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March 28, 2006

MEMORANDUM

TO: Power Committee

FROM: Terry Morlan

SUBJECT: Power Division Work Plan

The Power Committee is scheduled to discuss the Power Division Work Plan. There have been two different thrusts to the efforts on the work plan in recent months. One effort has been to summarize the work plan to make it easier to grasp and to identify the most important activities that will occupy the Power Committee and Council during the coming year. At the same time, there is an interest in refining the detailed work plan to identify more completely the actions and schedules. Both may be worthwhile.

I have attached a PowerPoint presentation that was originally intended for presentation to the full Council. That agenda item was dropped for this meeting, but it is still useful for the Power Committee. What I have attempted to do in the PowerPoint presentation is to be comprehensive about the actual work that the Power Division does. I broke it down into four main categories: 1) implementation of the 5th power plan; 2) participation in energy policy development forums; 3) maintain and enhance the Council's planning and analysis tools and data; and 4) provide information, advice and analysis. My objective was to develop a consistent set of categories that could be used in our budget narratives, annual reports, and other summary reports, as well as be applied to our more detailed work plans.

A second attachment provides more detail on action items within the four categories, but also extracts the major policy concerns or activities we are likely to face this year. It is a revision of the major issues report that was included in the March Council meeting packet. It probably needs additional refinement before it is ready for prime time.

The third attachment is the table of comments on the detailed work plan that Jim Kempton sent to the Power Committee on March 22. We can discuss potential changes to the work plan during the Power Committee meeting. An important issue that Jim raised was the change to action item CONS-3. I have attached a memorandum from Tom Eckman and Charlie Grist explaining their reasons for the change.

Power Division Work Plan Summary

Council Meeting
Whitefish, MT
April 12-13, 2006

Major Categories of Power Division Work

- Implement the 5th Power Plan
- Participate in energy policy development
- Maintain and enhance planning and analysis tools and data
- Provide information, advice and analysis

Implement the 5th Power Plan

- Conservation
- Demand response
- Generation
- Transmission
- Resource adequacy
- BPA role change
- Broader implementation actions

Conservation

- Recommendations to Region
 - Action items CONS-1, 2, 4, 5, 9, 10, 11, 12 and 14
- Council Actions
 - Action items CONS-3, 6, 7, 13
- Monitoring and assessment
 - Action items CONS-8 and MON-2

Demand Response

- Recommendations to Region
 - Action items DR-1, 3, 4, 6 and 7
- Council Actions
 - Action items DR-2 and 8
- Monitoring and assessment
 - Action items DR-5 and MON-5

Generation

■ Recommendations to Region

- Action items GEN-1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16, and 17

■ Council Actions

- Action items GEN-7a, 8a, 9, 13, and 16

■ Monitoring and assessment

- Action items GEN-14 and MON-3

Transmission

- Recommendations to Region
 - Action item TX-2, 3 and 4
- Council Actions
 - Action items TX-1
- Monitoring and assessment

Resource Adequacy

- Recommendations to Region
 - Action items ADQ-1 and 3
- Council Actions
 - Action items ADQ-2
- Monitoring and assessment

Bonneville Role

- Recommendations to Region
 - Action items BPA-1, 2, 3, 4, 5 and 6
- Council Actions
- Monitoring and assessment
 - Action items MON-8

Broader Plan Implementation Actions

- Recommendations to Region
- Council Actions
- Monitoring and assessment
 - Action items MON-1, 3, 4, 6, 7 and 9

Energy Policy Development

- Participate in the Regional Dialogue process
- Coordinate the Resource Adequacy Forum
- Participate in utility IRP processes
- Provide analysis of effects of F&W policies on hydroelectric system
- Participate in regional and western transmission and system reliability initiatives
- Participate in climate change assessment and policy fora

Maintain and Enhance Planning and Analysis Tools and Data

- Develop new demand forecasting system
- Enhance Olivia model and improve accessibility to other regional entities
- Assess new efficiency and demand response technologies
- Maintain data on regional generating capability
- Assess new generating technologies and changes in efficiency and cost
- Enhance Genesys Model
- Enhance data for Aurora model

Provide Information, Advice and Analysis

- Provide information and advice on the 5th Power Plan
- Respond to information requests about the regional energy system
- Provide analysis of regional or western energy markets
- Coordinate the Independent Economic Analysis Board

Major Power Issues for 2006

Regional Dialogue:

- Final technical and policy group meetings [end of February]
- Bonneville policy proposal [April]
- Council facilitate review of aluminum benefits and costs [April - June]
- Council review and develop comments [May/June]
- Bonneville policy and ROD [July]
- Monitor progress toward new contracts by 2008

Resource Adequacy:

- Council release of issue paper [February]
- Public comment [March/April]
- Council adoption of regional energy metric and target [May]
- Forum development of regional capacity metric and target [July]
- Council release of capacity issue paper [August]
- Forum development of resource reporting process [September]
- Council adoption of regional capacity metric and target [November]
- Forum potential development of further implementation mechanisms (beyond reporting and public assessment of regional results)
- WECC development of westwide capacity and energy metrics and targets, including input from Forum on recommended application to the Northwest [Summer 06]

Demand Response and Distributed Resources:

- Work with utilities to explore development of demand response
- Participate in national and other state processes to develop demand response
- Develop methods of assessing the cost effectiveness of demand response approaches
- Explore ways to facilitate development of distributed resources

Recovery Plan and Biop Analysis:

- Provide input to NOAA Fisheries' effort to develop a new biological opinion
- Provide independent analysis of proposed hydroelectric operations
- Assess potential impacts to power system cost and adequacy

Transmission Organizations and Western Reliability Initiatives:

- Grid West business plan and board election (next two months?)
- Grid West development and potential offering of some services
- ColumbiaGrid developed over next 4-6 months
- ColumbiaGrid offers early services
- Major issue: Ensuring Grid West and ColumbiaGrid work together
- WECC loads and resources subcommittee
- NTAC participation
- Others

Wind Confirmation:

- Presentation on wind integration experience and products [May]
- Assemble an advisory group to identify actions need to be taken to confirm the ability to develop the windpower called for in the Plan. Issue wind confirmation plan (2006).
- Work with NTAC to identify long-distance transmission requirements for developing the windpower called for in the Plan (report late 2006 or 2007)
- Assess the effects of shaping windpower on other functions of the hydropower system (2006-07?)

Conservation Acquisition:

- Facilitate and coordinate the Regional Technical Forum
- Collect and assess data on utility conservation acquisitions
- Work with NEEA and Oregon Energy Trust
- Participate in national and regional efforts to improve building codes and energy efficiency standards
- Provide input and guidance to utility assessments of conservation potential
- Identify and research improved efficiency technologies

Integrated Coal Gasification Technology Assessment:

- Convene the IGCC Advisory Committee
- Prepare an assessment of the commercial progress of coal gasification power generation technology (by 2007)

Other Staff Work

5th Power plan implementation

(Many power plan implementation activities are covered in the major power issues section)

Transmission Assessment for Plan Resources:

- Work with the Northwest Transmission Assessment Committee (NTAC) of the Northwest Power Pool to develop assessments of the cost and feasibility of new long-distance transmission lines and reinforcements to access new remote generating resources (Phase I of Canada-Northwest-California study expected May 2006).

System Benefits Charge Assessment:

- Report to Power Committee (by 2008)

Plan Implementation and Assessment:

- Quarterly work plan status reports (April, July, October)
- Biennial implementation status report (Jan 2007)
- Ongoing collection of data and monitoring of basic assumptions; e.g. energy prices, demand, power project development, generating technologies, conservation technologies, etc.

Monitor Climate Change Research:

- Council presentation on state of climate change science [May]
- Power Committee discussion of Council role and activities [May]
- White paper on climate change and its effects in region [June/July]
- As data becomes available, reassess potential climate change impacts to the power supply and hydroelectric system
- Work with others to assess the likelihood of various climate change scenarios
- Work with others in the region to develop mitigation strategies
- Investigate the potential to include climate change uncertainty into the portfolio model

Participate in energy policy processes

Participate in Utility IRP Processes

- Attend IRP Technical Advisory Committee meetings as appropriate
- Summarize the current policies in IRPs and aggregate to compare to Council plan
- Check for progress on action items GEN-1 through 6 and 12

Participate in Various Western Energy and Transmission Initiatives

- Contribute to WECC processes on transmission planning, load/resource analysis and other efforts.
- Contribute to the Western Interstate Energy Board natural gas study
- Others as requested

Maintain and enhance tools and data for planning and analysis

Genesys Model Enhancement:

- Update resource and load data
- Review hourly load simulation
- Review thermal resource commitment logic
- Add ability to calculate flood control curves, drafting rights curves, and Canadian reservoir operation
- Add capability to run 70 historical water conditions
- Add capability to run 24 periods per year (as opposed to 14)
- Update model documentation

Design New Demand Forecasting Methods:

- Review and map current and future business requirements/goals for the model [April]
- Identify resource requirements [May]
- Select/develop required tools
- Benchmark/update baseline consumption levels
- Evaluate methods for developing demand response supply curve
- Data updating methods
- Load shapes and temperature adjustment

Continued Development of Olivia:

- Improve the efficiency of Olivia and its portfolio models
- Develop better documentation
- Improve the user interface
- Promote and facilitate the use of Olivia by utilities in the region

Maintain Databases and Information:

- Track energy prices and electricity demand
- Maintain data on existing generating plants
- Update information on new efficiency and generating technologies

Provide information, advice and analysis

Provide data and information as requested:

- Power plan data and interpretation

- Information about regional energy markets
- Generating resources status and costs
- Advice on incorporating risk and uncertainty in planning
- Other

CO2 Production and Policy Assessments:

- Prepare assessments of gross and marginal CO2 production from electric power generation in support of the Oregon Carbon Allocation Task Force, Oregon Energy Trust and Regional Technical Forum (ongoing and as requested)

Coordinate Review of Analyses of Aluminum Impacts:

- Sign interagency agreement with Bonneville (April 06)
- Contract with independent reviewers (End April 06)
- Deliver review to Bonneville (End June 06)

Assess effects of changing policies on regional electricity costs:

Coordinate the Independent Economic Analysis Board:

5TH POWER PLAN ACTION ITEMS

ACTION ITEM	WORKPLAN 03/07/2006	COMMENT
CONSERVATION		
CNSV-1: <i>Increase lost opportunity resource acquisitions.</i>	Not in Workplan. Yet “Many cost-effective resources identified in the Power Plan are relatively new and do not have established programs or approaches for acquisition.”	Incorporate strategy into plan identified in CNSV-3 ?
CNSV-2: <i>Increase non-lost-opportunity resource acquisitions</i>	Not in Workplan. “Utilities, with the support of regulatory commissions, BPA, SBC administrators, the Alliance, and other program operators, should increase the annual acquisition of non-lost opportunity (discretionary) conservation resources...”	Incorporate strategy in CNSV-3 to insure this action item gets legs?
CNSV-3: <i>Develop a strategic plan for conservation acquisition</i>	Incorporated. Revised to be an on-going assessment of progress, and gaps and subsequent development of solutions to fill those gaps.	A recommended action incorporated in the approved Power Plan should not be revised w/o Council re-consideration of the issues involved.
CNSV-4: <i>Increase local acquisition budgets</i>	Not in Workplan.	Coordination and tracking strategy Incorporate in CNSV-3?
CNSV-5: <i>Expand market transformation initiatives</i>	Not in Workplan.	Tracking? Can the Council play a part in advocating positive market transformation initiatives? CNSV-3?
CNSV-6: <i>Revise and adopt state and federal energy codes and efficiency standards that capture all of the regionally cost-effective savings</i>	Incorporated	
CNSV-7: <i>Within 12 months, the Council, regulators, Bonneville, utilities, SBC administrators, the states, and the Alliance should establish a mechanism and funding to develop regional coordination and acquisition not under the category of market transformation</i>	Incorporated	
CNSV-8: <i>Within 6 months of adoption of the power plan, the Council, regulators, Bonneville, utilities, SBC administrators, the states and the Alliance should establish a mechanism and funding to track and report regional conservation investments and accomplishments annually</i>	Incorporated	How does this fit with RTF activities? What is the preliminary estimate of voluntary data reporting? Is BPA tracking and reporting presently “on-line”?

CNSV-9: <i>Regulators and local boards and commissions should establish criteria and processes for evaluating and reflecting the value of conservation as a hedge against future risks</i>	Not in Workplan.	Action item reflects that: “The Council will offer its assistance in these efforts.” How will we be doing that? CNSV-3?
CNSV-10: <i>If revenues lost as a result of conservation remain significant barriers to implementing the cost-effective conservation targeted in the plan, state and local regulators and utilities should consider developing and implementing strategies to mitigate conservation impacts on cost recovery</i>	Not in Workplan.	“Decrementing” and “Decoupling” through electrical rate true-ups have recently received a great deal of attention. Council efforts / support strategies need to be addressed? CNSV-3?
CNSV-11: <i>Consider enhancing conservation investments</i>	Not in Workplan. Barriers to conservation acquisition... “can be reduced, if not overcome, if states adopt legislation defining conservation investment as a guaranteed regulatory asset.”	What Council actions , taken or planned, to encourage legislatures to take this action? What is a “guaranteed regulatory asset”? CNSV-3?
CNSV-12: <i>Low-Income Housing Weatherization</i>	Not in Workplan.	Tracking?
CNSV-13: <i>System Benefits Charge - the Council will review the performance and effectiveness of Oregon, Montana, and other SBC systems around the country by 2008</i>	Incorporated.	
CNSV-14: <i>As the Bonneville Power Administration’s role in power supply is altered, avoid or remedy disincentives to utility conservation</i>	Not in Workplan	Reference “Future of Bonneville” actions items / and CNSV-10 (net requirements)?

DEMAND RESPONSE

DR-1: <i>BPA and utilities expand and refine existing programs</i>	Not in Workplan.	Tracking? How a composite of DR-2 thru DR-7 below? Workshops (DR-8)?
DR-2: <i>Regional parties, to include BPA, develop cost effectiveness methodology for demand response</i>	Incorporated	“A clear and widely accepted methodology would ease the development and adoption of demand response programs. The Council could serve as the convener of such an effort, if necessary.” Workshop timeline? DR-8?

DR-3: <i>Incorporate demand response in integrated resource plans</i>	Not specifically incorporated.	Tracking? Reporting? Council involvement? Workshop timeline?
DR-4: <i>Evaluate the cost and benefits of improved metering and communications technologies</i>	Not specifically incorporated.	Tracking? Reporting? Council involvement? Workshop timeline?
DR-5: <i>The Council, BPA and utilities should monitor cost and availability of emerging demand response technologies</i>	Not Incorporated.	Council's part to play? Workshop timeline?
DR-6: <i>Explore ways to make price mechanisms more acceptable</i>	Not specifically incorporated.	Tied to DR-2, but anything distinctively different? Should DR-2 and DR-6 be combined?
DR-7: <i>Transmission grid operators should consider demand response for the provision of ancillary services, on an equal footing with generation</i>	Not Incorporated.	Tracking? Outreach? Workshop timeline?
DR-8: <i>The Council will host several workshops to identify and coordinate efforts to accomplish the above action items</i>	Incorporated.	Will workshops address each of the above action items? If so, planned workshop action should be indicated in each - and approximately when by QTR.

GENERATING RESOURCES

GEN-1: <i>Utilities, with the support of their boards or commissions, and entities administering resource development incentives, should identify cost-effective renewable and cogeneration projects</i>	Incorporated	
GEN-2: <i>Utilities, with the support of their boards or commissions, and entities administering resource development incentives, should establish current, accurate, and comprehensive procedures and criteria for evaluating renewable and cogeneration projects</i>	Incorporated	

GEN-3: <i>Utilities, with the support of their boards or commissions, should remove disincentives to utility acquisition of power from projects owned or operated by others</i>	Incorporated	
GEN-4: <i>Utilities, with the support of their boards or commissions, should adopt uniform interconnection agreements, technical standards, and accurate and equitable standby tariffs</i>	Incorporated	
GEN-5: <i>Utilities, with the support of their boards or commissions, and entities administering resource development incentives, should acquire cost-effective lost opportunity renewable and cogeneration projects</i>	Incorporated	
GEN-6: <i>Utilities, with the support of their boards or commissions, should facilitate the sale of excess power from customer-side generation</i>	Incorporated	
GEN-7: <i>Project developers, working with permitting agencies and other participants, should develop and maintain an inventory of ready-to-develop projects (options) for possible future needs in accordance with the schedule shown in the table at the bottom of page 50 of the 5th Power Plan summary</i>	Incorporated	
GEN-7A: <i>The Council will issue an assessment of the commercial progress of coal-gasification combined-cycle technology by 2007</i>	Incorporated	

GEN-8: <i>Utilities, developers, Bonneville, and entities administering resource development incentives should confirm cost-effective, large-scale wind power development capability</i>	Incorporated	
GEN-8A: <i>The Council will develop a Wind Confirmation Plan</i>	Incorporated	
GEN-9: <i>The Council will assess the effects of shaping wind power on other functions of the hydropower system</i>	Incorporated	
GEN-10: <i>Utilities and Bonneville should develop products for firming and shaping wind</i>	Incorporated	
GEN-11: <i>Project developers, federal, state, and local permitting agencies, utilities with the support of their commissions, architect-engineering firms, and financing entities should seek the use of state-of-the-art generating technology for new power plant construction</i>	Incorporated	
GEN-12: <i>Utilities, with the support of their commissions, should acquire the best available generating resources when needed</i>	Incorporated	

GEN-13: <i>The Council, states, Bonneville, utilities, and other interested organizations should investigate the feasibility of developing the proposed coal-gasification, combined-cycle power plan of Action item GEN-7 with advance coal-gasification technology demonstration capability, including carbon separation and sequestration</i>	Incorporated	
GEN-14: <i>In coordination with Action item GEN 13, the Council, states, and utilities should support and monitor efforts to develop carbon-sequestration technology appropriate for Northwest application</i>	Incorporated	
GEN-15: <i>Bonneville and other regional transmission providers should support efforts to refine the design and cost estimates for a transmission intertie from the oil sands region to the Northwest</i>	Incorporated	
GEN-16: <i>Bonneville, the Council, states, and utilities should support and monitor efforts to perfect energy storage technologies with Northwest application potential</i>	Incorporated	
GEN-17: <i>Utilities, with the support of their regulatory commissions, states, SBC administrators, equipment vendors, and project developers should support demonstration of standardized renewable energy and cogeneration applications with extended near-term Northwest potential</i>	Incorporated	

TRANSMISSION

TX-1: <i>The Council will work with Bonneville, other transmission providers, permitting agencies, and project developers to plan for long-distance transmission needs to support the resource development called for in the power plan</i>	Incorporated	
TX-2: <i>Bonneville and other transmission providers should work to improve the utilization of available transmission capacity</i>	Not in Workplan.	Tracking? Outreach? Council planned involvement?
TX-3: <i>It should be a high priority for regional interests to work through the Grid West RRG process to address emerging transmission issues</i>	Incorporated	
TX-4: <i>Bonneville and other transmission providers should expand efforts to identify and implement non-construction alternatives to transmission expansion</i>	Not in Workplan.	Tracking? Outreach? Council planned involvement?

RESOURCE ADEQUACY

ADQ-1: <i>Establish regional and West-wide reporting standards for the assessment of adequacy</i>	Incorporated	
ADQ-2: <i>Carry out a process to establish adequacy standards</i>	Incorporated	
ADQ-3: <i>Improve consideration of risk in integrated resource planning</i>	Incorporated	

FUTURE ROLE OF BPA

BPA-1: <i>Bonneville should sell electricity from the existing FCRPS to eligible customers at cost. Customers that request more power than Bonneville can provide from the existing federal system would pay the additional cost of providing that service</i>	Not in Workplan	In general for all below: BPA will have their draft “Future of Bonneville policy paper” on the street sometime in April; with responses back to BPA on, or before, the end of June. (Figure a slip of 30 days for both.) In between, there is pending Council activity to orchestrate the DSI power delivery study. What will be the anticipated Power Committee / Council timelines for responding to the draft BPA policy paper? What are the action items that can be expected to be most complicated for the Power Committee/ council to address? How should the Power Committee be preparing? See also Action Item MON-8.
BPA-2: <i>Bonneville and the region’s utilities should work to resolve the issue of benefits for residential and small-farm customers of investor-owned utilities for a significant period</i>	Not in Workplan.	
BPA-3: <i>Bonneville and the region’s utilities should continue to acquire the cost-effective conservation and renewable resources identified in the Council’s power plans</i>	Not in Workplan.	
BPA-4: <i>Bonneville should continue to fulfill it’s obligations for fish and wildlife</i>	Not in Workplan.	

BPA-5: <i>Bonneville should develop a policy to implement long-term contracts and compatible rate structures, and it should include the process and time schedule for resolving the issues outlined in the Council's recommendations</i>	Not in Workplan.	
BPA-6: <i>Bonneville should consider alternative policy processes, if necessary</i>	Not in Workplan.	

FISH & WILDLIFE

F&W-1: <i>The Council will work with the federal agencies, states, tribes, and others to broaden the focus of the forums created to address issues surrounding fish and wildlife operations, especially those related to long-term planning</i>	Incorporated	
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MONITOR KEY INDICATORS

MON-1: <i>The Council will monitor, and periodically report on, the regional load-resource situation and indicate whether there is a need to accelerate or slow resource development activities</i>	Incorporated	
MON-2: <i>The Council will monitor regional conservation development</i>	Incorporated	
MON-3: <i>The Council will monitor efforts to resolve uncertainties associated with large-scale wind development</i>	Incorporated	
MON-4: <i>The Council will monitor climate change science and policy</i>	Incorporated	
MON-5: <i>The Council will monitor the development of the demand response resource</i>	Incorporated	

MON-6: <i>The BPA and other federal agencies, to the extent authorized by other provisions of law, shall furnish the Council all of the information requested by the Council as necessary for the performance of its functions, subject to such requirements of law concerning trade secrets and proprietary data as may be applicable</i>	Not in Workplan.	Include Biennial Review statement.
MON-7: <i>The Council will prepare a biennial monitoring report, to be published every other December beginning in 2006. The data in the monitoring report will be considered the Council's current official data. The report will include a determination by the Council as to whether the data or other factors merit a revision of the power plan and, if so, a declaration by the Council initiating a revision</i>	Incorporated	
MON-8: <i>The Council will monitor progress toward implementation of the recommended changes for Bonneville's future roll and will facilitate progress, if necessary</i>	Incorporated	
MON-9: <i>The Council calls on Bonneville to enter into a joint policy-making exercise to review the agencies' respective policies for implementing Section 6(c) of the Act</i>	Incorporated	

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March 30, 2006

MEMORANDUM

TO: Power Committee

FROM: Charlie Grist and Tom Eckman

SUBJECT: Strategic Plan for Conservation

Staff is proposing a modification in the process used to achieve the goal of action item CNSV-3. This memo is intended to explain the proposed change in approach.

Action item CNSV-3 calls for the Council to develop a strategic plan for conservation acquisition. The original action item called for the Council to hold a forum at which a formal agreement would be reached among key regional players on the following:

- Funding and implementation of a conservation tracking and reporting mechanism,
- An adaptive management process; and,
- A governance structure to help guide the region through coordination, implementation, evaluation and funding issues.

Staff believes that convening a regional forum for the purpose of adopting of a *formalized* plan and governance structure would be counterproductive at this time. There are three primary reasons. First, the development of conservation implementation strategies already is proceeding successfully on informal basis. Shortly after the adoption of the Plan, staff convened a small regional coordinating group. This group includes senior staff from Bonneville, the Northwest Energy Efficiency Alliance (Alliance), the Energy Trust of Oregon and utilities. It meets quarterly to address three major issues:

- The scope and goals of current and planned regional conservation implementation activities
- Identification of shortfalls in the achievements of current programs and gaps in the coverage of future program plans
- Development of solutions and initiatives to address the shortfalls and fill the gaps

Actionable items are identified at each meeting. Those actions with sponsors, lead agencies and available funding proceed. Where there are gaps, orphaned activities, lack of funding or other barriers, the group prioritizes next steps and works to develop solutions. So far this informal process is working. As reported at the March Council meeting, the region is on the path to achieving the 5th Plan's conservation goals. Although staff is concerned that increased investments may be needed to achieve the 5th Plan's medium and long-term conservation goals, making the case for increased funding (and higher near term rates) may be difficult until a significant shortfall appears imminent.

Second, developing new formal agreements on a governance structure to help guide the region through implementation, evaluation and funding issues may prove cumbersome and actually hinder progress. It may prove cumbersome because there are so many venues where questions affecting how the region will fund and acquire conservation are decided. These venues include utility integrated resource planning processes and their acknowledgement by state regulatory commissions, processes to adopt improved state building codes, and legislative or administrative processes leading to the development or revision of state and federal appliance standards. Although the Council and its staff participate in many of these venues, it has no direct authority over any of these processes. Moreover, representatives that might participate in a Council-organized regional forum could not reasonably be expected to commit their organizations to a formal strategic plan for conservation, including a funding and governance structure, without at least significant time for discussion -- if at all. For example, Bonneville conservation budgets for 2007-2009 were adopted through a process that was completed soon after the 5th Plan was adopted. While the Council participated in Bonneville's process asserting that funding was not adequate, the Administrator made the final budget decision. It is unlikely that other parties with similar independent budgeting or ratemaking authority would (or could) cede such authority under a regional strategic plan for conservation.

Currently there are only two region-wide conservation decision-making bodies, the Alliance and the Regional Technical Forum (RTF). The 5th Plan recommended that the missions and budgets of the Alliance and RTF needed to be assessed and possibly revised. Rather than convene a regional forum to address the mission and budgets of these entities, the key parties are successfully approaching these issues on an ad hoc basis.

For example, utilities and Bonneville have been voluntarily funding the RTF year-by-year based on the business plan and the forecast needs of the RTF. If this mechanism continues to work as it has so far there is no pressing need for establishing a more formal agreement.

With respect to the Alliance, staff continues to believe there are outstanding issues that need resolution, in particular expanding its budget and program scope. Ultimately, the Council may wish to formally engage the Alliance on whether it has adequate funding to achieve the Plan's goals. However, in the near term a strategy to achieve increased funding is still under development. Moving the discussions to a more formal process at this time might actually hinder progress.

The third reason is for modifying how the Council achieves the goal of action item CNSV-3 is pragmatic. Using the Council's limited staff resources to organize, host and facilitate a forum to develop and secure regional agreement on a strategic plan will divert staff away from actually working on these very issues. As noted above, there are many decision makers involved in implementation. Many of the critical decisions are made in forums conducted by these other

decision makers on schedules they dictate. Taking limited staff time to develop regional agreement on a strategic plan in a formalized process will restrict the amount of time staff can devote to working in these other forums. For example, staff would be able to devote less time to working with utilities to assist them in the development of their conservation resource assessments and integrated resource plans. Staff participation in federal standards rulemakings and state energy code processes would be more limited as would the amount of staff time available to support the work of the Regional Technical Forum.

For these reasons staff feels that the revised approach to action item CNSV-3 will be more efficient and effective and thus is more likely to achieve the conservation goals of the Plan.

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