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December 8, 2015

### MEMORANDUM

**TO:** Council members

**FROM:** Leann Bleakney, Oregon office

**SUBJECT:** Presentation by Bob Jenks, executive director,  
Citizens Utility Board of Oregon

### BACKGROUND:

**Presenter:** Bob Jenks is the Executive Director of CUB and is a national expert on utility-related issues. Bob started working for CUB in 1991, and has participated in nearly every major Oregon Public Utility Commission case since that time, including dozens of cases dealing with utility mergers, rates, and deregulation. He also regularly represents ratepayers before the Oregon Legislature and at regional forums. Bob has spoken on utility issues before such groups as the California Legislature, the Northwest Public Power Association, and the Consumer Federation of America. Bob sits on the boards of the Northwest Energy Efficiency Alliance, Environment Oregon Research & Policy Center, and Smart Grid Northwest, and is the Oregon representative of the National Association of State Utility Consumer Advocates (NASUCA). Bob is a native Oregonian, and has an economics degree from Willamette University.

**Summary** The CUB Policy Center hosted a conference on October 23, 2015, entitled "Utility 2025: Building the Northwest's Energy Future." Bob Jenks opened the conference with a presentation on his view of the future of utilities. He is reprising his presentation for the Council.

**Relevance** The issues discussed during the conference parallel many of the issues addressed in the draft Seventh Power Plan.

Background: The power point slides Bob used in his presentation are attached to this memorandum.

More Info: For more information regarding the conference, please see the agenda located at [www.cubpolicycenter.org/conference](http://www.cubpolicycenter.org/conference)



**Citizens' Utility Board**  
of Oregon

# THE FUTURE

**Bob Jenks**

**October 23<sup>rd</sup>, 2015**

**CUB Policy Conference**



**Bright**







**Frightening**



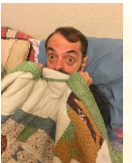
# NW Energy Future

- 2 Things Keep Me Up At Night
- 1 Thing I Do Not Worry About
- 4 Things Give Me Reason to Hope



# Accelerating Climate Change

- **Polar Ice Sheet Melt is Accelerating**
  - Rather than 3.3 feet by 2100, could be looking at 10 feet by mid-century
  
- **Abrupt, Irreversible Regional Changes**







# Creating NW Climate Challenge

- **Decarbonize Energy Sector Quickly**
- **Inconsistent Snowpack**
  - Region's battery is failing





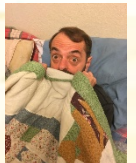
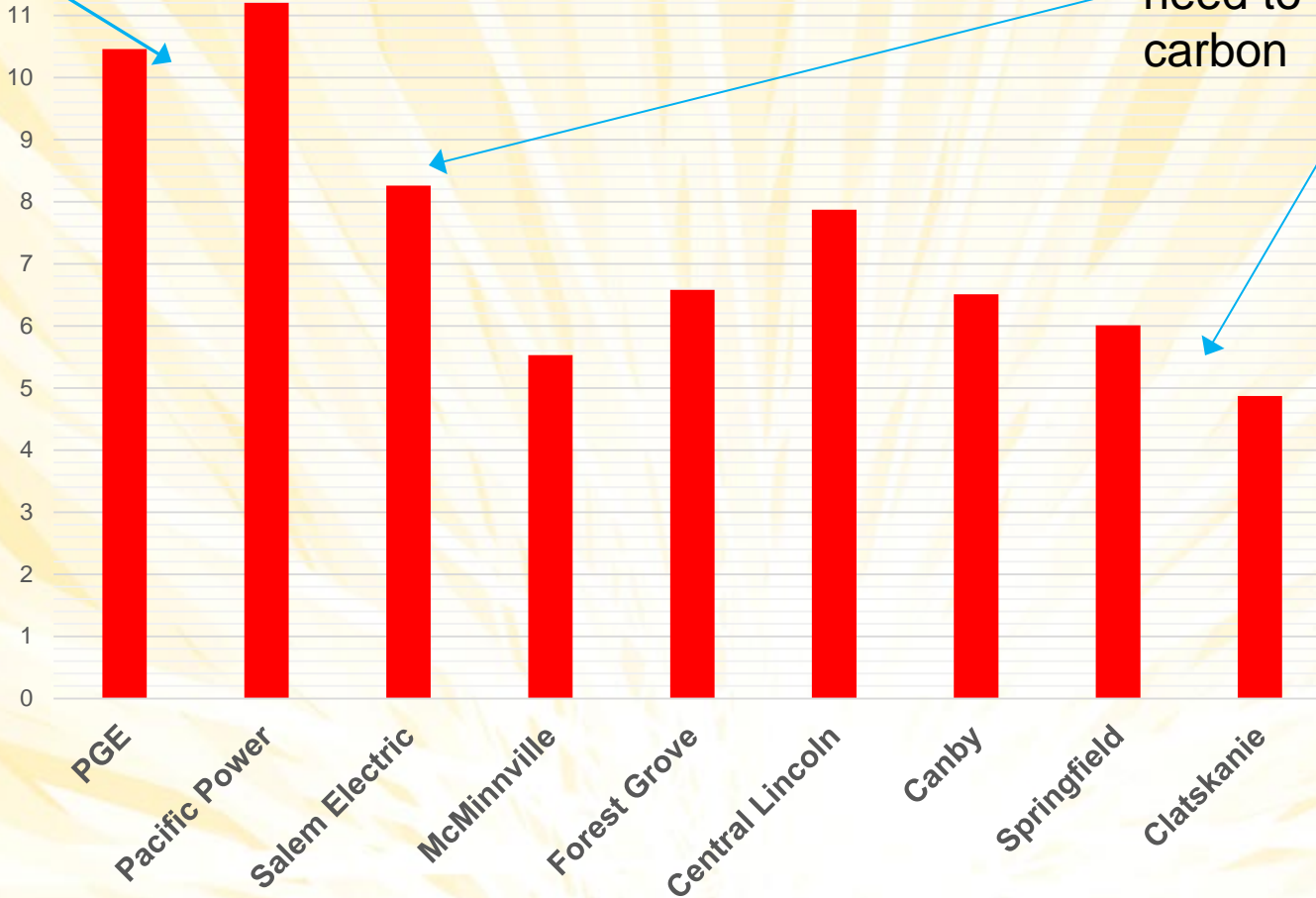


# Divergent COU/IOU Rates

Utilities that need to reduce carbon

## *Residential Rates 2013*

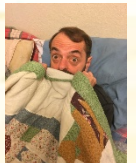
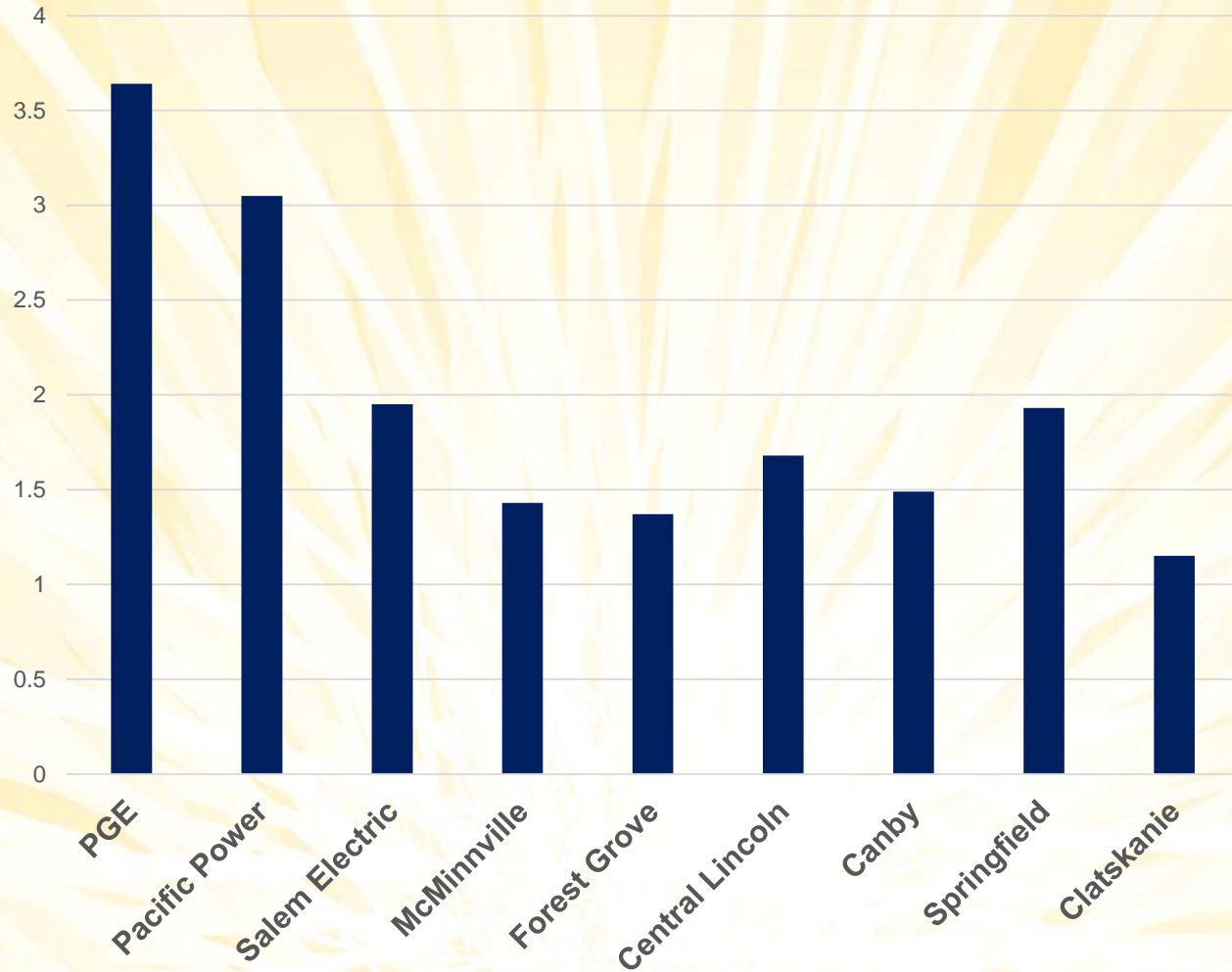
Utilities that do not need to reduce carbon





# Looks Like 1980

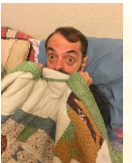
Residential Rates 1980





# Regional Instability

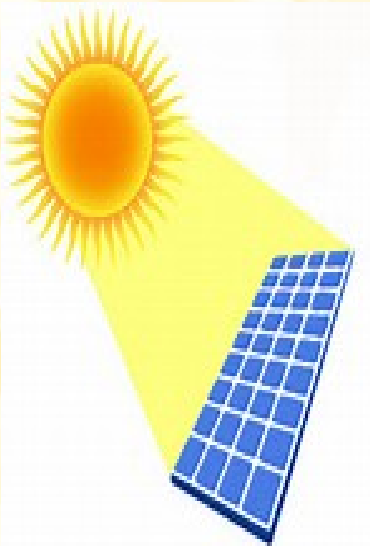
- **Communities Attempt to Form New Publics**
  - Reduce rates
  - Reduce carbon emissions from residents and businesses within community
- **Publics Fight Dilution of Federal Hydro**
- **Regional Investment Stop**







# One Thing That Does Not Worry Me



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=

Utility  
Death  
Spiral

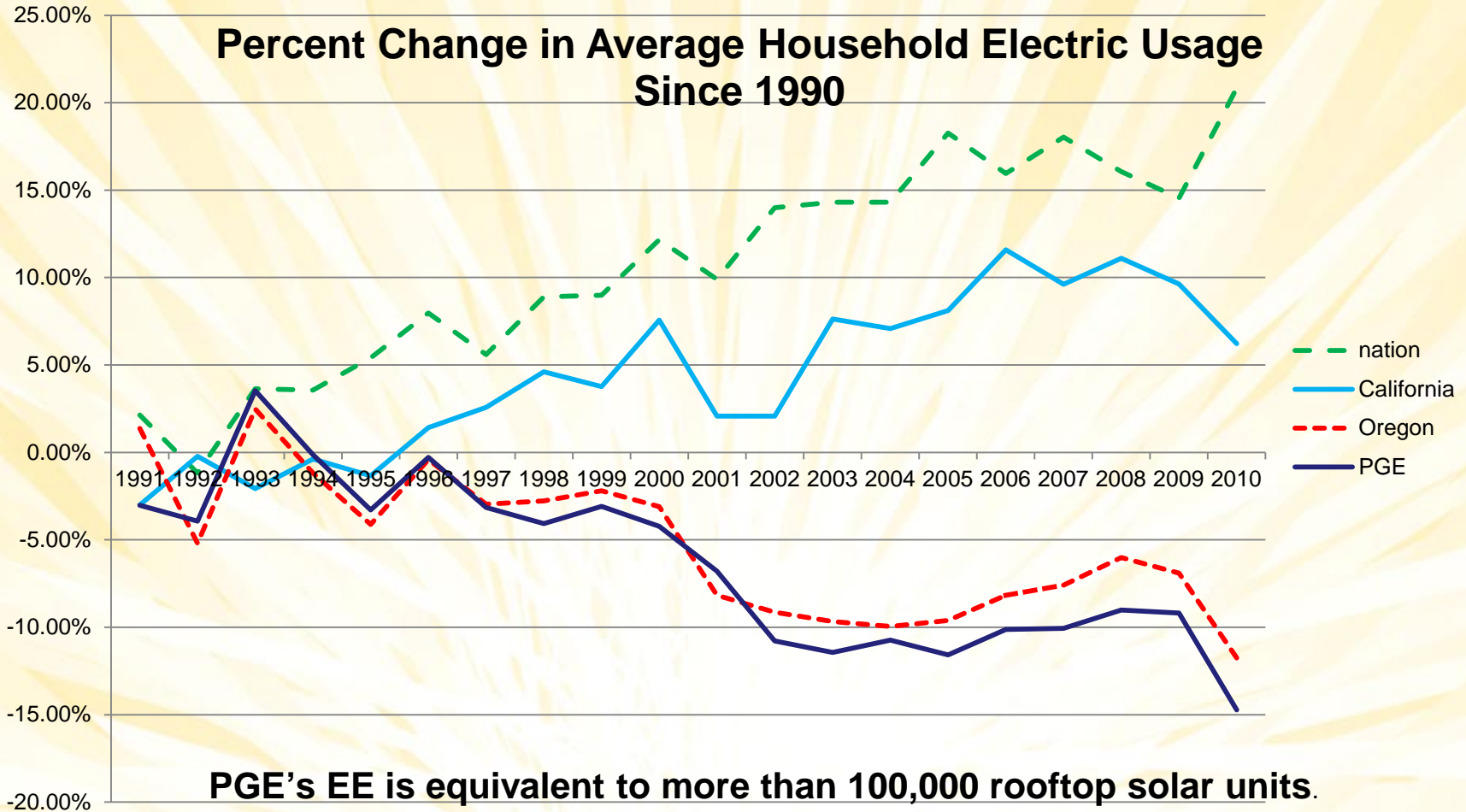


# **EE and Net Metering Look the Same**

- **Customer Pays the Normal Customer Charge**
- **Customer is “Paid” the Retail Rate for a kWh Produced (Net Metering) or Saved (Energy Efficiency)**
- **A Portion of Common Costs are Reassigned to Other Customers**



# EE is Like DG







# What Death Spiral?

- **Load**
  - System peak 2000
  - 2013 12% below 2000
- **Rates**
  - Increased 27% (CPI adjusted)
- **Bills**
  - Increased 8% (CPI adjusted)
- **Utility Plant**
  - Increased 34% since 1990 (CPI adjusted)
  - Increased 57% since 2000 (CPI adjusted)



# Energy Efficiency and Demand Response are Converging

- **Ice-Making Air Conditioners**
  - Energy Efficiency: Primary chilling happens at night, when temperatures are lower requiring less energy
  - Demand Response: Switch load from on-peak to off-peak. Can be dispatchable





# Renewables: The Next Generation

- **Montana Wind**
  - Good match for PNW load
  
- **Utility Scale Tracking Solar**
  - 6 cents/kWh California
  - 4 cents/kWh on some SW PPAs







# NW Institutions

- **NW Power and Conservation Council**
  - 7<sup>th</sup> plan guide for region
- **NEEA**
- **Energy Trust of Oregon**





# History of Collaboration

- **NW Power Act**
- **SB 1149**
- **Oregon's RPS**
- **BPA Residential Exchange Settlement**
- **Klamath Restoration and Dam Removal**
- **IRPs**

