Comparing Approaches in Restructured and Non-Restructured States: The Pacific Northwest Perspective

Kenneth M. Keating, PhD
Bonneville Power Administration
Portland, OR
For
ACEEE Conference on Energy as a Resource
Berkeley, CA
9/27/05

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Pacific Northwest Perspective

- Background
- Restructured and Un-restructured Efforts
- Targets
- Perspective

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Background

- PNW basically four states with two restructured and two not.
- Unique with NW Power Council doing regional planning
- BPA also serves a central role
  - Half the region's sales are IOU, and half are consumer owned utilities

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Restructured

- Oregon – 80% served by IOUs
  - Retail access pilots
  - 3% public benefits charge with optional self-direction for large customers (renewables, schools, energy efficiency and low-income housing)
  - PUC hired the Energy Trust of Oregon to handle EE and renewables
  - Targets agreed to between PUC and ETO Board
  - Vigorous program ($50 million/yr)

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Restructured

- Montana -- ~60% served by IOU
  - Retail access for large customers
  - 2.4% public benefits charge, with self-direction for customers with retail access (but debt service on old conservation counted) and low-income takes a lot of the money
  - NW Energy runs IOU portion under direction from PSC and advisory board
  - NWE set targets and priorities/allocations in structured consultations with advisory board.
  - Active program ($8 million for NWE)

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Non-Restructured

- Washington – 50% served by IOUs
  - Puget Sound Energy is very active; driven more now by the IRP than by a prior settlement agreement. Exceeds expectations. ($25.5 million)
  - Avista had a tariff rider of 1.7%, but front-loaded the activities, now driven by IRP ($4.0 million)
  - PacifiCorp has a small portion of the state ($5.6 million)

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Non-Restructured

- Idaho – 80% served by IOUs
  - PacifiCorp which serves 6 states, has a modest program in Eastern ID ($0.8 million)
  - Idaho Power has a growing program based on IRP, but growing from very tiny. ($5.7 million)

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Role of NW Power Planning and Conservation Council

- Council does 20-year forecast and considers resource alternatives; selects the least cost mix of measures at every level of risk – surprise! It always has lots of EE.
- Council suggests regional EE targets
- This is a type of regional IRP, with only rough estimates of any utility responsibility

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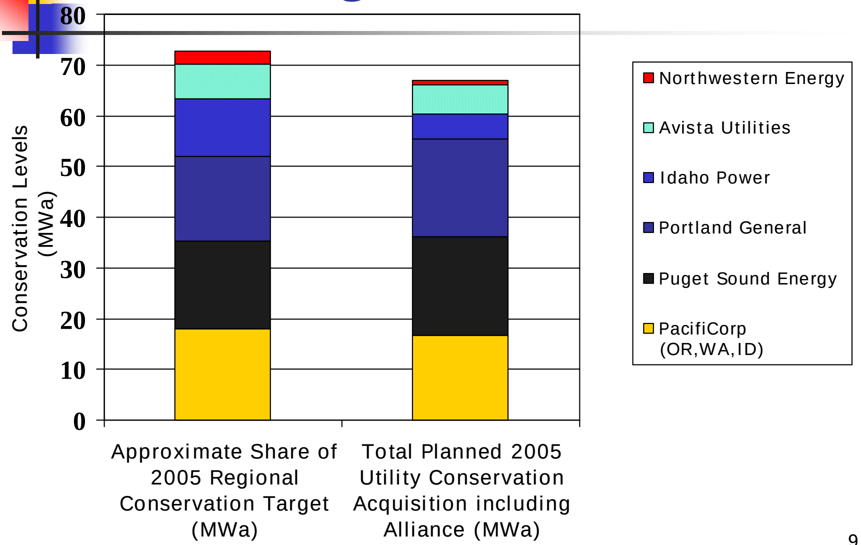
IOU Utility Plans vs Council Targets for 2005



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BPA Serves ~ 40% of the Load

- BPA provides funding across both ($80 million) restructured states and those not restructured
- It takes responsibility for leveraging about 40% of the Council targets, which falls mostly then to the publics.
- The plans of the publics, who are generally not touched by restructuring are less ambitious.

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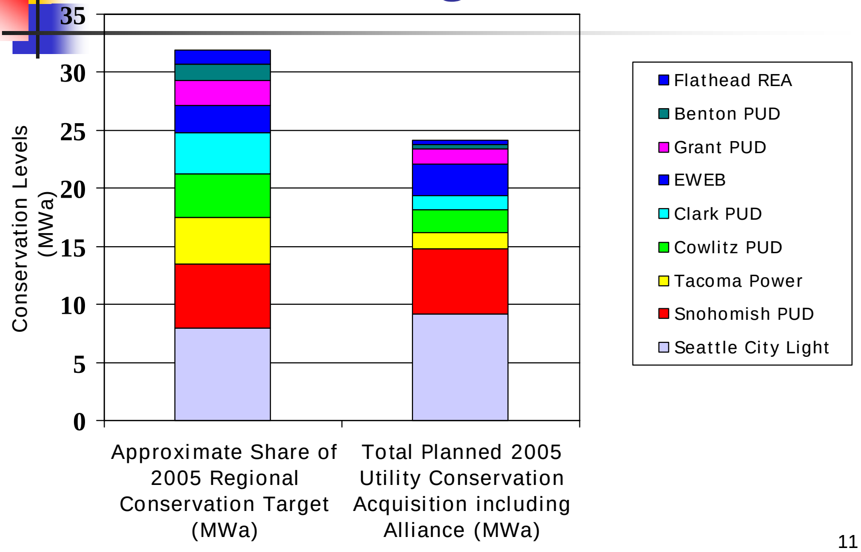
Largest POU Utility Plans vs Council Targets for 2005



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Perspectives

- Historically in the PNW, EE was enough over 20 years to meet the medium high load forecast
- By 2025, the Council conservation targets will meet 10% of total forecasted load
  - We'll see if the utilities can deliver
- Restructuring has an impact on laggards, but need for power and corporate culture may be more important than restructuring in its impacts on EE

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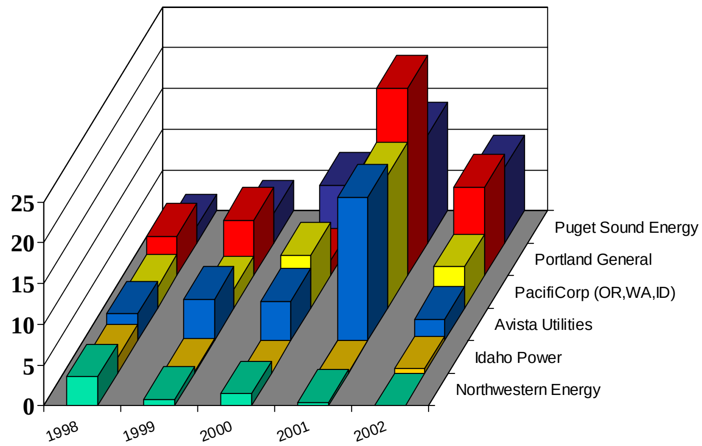
Non-NEEA Savings for PNW IOUs MWa 1998-2002



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