

Idaho PUC Demand Response Comments

What we found positive

1. We did get through the summer
2. Record for regulatory speed
3. Customers seemed to care and tried to respond

What we learned

1. This is a kind of insurance program
2. Really tough to understand actual behavior
3. If we had it to do over again, don't do a bid
4. Moderation is the key
5. Perception is everything
6. We will always be "fair game" with buybacks.
7. Caught up in crisis, we missed an opportunity for education
8. Lost revenue was an issue for one buyback but not for the other
9. Watch out for penalties
10. Irrigation is whole season

Idaho Power Irrigation Buyback -- 2001 Season

(Idaho Only)

| <u>Number of Bids</u> | <u>%</u> | <u>Cumulative Number</u> | <u>Cumulative %</u> | <u>Fulfillment % of bid</u> |
|-----------------------|----------|--------------------------|---------------------|-----------------------------|
| 15 | 4% | 15 | 4% | 0% |
| 6 | 1% | 21 | 5% | 1-20% |
| 14 | 3% | 35 | 8% | 21-40% |
| 16 | 4% | 51 | 12% | 41-60% |
| 32 | 7% | 83 | 19% | 61-80% |
| 62 | 14% | 145 | 34% | 81-94% |
| 216 | 50% | 361 | 84% | 95-105% |
| 67 | 16% | 428 | 100% | 106-263% |
| 428 | | | | |

How many met their target savings?

| | |
|--------|---|
| Under | 34% failed to meet bid (were below 95%) |
| Comply | 50% were on the money (95-105%) |
| Over | 16% saved more than paid for (>105%) |

Where did savings come from?

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|--------|-----------------------------------|
| Under | 17% of savings -- 81 million kwh |
| Comply | 75% of savings -- 363 million kwh |
| Over | 8% of savings -- 39 million kwh |

Was bidding realistic?

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|--------|---|
| Under | 6 offered 100% of base -- average was 40% |
| Comply | 105 offered 100% of base -- average was 86% |
| Over | 0 offered 100% of base -- average was 41% |

Was there a difference in timing of savings?

| | Under | Comply | Over |
|-----|--------|--------|--------|
| Apr | 0.7% | 1.3% | 1.5% |
| May | 5.5% | 8.6% | 8.5% |
| Jun | 0.3% | 13.0% | 6.7% |
| Jul | 19.2% | 23.7% | 15.3% |
| Aug | 34.1% | 23.8% | 26.7% |
| Sep | 22.0% | 17.8% | 23.0% |
| Oct | 15.1% | 9.8% | 15.0% |
| Nov | 3.1% | 2.0% | 3.2% |
| | 100.0% | 100.0% | 100.0% |

Would the overachievers balance the underachievers?

| | |
|-------|--|
| Under | those penalized were 25.2 million kwh short should have paid damages of \$7.573 million |
| Over | those overachievers were 5.4 million kwh long failed to earn \$.815 million |