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January 7, 2014

MEMORANDUM

TO: Council Members

FROM: Tom Eckman and Gillian Charles

SUBJECT: 2012 Regional Conservation Achievements and Projections for 2013-2015

The Council's Regional Technical Forum (RTF) is charged with conducting an annual survey to assess progress towards the Sixth Power Plan's conservation goals. Council staff, with the assistance of RTF contract staff, recently completed the 2012 survey and will present their findings at the January Council meeting. In addition to collecting data on conservation savings and expenditures for the year 2012, the RTF, at the request of PNUCC, also asked utilities to provide projected savings for 2013 through 2015.

Eighty entities representing just over ninety percent of the region's retail sales responded to the survey. When combined with the data provided by Bonneville for those public utilities that did not respond to the survey and data from the Northwest Energy Efficiency Alliance (NEEA), the survey covers the conservation savings acquired by all of the region's utilities in 2012. While NEEA's projected savings are for the entire region, the projected savings for 2013 and 2014 are from about 60 utilities and the Energy Trust of Oregon which represent only 75 percent of the region's retail sales.

Following are some of the survey's major findings for conservation savings:

- Regional conservation savings in 2012 were 253 average megawatts, exceeding the Council's Sixth Plan target of 240 average megawatts by just over five percent.
- Regional savings in 2012 were equivalent to about 1.2 percent of regional retail electricity sales. This is twice the national average.
- Cumulative savings for the three years 2010-2012 total 785 average megawatts, nearly two-thirds of the Plan's 1,200 average megawatt goal for 2010-2014.
- The utilities' projections for 2013-2014 amount to 403 average megawatts, including 197 average megawatts for 2013 and 206 average megawatts for 2014. However, this reflects responses from utilities representing only about 75 percent of the region's loads.

- The utilities' projections for 2015 amount to 127 average megawatts. However, this reflects responses from utilities representing less than 75 percent of the region's loads. It also does not include any savings from NEEA.

Based on these results, it appears that the region will meet and perhaps exceed the Sixth Plan's five year conservation target of 1,200 average megawatts. Projected savings for 2013 and 2014 from utilities providing forecasts for those years and NEEA, if achieved, would result in cumulative savings of 1,190 average megawatts, within one percent of the Sixth Plan target.

Further, regional conservation achievements have exceeded the conservation goals set forth in the Council's Fifth and Sixth plans for eight consecutive years. During 2005-2012, the cumulative conservation savings from utility, Energy Trust of Oregon, NEEA and Bonneville totaled 1,736 average megawatts.

Cumulative savings from 1978 through 2012 from utility and NEEA conservation programs, state codes and federal standards now total just over 5,300 average megawatts. This is roughly equivalent of the annual electricity use of the entire state of Oregon. Beginning in 2011, energy efficiency displaced coal as the region's second largest resource, after hydroelectricity.

Following are some of the survey's major findings for costs:

- In aggregate, regional utility investments in energy efficiency in 2012 were \$375 million (2006\$) or about 3.3 percent of retail electricity revenues.
- The average levelized cost to utilities of 2012 savings was just over \$18 per megawatt hour (2006\$).
- Regional utility investments in energy efficiency averaged just over \$28 per capita in 2012 compared to the national average of just over \$16 per capita.
- Cumulative utility investments in energy efficiency from 2010 through 2012 total \$1.14 billion (2006\$).