

Subcommittee on Conservation and Demand Side Management
Joint Finance and Appropriations Committee Room
August 23, 2006

The meeting was called to order at 9:30 a.m. by the Co-chair Representative Maxine Bell. Other members present were Co-chair Senator Patti Anne Lodge, Senator Tom Gannon, Senator Kate Kelly, Representative Ken Andrus, Representative Elaine Smith, Randy Purser, David Hawk, Ken Baker, Ric Gale, Corrie Hugaboom, Harold Heydt, Lynn Tominaga, and Carl Nellis.

Other persons present were Mike Nugent, Legislative Services Office; Brain Horii, E3; Dick Rush; Mike Heckler Windland, Inc.; Representative Ann Rydalch; Bob Hoppie, Gerry Gialinato and Ken Eklund Idaho Energy Division; Bree Wildman, Congressman Otter; Ester Ceja, Snake River Alliance; Mike Louis EPI/BSU; Mark Thompson Industrial Customers of Idaho Power; Bruce Folsom and Neil Colwell, AVISTA; and Bill Chisholm, Idaho Energy Education.

Mr. Brian Horii was the first person to present and his presentation entitled "Demand Side Management and Conservation" is on the Legislature's web site at <http://www.legislature.idaho.gov/sessioninfo/2006/Interim/interimcommittees.htm#energy>

Mr. Bruce Folsom of AVISTA was the second person to present and his presentation entitled "Demand Side Management: is available on the Legislature's website at <http://www.legislature.idaho.gov/sessioninfo/2006/Interim/interimcommittees.htm#energy>

The Committee also discussed Nevada's demand side management plan completed in 2005 and a report of the Western Governor's Association detailing conservation and demand side management. Both reports are on the Legislature's website.

Following Mr. Folsom's presentation, Mr. Purser said his cooperative and some cooperatives are not as far along as Idaho Power or AVISTA. He said the cost of implementation is a problem to them.

Mr. Gale said Idaho Power is not as far along as other utilities in Conservation and Demand Side Management because the company was anticipating deregulation in the late 1990s and positioned them for that.

Mr. Baker said conservation programs are important and there perhaps needs to be dollars in the rate base for electric and gas utilities for demand side management. Declining block rates are a disincentive. He said that perhaps having general fund dollars for the Energy Division is very important.

Mr. Hawk said is important to provide incentives to all customers to conserve.

In responding to a question from Representative Bell, Mr. Hoppie said in his perfect world updated energy codes would be in place along with appliance codes, updated tax credits and a state low income heating and energy assistance. Mr. Baker said building codes need to be updated at least every three years and local building code officials need both training and technical assistance.

Ms. Hugaboom said her firm had done design work on the Banner Bank building and that is an example that you do not have to spend an exorbitant amount of money to be state or the art energy efficient. Mr. Chisholm said he felt education for all persons not just students needed to

occur. Representative Rydalch discussed the Department of Energy's industrial assessment centers to help with demand side management and energy efficiency issues.

Mr. Hawk said this subcommittee and elected officials needed to provide leadership, consistent communication, education and action.

Mr. Heydt requested that links to other state energy plans such as Utah might be more relevant to the Subcommittee's deliberations.

Ms. Hugaboom said she was familiar with some states where new state buildings and schools are held to a higher energy standard than the adopted building codes.

There was discussion about Idaho Power's filing with the PUC to decouple their rates so that conservation would not harm them economically.

Senator Gannon suggested for the next meeting that the figures from the Northwest Power Planning Council for conservation targets be obtained and that the Division of Building Safety be in attendance to discuss the enforcement of building codes.

The Subcommittee discussed the Straw Proposal Policy Language and Action Items.

The Subcommittee's next meeting is scheduled for September 6 in the Joint Finance Appropriations Committee Room at 9:30 a.m.