Power's Demand-Side Management 2012 Annual Report at 77 ("Idaho Power is a primary  
25 sponsor of the IDL, which provides technical assistance and training seminars to local architects,  
26 engineers, and designers. Some of this activity is coordinated and supported through NEEA's  
BetterBricks® program. The Building Efficiency program sponsors the biannual BetterBricks awards  
held in Boise.").

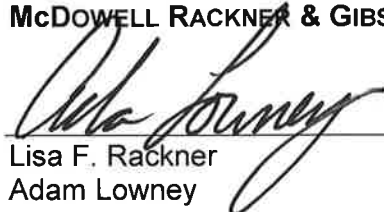
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**III. CONCLUSION**

The Company appreciates the opportunity to file these final comments and respond to concerns and issues raised by Staff, CUB, ODOE and RNP. The Company requests that the Commission acknowledge its 2013 IRP, including its Boardman to Hemingway preferred portfolio.

Respectfully submitted this 10<sup>th</sup> day of February 2014.

**McDOWELL RACKNER & GIBSON PC**



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**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing documents in Docket LC 58 on the following named persons on the date indicated below by e-mail addressed to said persons at his or her last-known address indicated below.

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