

Conservation and Renewables Issue Matrix
 Synopsis of Issues and Positions from 2002 Discussions
 Summarized by Charlie Grist, NPPC on 18 February 2004

Issue	Council	Joint Customers	Public Interest
Extent of Conservation and Renewables Obligations that Resides with BPA	BPA has broad authorities for retaining an active and strong role to promote the acquisition of conservation even when some customers agree not to place additional loads on BPA. BPA should establish targets and develop mechanisms to ensure conservation is captured on all loads of its preference customers. But BPA conservation budgets should be based only on load served by BPA. Similarly BPA conservation budgets for IOU small farm and residential conservation should apply only to portion of load served by BPA.	Extent of BPA obligation is limited to targets based on loads served by BPA. Implementation of conservation targets for load not served by BPA is the responsibility of each utility and its respective regulator.	BPA should be responsible for achieving conservation for their portion of the obligation <u>and</u> the conservation necessary to make up any unmet utility obligations. Requires concurrent customer commitment to finance sufficient stable investments in conservation as a way of meeting system needs. For renewables at least half the target level rests with BPA. The other half resides with the local utilities which can opt to have BPA meet their share.
Targets	Conservation and Renewables targets established in Council 5-year plans. Targets are based only on cost-effective resources from a total resource cost point of view. Council plan outlines approaches to achieve targets including shares for local utility efforts, regional efforts, market transformation, codes and standards, and needed research and development.	Council Plan establishes C&R targets.	Council Plans establish conservation targets and allocates between local and regional acquisition with limited flexibility between the two based on need and opportunity over five years. Renewables targets set at balance of estimated regional load growth not met by conservation. Low-income weatherization targets and R&D funding established as set budget amounts.
Conservation Budgets	BPA conservation budgets based only on share of all preference customer load served by BPA. Levels set by BPA based on Council Plan.	BPA conservation budgets would be set by BPA based on Council Plan after consideration of relevant factors set forth in contracts and BPA's need for additional resources.	Budgets based on Council estimates of cost per kWh and Council conservation targets. BPA conservation budgets should be established to allow BPA to cover any unmet utility obligation.

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Renewables Budgets	Support acquisitions of some above-market cost of RR provided such acquisition brings additional value to the power system.	Part of C&R budget established by BPA.	Estimated above-market costs of renewables targets would be in BPA budgets as a cap. To be used only if targets are not met by market. Half to be deployed by BPA and the other half by utilities. Budgets adjustable after five years.
Regional Activities Budgets	Includes low-income weatherization, R&D, market transformation and evaluation. BPA budgets for these activities based on Council Plan & RTF recommendations.	Fixed percentages to each activity reviewed after ten years.	Fixed percentages to each activity with some flexibility based on Council plan.
Mechanism for Collecting Funding	Mechanism like the rate discount if revised to improve effectiveness. Eleven specific recommendations for changes in the C&RD are included in the Council's 2002 recommendations to BPA.	Rate discount and bilateral contracts	Contracts establish energy and budget obligations of local utilities for conservation, RR , low-income wx, and RD&D. BPA portion would be in BPA rates. Utility budgets would be reviewed by BPA.
Mechanism used by BPA to Assure C&R Obligations are met	Unclaimed rate discount funds would be deployed by BPA to make up any unmet target. Forfeit of discount by customer for non-performance. Minimize potential forfeit by BPA working with utilities on local C&R plans and budgets.	Unclaimed discount funds used by BPA to make up any unmet target. Forfeit of discount by customer for non-performance.	C&R plans and budgets of utilities would be reviewed by BPA for acknowledgement. Debit account at BPA that is subject to collection if results are not achieved.
Regional Technical Forum (RTF)	Needs dedicated funding, small staff, and independence of a majority of members. Identifies qualifying measures and expenditures. Makes policy, technical, RD&D, and evaluation recommendations to BPA.	Make more permanent and professional. Evaluates proposed measures that qualify for the rate discount and makes such recommendations to BPA. Conducts periodic verification audits.	Formalize technical staff and add Advisory Council of stakeholders. Qualifies activities, evaluates and makes recommendations on improvements. Significant deviations from RTF recommendations Would require a public process.
Accountability	Utility C&R plan preview by BPA. Annual reports. Evaluation.	Annual reports to BPA. Responsible to regulator for non-BPA portion.	Primarily through the RTF under pre-specified mechanisms. Includes dispute resolution mechanisms and public process for BPA deviations from RTF recommendations.

