The Quest for "Public Purposes" in the Pacific Northwest

Howard Schwartz
WA State Department of Community Trade and Economic Development and
The Evergreen State College
Olympia, Washington

ABSTRACT

This paper describes the decline in financial commitment to energy efficiency and renewables in the Pacific Northwest, examines why the governors of the four states convened a "Comprehensive Review of the Electricity System," the recommendations that came from the review, and why they are not likely to be implemented. Finally, the paper examines whether there are any viable options for restoring some reasonable level of commitment to the funding of public purpose activities.

The paper argues that the Northwest remains more concerned with maintaining its low-cost resources and preserving the benefits of the Bonneville Power Administration (BPA) than dealing comprehensively with the development of wholesale electricity markets or the decline of public purpose expenditures. Regional consensus's, such as produced by the Comprehensive Review (Review), are not automatically implemented and, today, there are no governmental institutions through which to implement them. A fragile consensus to restructure the electricity and fund renewables, efficiency and weatherization could not withstand the political realities of three of the four state legislatures in the region. As a result, the future for public purposes in the Northwest remains cloudy.

Introduction

The Pacific Northwest, once a leader in energy efficiency and statutorily committed to renewables, finds itself becoming a policy backwater as much of the nation moves towards electricity restructuring. BPA, which provided both financial and program leadership to the region, is slipping into passivity and the state programs that are supposed to replace its roles are languishing in legislatures. Living in the twilight of a setting BPA sun and the darkening skies of the market, advocates for public purpose policies and funding struggle to find a new way to achieve the goals that everyone in the region professes to support.

This paper describes the decline in financial commitment to energy efficiency and renewables in the Pacific Northwest, examines why the governors of the four states convened a Comprehensive Review of the Electricity System, what recommendations came from the review, and why they are not likely to be implemented. Finally, the paper examines whether there are any viable options for restoring some reasonable level of commitment to the funding of public purposes.

Decline in Commitment to Public Purposes

From the early 1980's, right after the passage of the Northwest Power Planning and Conservation of 1980, until the early 1990's, electric utilities in the Pacific Northwest invested increasing amounts of money in what have come to be called public purposes: conservation, renewables, assistance to low-income individuals. Expenditures for public purposes peaked in 1994-95 and have declined since then. They are expected to decline further unless governments at the state or national level take action. Figure 1 and Table 1 illustrate these trends for BPA and Washington State respectively.

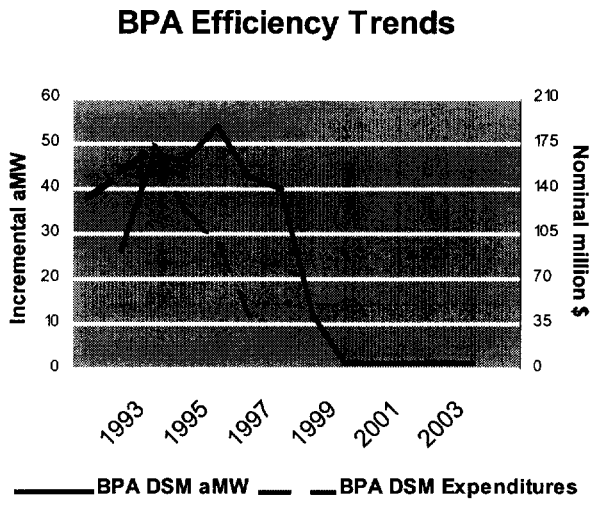

Figure 1: Past and projected acquisitions of power through demand side management programs by the BPA. This chart includes both residual acquisitions from energy code program expenditures that ended in 1995 and new acquisitions from regional market transformation programs. Source: Chart developed from data in *Conservation Resource Energy Data: The Red book.* BPA, Jan.1998

Table 1. Expenditures in Washington for Renewable Energy, Electric Conservation, and Weatherization of Electrically-Heated Low-Income Residences 1992 - 1996

	1992		1993		1994		1995		1996 *est.*	
Washington Electricity Revenues	$3,014.8		3,248.9		3,446.0		3,626.0		3,673.0	
Renewables [1]	$0.5	0%	1.3	1%	2.0	1%	4.7	3%	5.6	5%
Low-Income Weatherization	$16.0	9%	15.2	7%	15.6	7%	14.8	11%	13.4	11%
Conservation	$153.6	90%	193.6	92%	204.4	92%	121.7	86%	*100.1*	84%
TOTAL	$170.1	100%	210.0	100%	222.0	100%	141.3	100%	119.1	100%
% of WA Electricity Revenue	5.6%		6.5%		6.4%		3.9%		3.2%	
Energy Bill Assistance	$22		20		24		22		18	
Low-Income Rate Relief [2]	$5		6		6		5		7	

Notes

(1) Renewables expenditures represent only spending on non-hydro sources, the Comp. Review specifically excludes hydro from renewables considerations.

(2) Two utilities, Seattle City Light and the Snohomish Public Utility District, are known to offer reduced rates to low-income customers. Seattle also offers emergency bill payment. Actual data for the Seattle programs and estimates of the annual cost of the Snohomish program is represented here.

Date in italics include a significant proportion of estimated value.

Source for Table 1: Energy Policy Group, Washington Department of Community, Trade and Economic Development

There are two reasons for this decline. First, the avoided cost of new generation has declined quite rapidly as combined cycle natural gas combustion turbines have become the resource of choice. 1n 1991, the Northwest Power Planning Council (NWPPC) identified generation via gasified coal as the most likely new generation resource and estimated the likely cost as 6 cents/kWh. By 1996, in its *Draft Fourth Northwest Electric Power and Conservation Plan,* the Council identified gas turbines as the most likely new resource at a cost of 3 cents/kWh with greater environmental benefits. [see table 2] As a result, the council's estimate for cost-effective conservation in the region declined from 3-4,000 aMW in 1991 to 1,535 aMW in 1996 (Northwest Power Planning Council, 1991, Vol.II, part 1, pp. 393-442; NWPPC, 1996, pp. 6-3, 6-4). The impact on renewables has been similar. In 1991, wind, for example, seemed very likely to become competitive with coal fired generation; by 1996, it was clearly more expensive than gas combustion turbines and likely to remain so for the foreseeable future.

Table 2. Marginal Resource Comparison: 1996 Draft Plan Compared to 1991 Power Plan

Resource Characteristics	1991 Plan Gasified Coal	Draft Plan Gas-Fired Turbine	Change
Size (MW Capacity of Typical Plant)	420	228	46% Smaller
Lead Time (years)	7	4	43% Shorter
Capital Cost ($/kW)	$2,520	$684	73% Lower
Availability (%)	80	92	15% Greater
Efficiency (%)	36	47	30% Greater
Levelized Cost (cents/kWh)	6	3	50% Lower
Particulates (T/GWh)	0.07	0.03	57% Less
SO_2 (T/GWh)	0.04	0.02	50% Less
NO_X (T/GWh)	0.50	0.07	85% Less
CO (T/GWh)	0.02	0.02	similar
CO_2 (T/GWh)	985	497	50% Less

Source: Northwest Power Planning Council, *Draft Fourth Northwest Electric Power and Conservation Plan*, Portland, OR, 1996, p. 2-7

The second reason for the decline in the commitment to conservation and renewables is the rise of competitive wholesale markets in electricity. Due to the combined effect of a number of factors, power can be purchased under long term contracts for prices per mill in the low 20's. As a result, many utilities have increased power purchases while lowering the acquisition of generation resources. As the nation moves gradually toward electricity restructuring, which includes the separation of distribution and generation, distribution utilities which still own resources will continue to shop for cheaper and cheaper power from a broader array of suppliers. The continued availability of cheap power on the wholesale market makes utilities very reluctant to commit capital to any new resource and especially to conservation and renewables.

Low Income programs have suffered for both similar and other reasons. As utilities have tried to cut costs, they have reduced support for all public purpose programs, turning, in the case of bill-assistance, to appeals to better off customers for charitable donations. Financial support for low-income weatherization for low-income households has come primarily from the federal government, but in the northwest BPA has provided some support as well, and some state governments have set up supplementary programs. Federal support has declined over the last five years and BPA will commit no new money to the program.

The Comprehensive Review

While the decline in support for public purposes was only one of the reasons the governors of the four northwest states convened a Comprehensive Review of the Northwest Energy System in 1996, it was one of the major reasons. The electricity industry had changed so dramatically from the time the Northwest Power Act was passed in 1980 that regional energy leaders believed that the Act needed to be revisited and the role of the BPA, the NWPPC, and state utility regulators needed to be re-assessed.

In short, the situation was this. When the Act was passed in 1980, it was assumed that the BPA would acquire much of the electricity resources for the region, that the cost of electricity would continue to increase, and that centralized regional planning would assure the best mix of conservation, renewables and conventional resource acquisitions to meet the region's growth. By 1996, BPA had ceased to acquire any new resources and its customer utilities were starting to meet their load growth on their own, the cost of electricity had been declining for several years, and centralized planning, the raison d'être of the Power Planning Council, had been rendered ideologically and practically obsolete. Although still in place, the Act's mandate for conservation and renewables to receive a 10% premium in cost-effectiveness calculations seemed meaningless since BPA was not acquiring resources and utilities were struggling to compete in a wholesale market.

Above all, BPA was financially stressed. Its rates were heading above market and its statutory and traditional customers, the region's publicly owned utilities, were starting to desert it. Regional leaders were worried that not only would BPA be unable to pay for restoration and salmon runs and electricity public purposes, but that the agency might even be in danger or going bankrupt. Thus, the governors asked: Is the system broken? Do we need a new one?

In order to answer to these questions, the governors of Idaho, Montana, Oregon and Washington convened a "Comprehensive Review of the Northwest Energy System" to review the risks and opportunities presented by the transition of the region's power system to a more competitive electricity market. The governors appointed a 20-member Steering Committee that was broadly representative of the various stakeholders in the power system to study that system and make recommendations about its transformation. In establishing the review, the governors stated:

"The goal of this review is to develop, through a public process, recommendations for changes in the institutional structure of the region's electric utility industry. These changes should be designed to protect the region's natural resources and distribute equitably the costs and benefits of a more competitive marketplace, while at the same time assuring the region of an adequate, efficient, economical and reliable power system." (Final Report, p.3.)

The steering committee members were drawn from the following areas: public and private electric and gas utilities, large and small electricity retail consumers, environmental and public interest groups, governments, and representatives of the governors. They were sternly warned that the region stood to lose the benefits of the Federal Columbia River System unless they arrived at a consensus about a course for the future.

After eleven months of intensive work, the Committee issued a final report with only one dissent. The recommendations in the report were a grand compromise among the interests. The recommendations were tied together in a package that attempted to bind everyone to support them all at the risk of each getting none. For the purposes of this paper, we need to understand that the strong recommendations for the funding of public purposes was coupled with equally strong recommendations that each state would also move towards deregulation of electricity and establishment of retail competition by July 1, 1999. BPA and the utilities agreed that utilities would purchase power from the federal power marketing agency in a new "subscription" process but that BPA would reduce its market role in the region and drastically cut its costs. This would ensure that BPA had sufficient revenues to meet its obligations to repay the US Treasury, pay its bills and cover fish and wildlife restoration costs. Finally, the Steering Committee recommended that BPA conform to FERC's guidelines on separating its transmission business from its generation business, the role of NWPPC be reviewed and there be further discussions of how the Columbia River System be governed.

The Public Purpose Recommendations of the Comprehensive Review

In its final report, the Steering Committee strongly expressed the view that funding for public purposes would decline unless it was included as part of a comprehensive electricity restructuring package:

> Utilities under competitive pressure to retain their customers will find it difficult to support the various social and environmental goals they have supported in the past. Competitive markets will support some social and environmental activity, and recent legislative proposals in Congress suggest that some programs could be mandated at the national level. However, absent action to place the funding of such activities with the separate and regulated elements of the market (transmission or distribution), emphasis on conservation, renewable energy sources and low-income support will decline. The greater the differences among states and utilities in the funding of these activities, the more distorted and less efficient will be the electricity markets. (Final Report, p.3)

The Report noted that funding for conservation, renewables and low-income programs was declining but there was still enough momentum from past funding and enough of an infrastructure in place that the momentum could be maintained if the stakeholders and the state legislatures acted quickly (Final Report, p.20). Therefore, it stated:

> To ensure that cost-effective conservation, renewable resource development and low-income weatherization are sustained during the transition to competition and beyond, the Steering Committee recommends that, by July 1, 1997, 3 percent of the revenues from the sale of electricity services in the region be dedicated in aggregate over the region to those purposes for

a period of 10 years. The Committee believes that it is appropriate to re-evaluate this commitment at the end of the ten-year period. Based on 1995 revenues, this amounts to approximately $210 million per year. This $210 million is 65 percent of what was spent for these purposes in 1995 by the region's utilities and BPA (Final Report, p.21).
Specifically the report called for:

- Legislation in each state by July 1, 1999, (same date as for restructuring) mandating that 3% of electricity revenues be spent on public purposes. The legislation to contain the following provisions:
    1. Establishes a minimum standard for electric distribution utility investments in public purposes that would apply equally to publicly owned and investor-owned utilities.
    2. Sets a state target of revenues to be collected and expended based on the state's share of the regional target of 3%.
    3. Permits each distribution utility to determine how it collects revenues sufficient to meet this minimum standard in accordance with its existing regulatory structure, while recommending that allocations be based on cost of service standards.
    4. Requires that utilities demonstrate compliance with the minimum investment standard on or before July 1, 1999, and annually thereafter.
    5. Authorizes the imposition of a non-bypassable, local distribution system access charge (meter fee) on customers served by any distribution utility that fails to demonstrate compliance with the minimum investment standard. This fee should collect revenue equivalent to that distribution utility's minimum standard for annual investment in conservation, renewable resources and the provision of weatherization and energy-efficiency services for low-income consumers (Final Report, p.26).
- While most conservation and renewable investments would be done by local utilities, some money should be set aside for regional market transformation activities and BPA should fund some portion of these regional activities.
- A regional technical forum should be established to monitor and assess progress towards regional goals in conservation, renewables and low-income weatherization (Final Report, pp. 22-24).
- If these goals are not met by the recommended deadlines, there should be a back-up in federal legislation to require conservation expenditures (Final Report, p.24).
- BPA should reduce its role in energy efficiency to
- very modest energy efficiency business line
- its small contribution to regional market transformation
- the close-out of its existing conservation, renewables, and low-income weatherization contracts (Final Report, pp. 27-29).

The report further recommended an allocation of funds among the various public purposes and implementers as follows:

Table 3. Annual Allocation of Funds to Conservation, Renewable Resources and Low-Income Energy Services

Purpose	Percent of electricity revenues	Percent of public purpose funding	$ Millions based on 1995 revenues
Local Conservation	1.6%	52%	$110
Low-Income Weatherization	0.4%	14%	$30
New Renewable Resources	0.0% - 0.49%	0.0% - 16%	$0 - $34
Total – Local Administration and Implementation	**2.0% - 2.49%**	**67% - 83%**	**$140 - $174**
Conservation Market Transformation	0.43%	14%	$30
Renewable Resource Market Transformation New Renewable Resources[1]	0% - 0.49%	0% - 16%	$0 - $34
Renewable Resource Research	0.01%	>1%	$1
Renewables Development and Demonstration	0.07%	2%	$5
Total – Regional Administration and Implementation	**0.52 % - 1.0%**	**17% - 33%**	**$36 - $70**
Total	**3.0%**	**100%**	**$210**

Source: *Final Report of the Comprehensive Review,* p. 23.

In looking at this implementation scheme, it is striking that the overwhelming majority of the funding is to be spent locally by distribution utilities. In this regard, the Review reflected the determined opposition by utilities in the region, especially the public utilities, to any large role for BPA, state government or any other state or regional entity in spending what they saw as "their" or "their ratepayers'" money. They had long contended that centralized spending on conservation, renewables and weatherization drove up the rates that BPA charged them and was less efficient than the programs they could on their own in their own communities. Public utility leaders said that they were willing to commit to public purposes but only if they could do it themselves. In retrospect, it appears that managers of publicly owned utilities, did not anticipate very great changes to their own organizations even if state restructuring legislation was passed.

[1] Retail distribution utilities may dedicate their share of these funds to acquiring renewable resources through locally initiated programs.

Implementation is Stalled, or The Perils of Packaging[2]

The Review was a great achievement. It was widely praised in newspapers throughout the region.[3] However, reaction from the Governors was muted and many legislators were cautious. Interests who were not at the table, such as organized labor, began to voice their concerns. In Washington and Idaho, where rates are lowest, opponents of restructuring claimed that competitive wholesale and retail markets would inevitably raise the rates of those least able to maneuver in those markets: residential, small farm and small business customers. Only in Montana, where rates are slightly higher, the utility structure simpler, and one party is in solid control of both the legislature and governor's office, did things go according to plan. The 1997 session of the Montana legislature passed comprehensive legislation that de-regulated the Montana Power Company by opening its distribution system to other sellers of both electricity and natural gas, and enacted a public purposes charge of 2.4%. Although the public benefits charge was below the 3% standard endorsed by the Review, and allocated more funding towards low-income weatherization and less to conservation and renewables than the Review called for, supporters of the legislative package declared that they had complied with the essence of the Review.

In the other three states, the 1997 legislative sessions came and went with little progress toward comprehensive restructuring legislation. The Idaho legislature set up an interim study committee, which found little support for restructuring and fears that Idaho's rates, now the lowest in the nation, could only go up. The Oregon legislature established a special committee to consider the recommendations of the Review. The committee came tantalizingly close to consensus at times, but ultimately was unable to reconcile all of the interests. In the interim until the 1999 session, various configurations of interests are exploring new legislative proposals while the Oregon Public Utilities Commission is reviewing a contentious and controversial "pilot" program proposed by Portland General Electric (now a subsidiary of ENRON) that would effectively de-regulate that utility. In Washington, attempts to build a bi-partisan coalition around comprehensive restructuring failed with Democrats seeing political advantage in raising the specter of higher electricity rates. Later on in the year, the cause of opponents of restructuring was helped by the release of the Energy Information Agency report which forecast that under national restructuring, rates would fall everywhere in the United States except for the two regions: the Northwest and Upper Midwest (Energy Information Agency, 1997).

The 1998 Washington legislature passed two bills that might lead to building blocks for future legislation. They require stronger protection for consumers of electricity against unfair business practices, and mandate a number of studies to assess trends in public benefits, consumer protection, cost-shifting, cost-allocation, reliability and the like which may lay the groundwork for legislation in 1999. However, all explicit language that the purpose of the bills was to lead to future legislation was removed from them leaving, all sides in an intricate dance of approach to and retreat from the commitments of the Review.

As it appears now, supporters of public purposes in the legislatures are unwilling to swallow de-regulation, or more to the point, opponents of deregulation in Washington and Idaho who fear higher rates, less reliability, loss of union jobs, etc, do not see the loss of public purposes as enough of

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[2] This section is based on newspaper articles, conversations with participants and first-hand observation and discussions.

[3] See, for example, the highly favorable editorials in *The Seattle Times,* December 22, 1996, the *Seattle Post-Intelligencer,* November 17, 1996, and the *Spokesman-Review* (Spokane, Washington/ Coeur d'Alene, Idaho). The *Oregonian*, December 1, 1996, thought the Review didn't go nearly far enough in supporting conservation and renewables.

a reason to support the deregulation and public purposes package. In the same two states, large industrial customers, once the strongest supporters of restructuring, have lost much of their enthusiasm because they have, for the most part, struck bilateral deals with their local utilities to allow them to get reduced rates without having to pay for public purposes. They can only lose by returning to the bargain of the Review. Finally, Northwest utilities have for the most part, a relatively cheap portfolio of resources and are not desperate to get the protection against stranded costs that drove other utilities to legislative bargains in the states that have restructured. In those states, the large industrial customers and the high cost utilities wanted legislation so badly that they were willing, as in California, to include strong public purpose provisions in the final package.

At the regional level, support for public purposes has waned further. The Review had recommended that BPA's costs be studied with a view towards finding large savings that would make BPA more competitive. A panel of public and private sector experts was appointed to make such a review and in its draft report it recommended eliminating all of the small amount of funding for regional market transformation that the Review had recommended continuing. Only after a storm of protest erupted, did the Cost Review Committee restore most of the cuts. The Cost Review committee also recommended deep cuts in the NWPPC's budget for energy analysis, which, if implemented, would reduce the Council's ability to determine the level and path for acquiring cost effective conservation and renewables. The only positive news has been that the all of the cost cutting will bring BPA's rates below market emboldening advocates for public purposes to think that it might yet be possible build increased funding for conservation and renewables back into BPA's budget in the future.

The Limits of Regional Consensus

At the present time, the Pacific Northwest does not have institutions to implement regional policy regarding public purposes in the electricity system. Even when a regional will seems to be expressed, as in the Review, there is no means by which it can be carried out. By contrast, during the period, from about 1982- 1995, when the Council's Plan guided BPA's acquisition of resources, the Council served as a maker of conservation and renewables policy and BPA played the role of implementer of those policies. Now, with almost all of the implementation of the Review's recommendations on public purposes devolved to the states and local utilities, the region lacks a lead institution to carry out its will. As a result, there is no reason to expect that the public purposes recommendations of the Review will be carried out consistently from state to state or at all.

Why are the state governments not likely to implement policies they presumably had a hand in developing? As we have seen from the discussion of the 1997 and 1998 legislatures, the transition from the Review's recommendations to legislative enactment was by no means seamless. Once they were away from the Review bargaining table, participants had to begin again in new forums, the state legislatures, where the same interests at the Review were joined by new actors who had agendas of their own. Public purpose advocates were not, as in the past, automatically aligned with their traditional allies, consumer advocates, anti-utility populists, and organized labor, who all opposed restructuring, but instead were forced to stick with their reluctant allies from the Review, the utilities and their large industrial customers. Legislators and governors who were not parties to the Review looked at the package afresh and approached it with their own political calculus.

It is wise to remember that even in the hey-day of conservation and renewables, regional energy policy was never self-enforcing. Even with statutory authority and designated institutions, the Council-BPA partnership had difficulty enforcing regional policy. A retrospective look at the implementation of the Model Conservation standards is instructive.

The 1980 Northwest Power Act included the authority for the NWPPC to "promulgate" Model Conservation Standards (MCS) for the construction of new buildings. The Council adopted such standards in 1982 and they evolved into the most stringent model building codes in the United States at that time. After fruitlessly trying to get their respective state legislatures to simply enact the MCS as building codes, the council assigned the BPA the responsibility of getting the regional code implemented by each of the states through various incentives and programs. The MCS were finally adopted as both residential and building codes in Washington, Oregon and Montana, making the Northwest for a short time the national leader in energy efficient building codes. The implementation of the MCS required heroic battles in each of the legislatures and building code agencies and the expenditure of over $100 million by BPA and public and private utilities. This effort also took fifteen years and by the time the last phase of energy code adoption and implementation was finally finished in those three states, Congress had passed EPACT which required every state to move towards more energy efficient building codes (See Harris and Usibelli, 1994; Schwartz, 1993; Schwartz, 1990).

Even in the best of times, regional governance could not do what only national action can: produce uniform rules across state lines. After all, there were never enough carrots to persuade Idaho to enact a statewide energy code and there will never be any way short of a federal mandate to persuade Idaho, with the lowest electricity rates in the nation, to adopt retail competition in electricity. The electricity industries of the four northwest states are, in many ways, more different than they are alike, despite the common thread of the Columbia River. Washington is dominated by consumer owned utilities, many of whom have large generation resources of their own. In the other states, investor owned utilities have most of the electrical load, but public utilities that buy all or most of their power from BPA are scattered around the three states in virtually every legislative district. The political cultures of the states differ greatly as well. Although the members of the Review committee were able to agree among themselves, in retrospect it is clear that they did not represent all of the political interests of their states.

Conclusion

In effect, what the Northwest seems to have settled upon, despite the recommendations of the Review, is a default strategy of protecting its cheap generation resources through a defense of BPA and public preference at the national level and a maintenance of the regulatory status quo at the state level. Rather than agree to the grand bargain of deregulation plus public purposes, Northwest legislators are pursuing neither. Restructuring does progress, albeit very slowly. There are utility pilot programs testing consumer interest in alternative suppliers of electricity and some Commission actions, notably in Oregon, where a mini-Comprehensive Review pilot is being considered for one investor owned utility. The results so far indicate little residential consumer enthusiasm for change.

The only clear success in public purpose implementation rests with the modest regional market transformation program. In this case, a regional institution, the Northwest Energy Efficiency Alliance (NEEA), a consortium of utilities, state energy offices, BPA and the Council, created through the work of Council staff, reviews and funds region wide programs. Its funding comes mostly from BPA which still has a modest market transformation budget of $15,000,000 annually. Otherwise, utility funding for public purposes languishes with the notable exception of Seattle City Light and a few smaller

public utilities which have continued their large investments in conservation, renewables and low-income programs.

In the face of the collapse of the implementation of the Review's recommendations, advocates of public purposes in the Northwest have many options but no clear path. The first option is to ask the legislatures to simply pass legislation implementing the public purpose recommendations of the Review without regard for the rest of the recommendations. This would have the virtue of re-aligning advocates for weatherization, energy efficiency and renewables with their natural allies, but it is uncertain that there are the votes in any of legislatures to pass such legislation. The second option is to pursue some sort of BPA back-up whereby BPA would either include requirements for public purposes expenditures in its contracts with its utility customers or would simply fund them outright out of its revenues which are trending upward. At the same time, state regulatory commissions would require similar expenditures by the investor owned utilities. Given the strong regional consensus for a smaller role for BPA and strong utility opposition, this option would require strong pressure from the Council and from the governors, neither of which seems forthcoming at this time. The final option is to work on the national level to insure that a national restructuring bill passes with strong public purpose requirements. If any national legislation passes, it is likely that the public benefit provisions will be reasonably good compared to those in the Review. For example, the Clinton Administration's national restructuring legislation incorporates the proposal of Congressmen Peter DeFazio of Oregon to set up a national Public Benefits Trust and a national portfolio standard for renewables without requiring states to adopt restructuring legislation. The only problem with this option is that national legislation may still be many years away.

While de-facto restructuring of electricity markets nibbles at the Northwest electricity system, funding for renewables, efficiency and low-income weatherization is caught in a policy stasis which is not likely to be ended soon. The Review was an opportunity to break with the paradigms of the 1930s and the 1970s, but now that BPA's financial crisis seems to be over, there seems to be little interest in a decisive change. A commentator on this paper noted that "in California we see evidence that the Enrons are bundling services like electricity, natural gas and DSM and creating new green electricity products" and asked if there is any evidence of that in the Northwest. The answer is that BPA is repackaging its surplus resources to sell in the California market as a "green" product, but at home it is pretty much business as usual.

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