

Regional Conservation Update: *News From the Front*

Tom Eckman
Northwest Power and
Conservation Council

January 24, 2007

What You're About To Hear

■ A Short History

- *What We've Accomplished in the past 25 years*

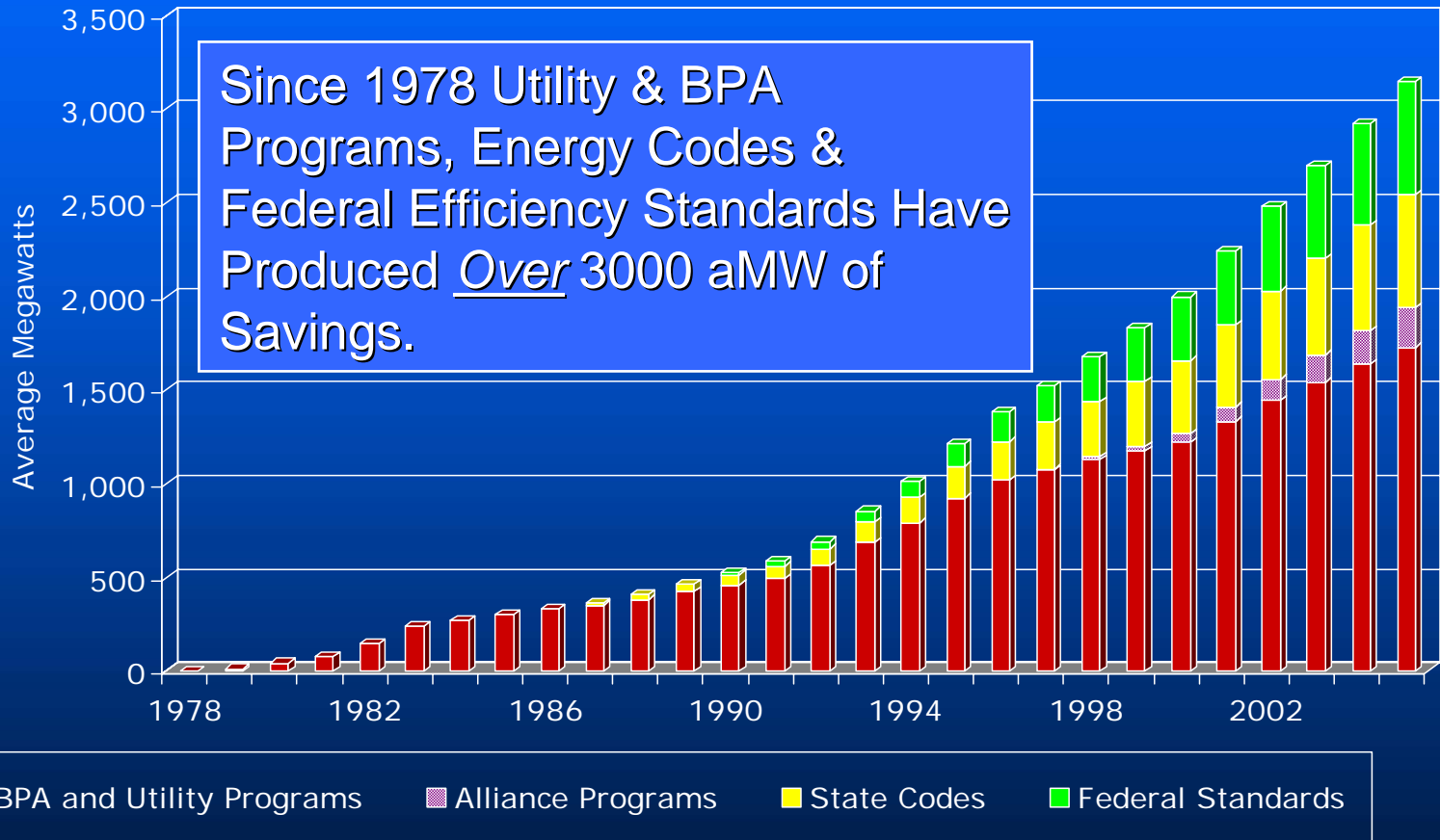
■ Some Current Events

- *How We're Doing on the 5th Plan's Targets*

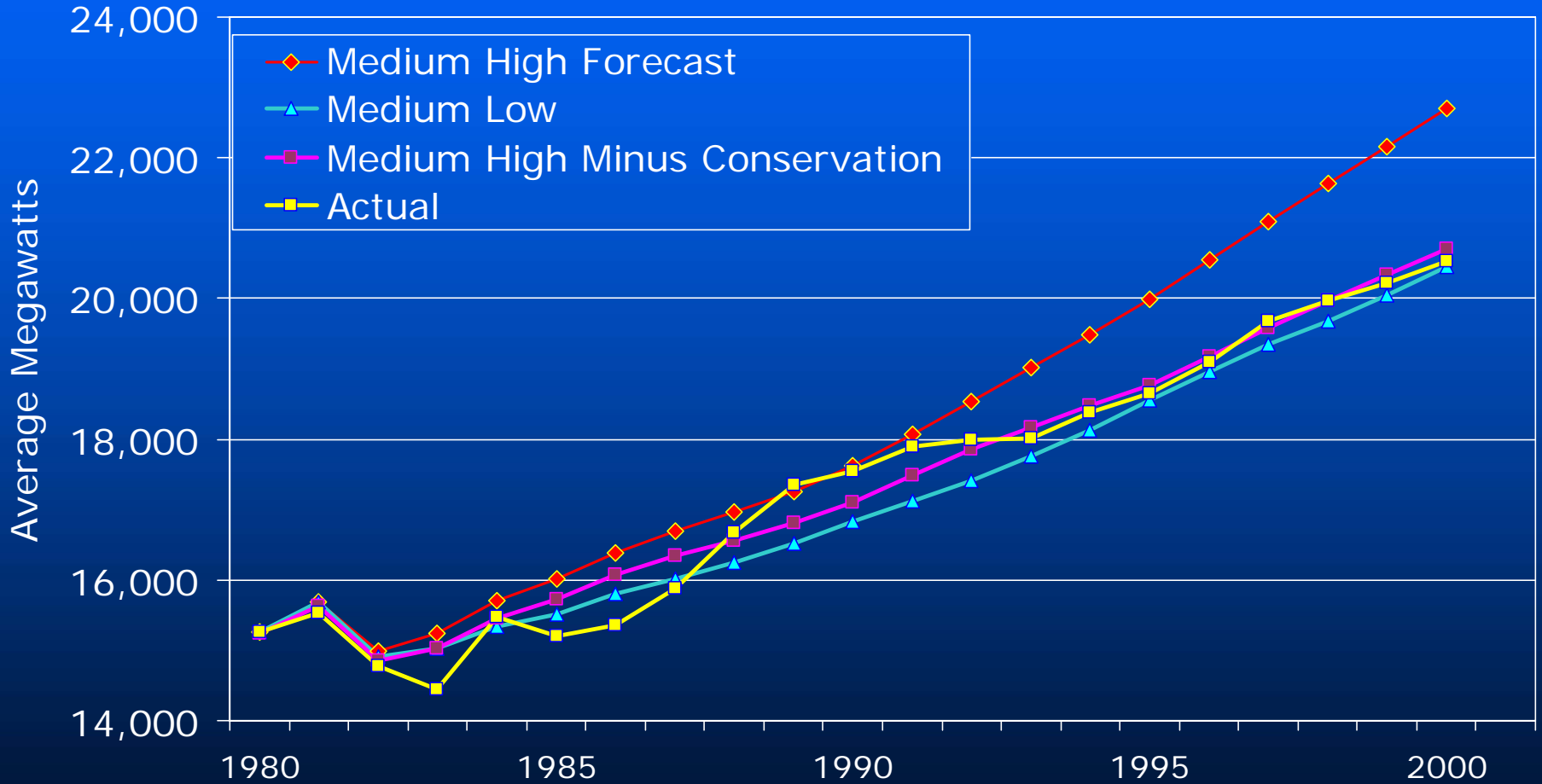
■ The Road Ahead

- *Are We In for Another "Mister Toad's Wild Ride?"*

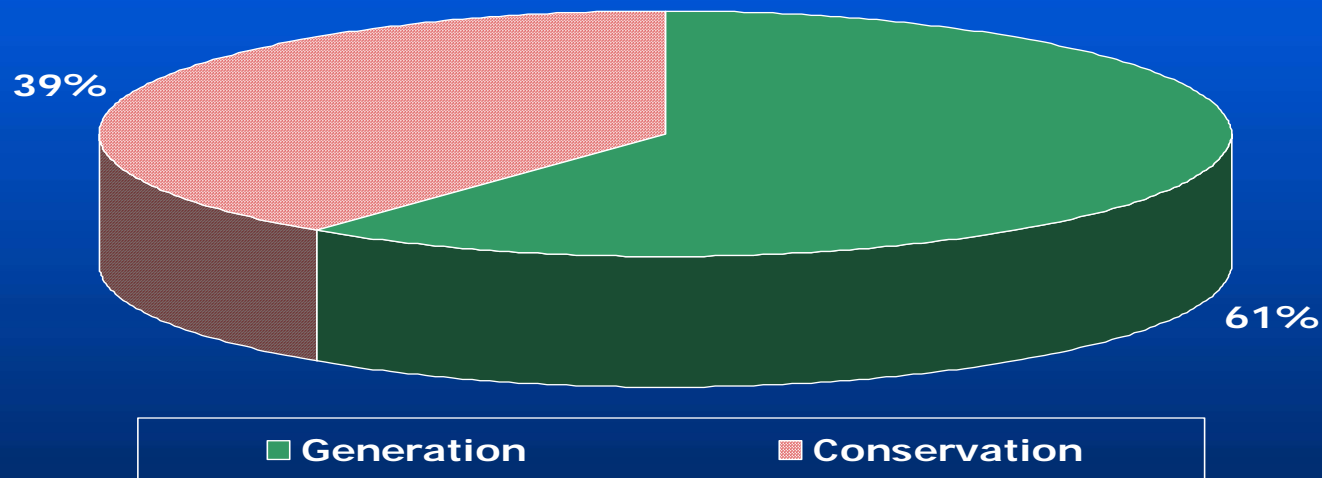
PNW Energy Efficiency Achievements 1978 – 2005



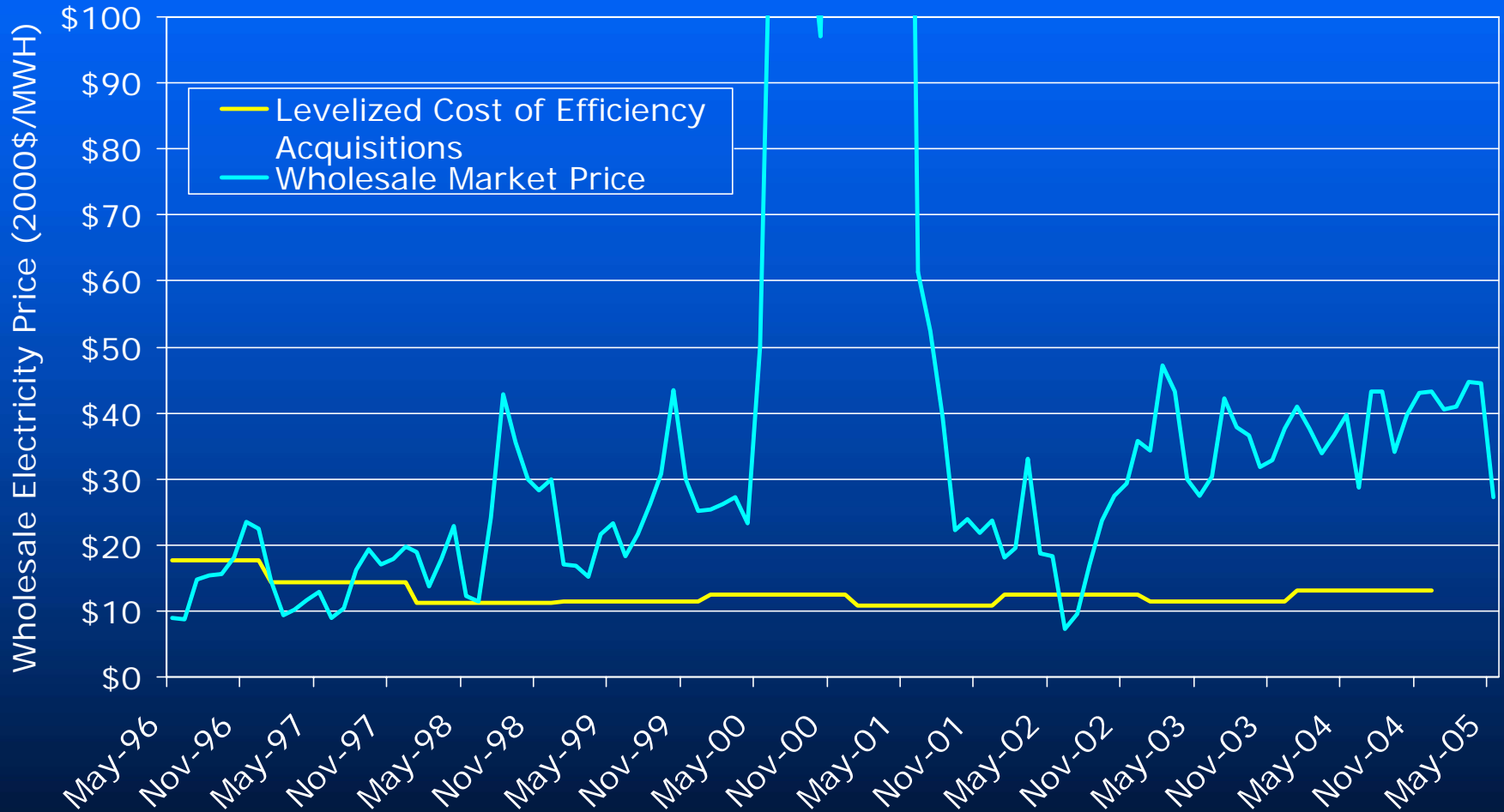
Energy Efficiency Resources Significantly Reduced Projected PNW Electricity Sales



Energy Efficiency Met Nearly 40% of PNW Regional Firm Sales Growth Between 1980 - 2003

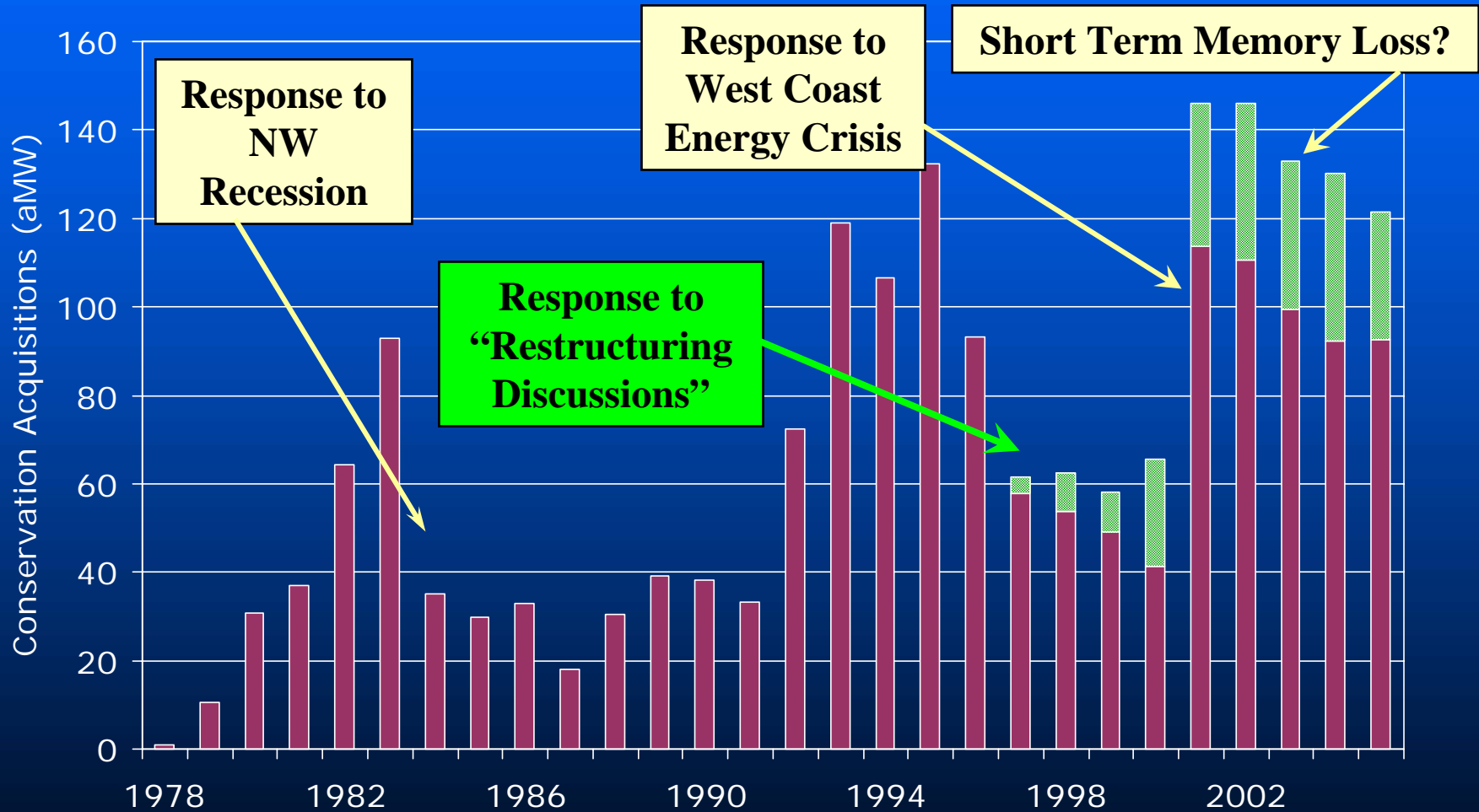


Utility Acquired Energy Efficiency Has Been **A BARGAIN!**



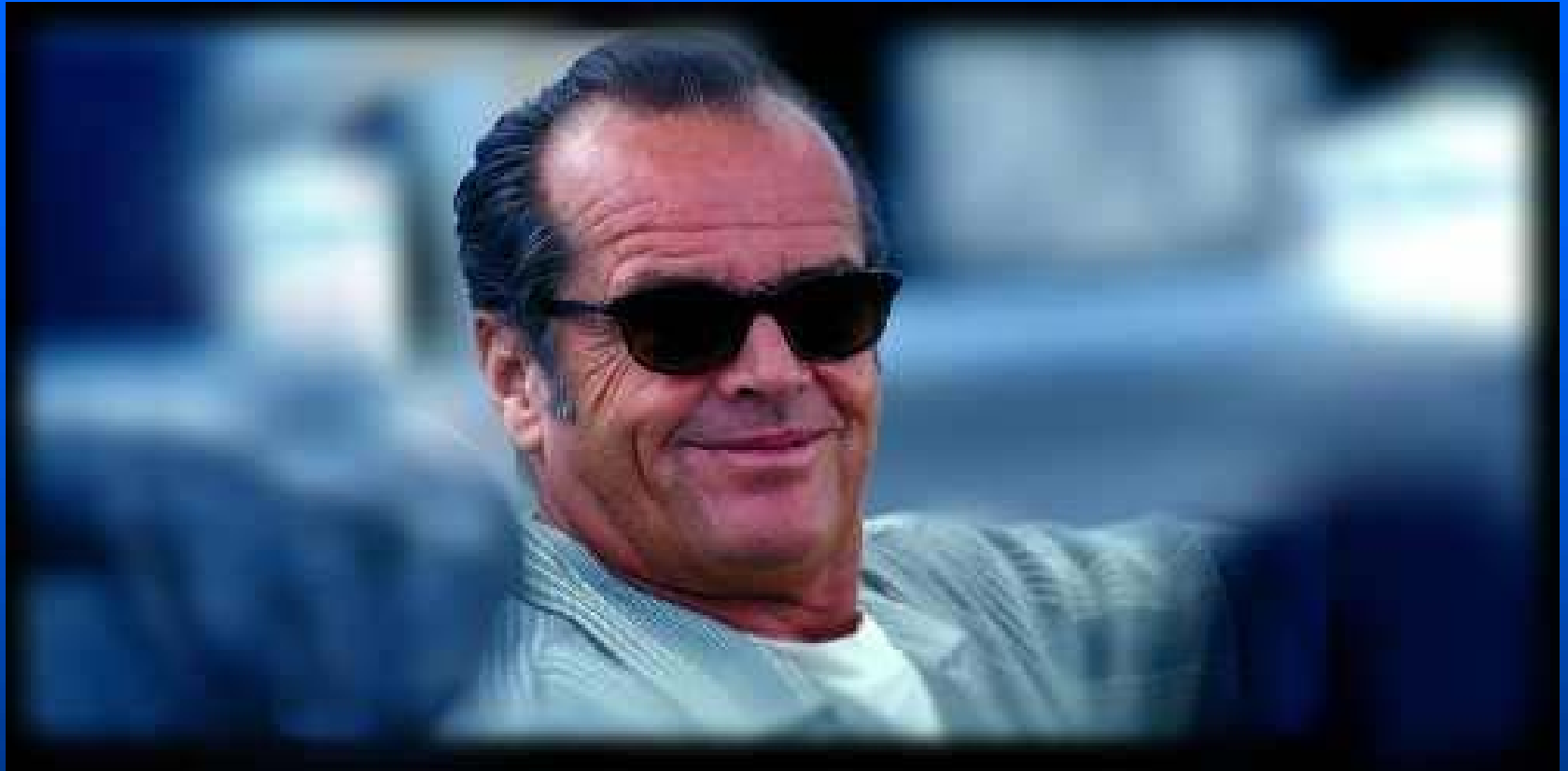
Regional Utility Conservation Acquisitions Have Also Helped Balance Loads & Resources

Creating Mr. Toad's Wild Ride for the PNW's Energy Efficiency Industry



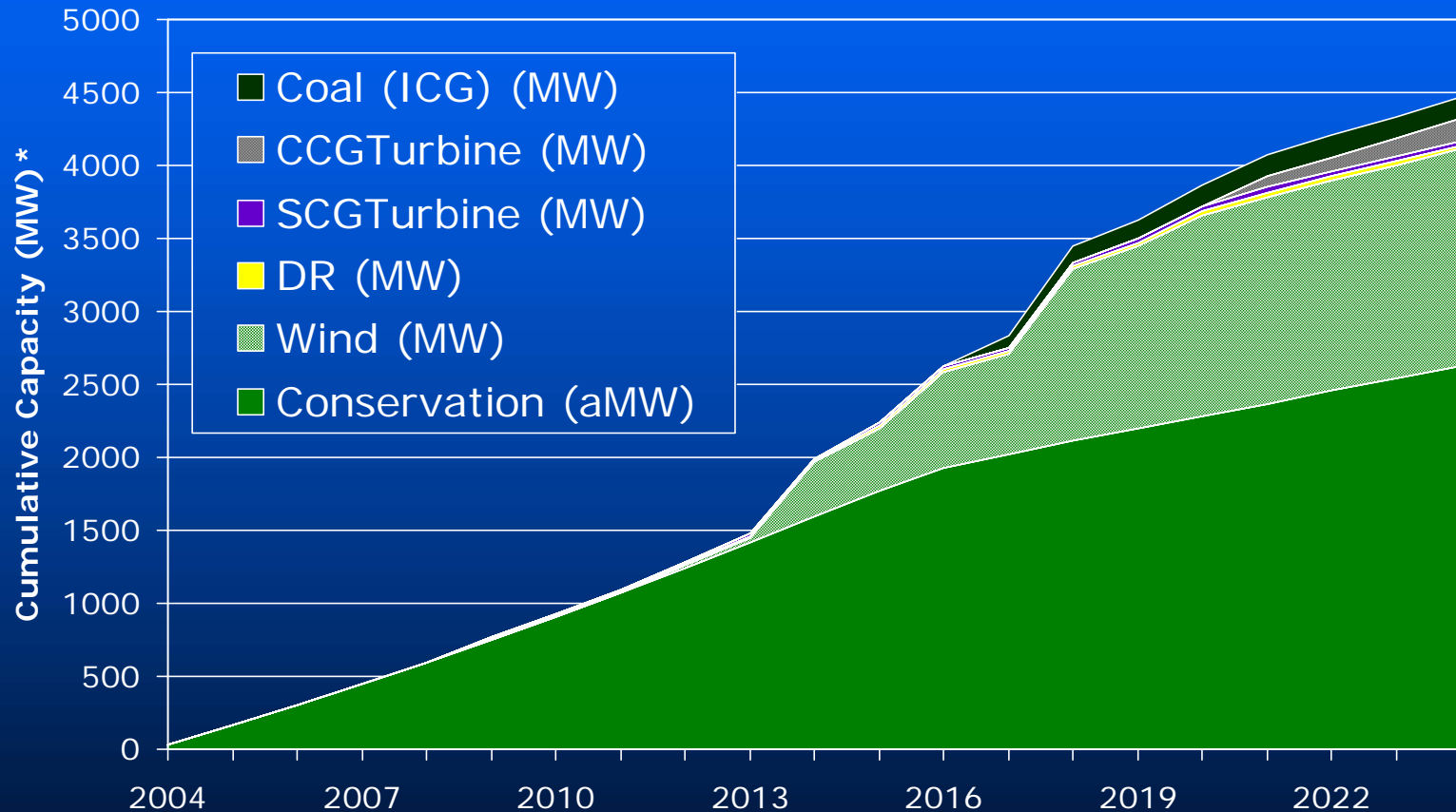
So What's 3100 aMW?

- It's enough electricity to serve the entire state of Idaho and all of Western Montana
- It's enough electricity to meet nearly 60% of Oregon total electricity use
- It saved the region's consumers more than \$1.25 billion in 2004
- It lowered 2004 PNW carbon emissions by an estimated 13 million tons.



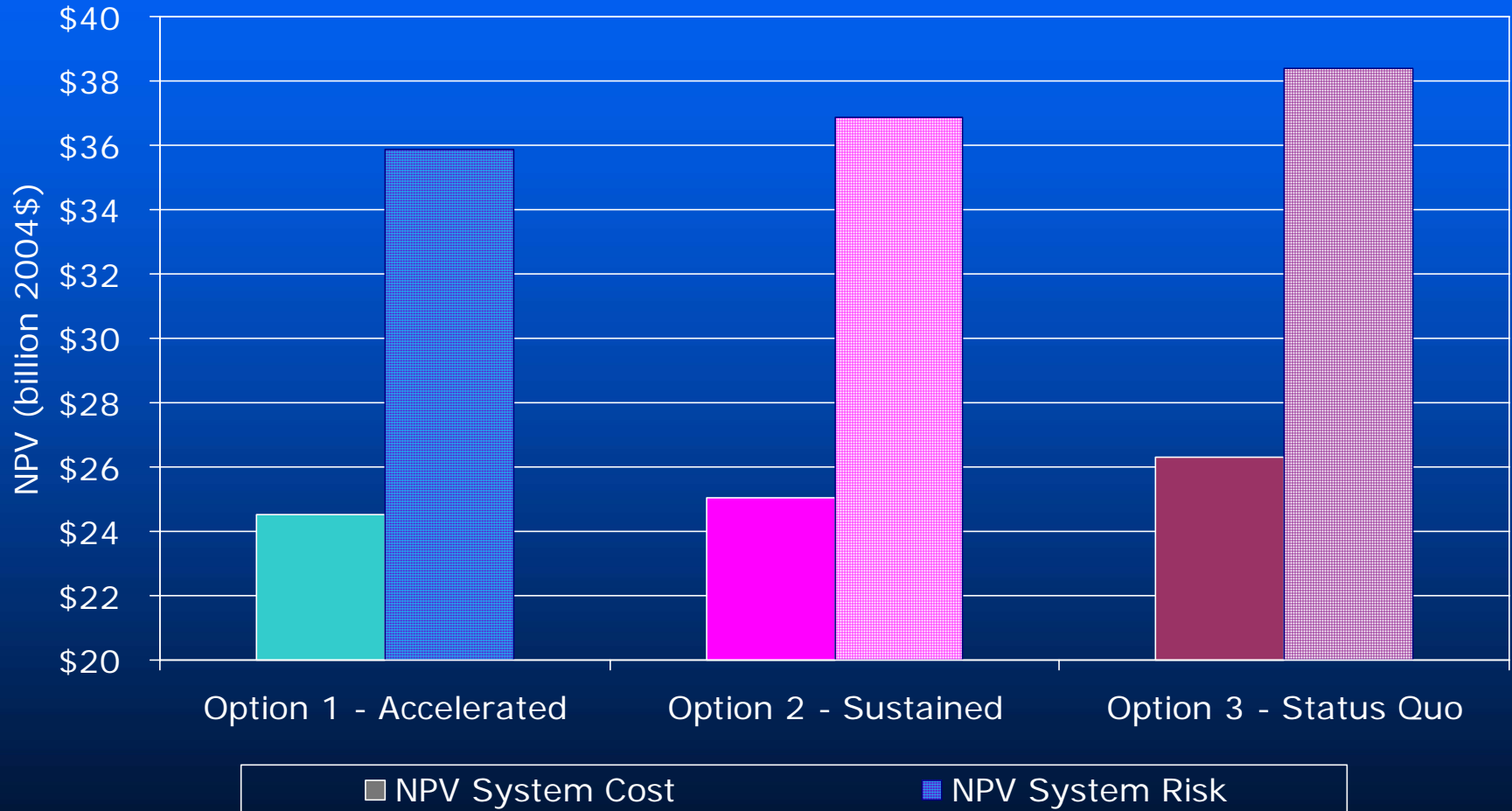
IS THAT AS GOOD AS IT GETS?

5th Plan Relies on Conservation and Renewable Resources to Meet Load Growth *

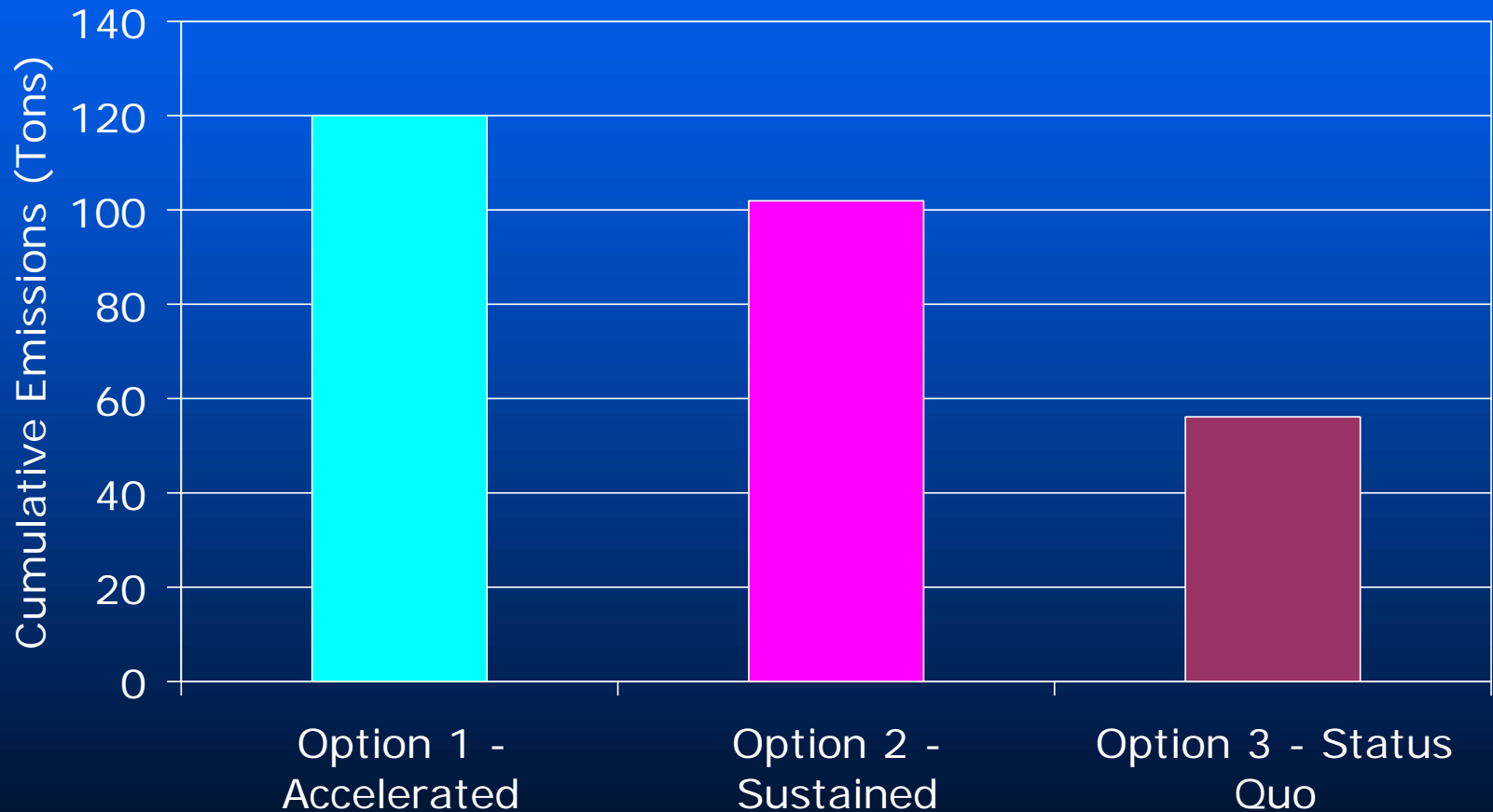


*Actual future conditions (gas prices, CO2 control, conservation accomplishments) will change resource development schedule and amounts

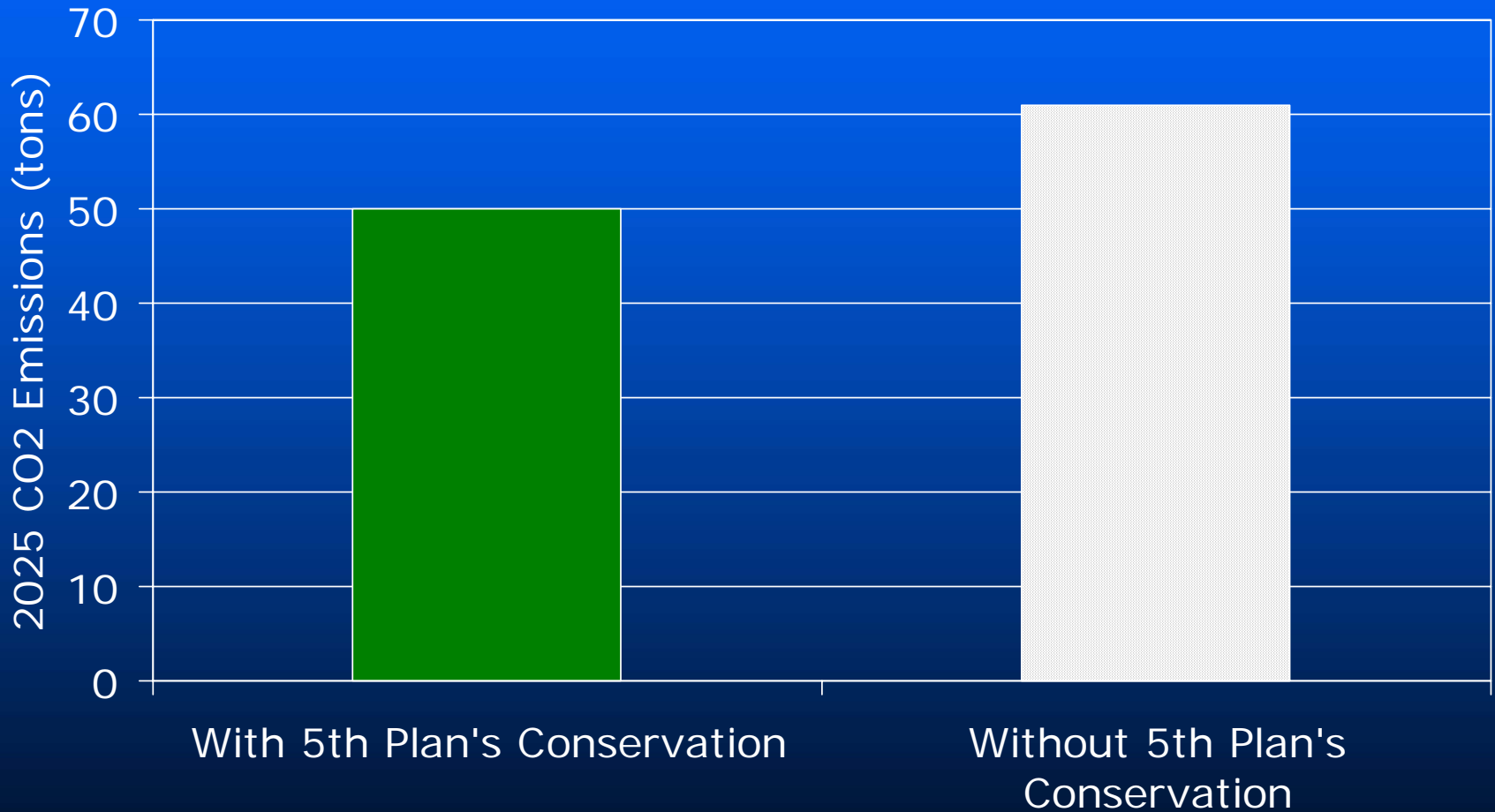
Accelerating Conservation Development Reduces Cost & Risk



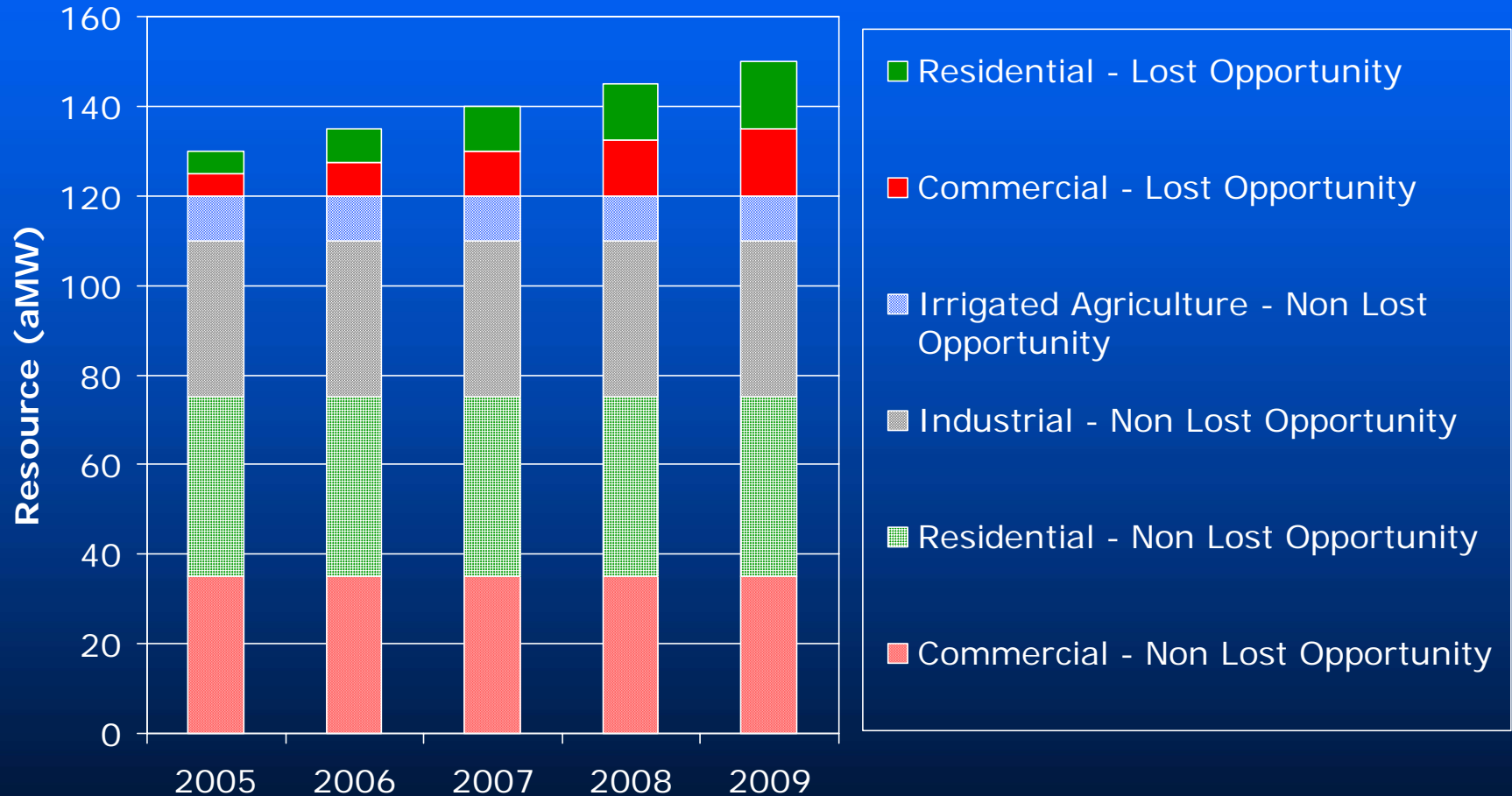
Accelerating Conservation Reduces Carbon Dioxide Emissions



Meeting 5th Plan's Conservation Targets Reduces Forecast PNW Power System CO2 Emissions in 2025 by Nearly 20%



Are We Achieving the 5th Plans Near-Term Conservation Targets? (2005-2009) = 700 aMW



Council's Regional Technical Forum Is Surveying Utility Progress on Conservation



Not All
Returns
Have Been
Counted

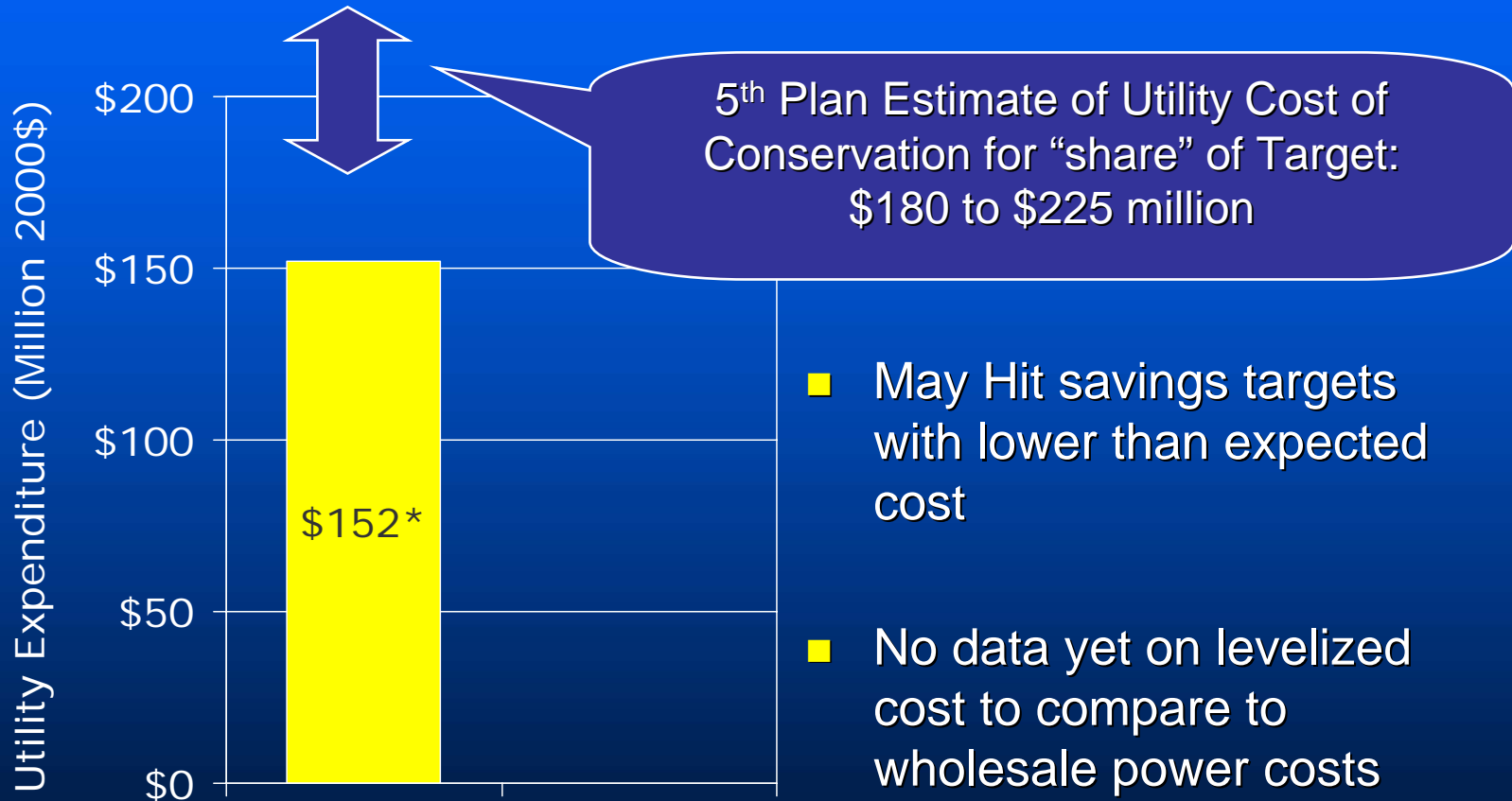
*62 Utilities
88% of Regional
Load*

Early Returns Show We're Close on the Savings



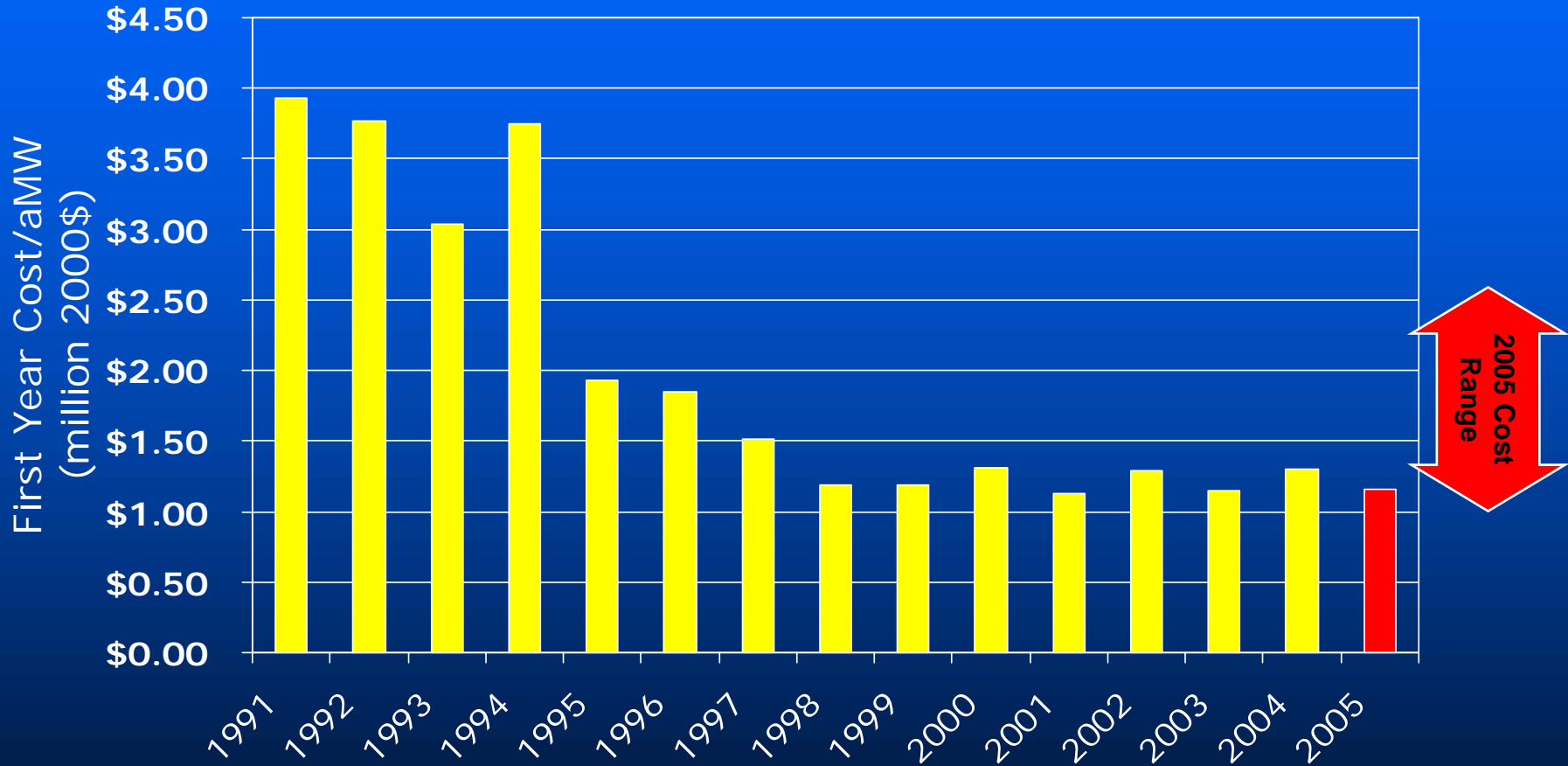
- Alliance Programs (Utility and Bonneville Funded)
- ▨ Bonneville Funded Conservation
- Utility Funded Conservation

Conservation Appears to Be Lower Cost . . . At Least To Utilities



Equivalent to 1.75% of Regional Retail Revenues

Utility Cost of Conservation Continue to Decrease





"Bummer of a birthmark, Hal."




Are
Individual
Utilities
"Making
Their
Targets?"

Caveats on Utility “Targets”

- “Targets” are based on share of regional load, hence assume all utilities look like the “region” – NOT SO!
- Conservation potential varies due to customer mix, gas/electric market share, load growth, etc.
- Utility IRPs will differ from Council Plan
- Lumpy-factor: Annual program volume varies
- Still, many utilities want to know their “share” of the regional conservation targets

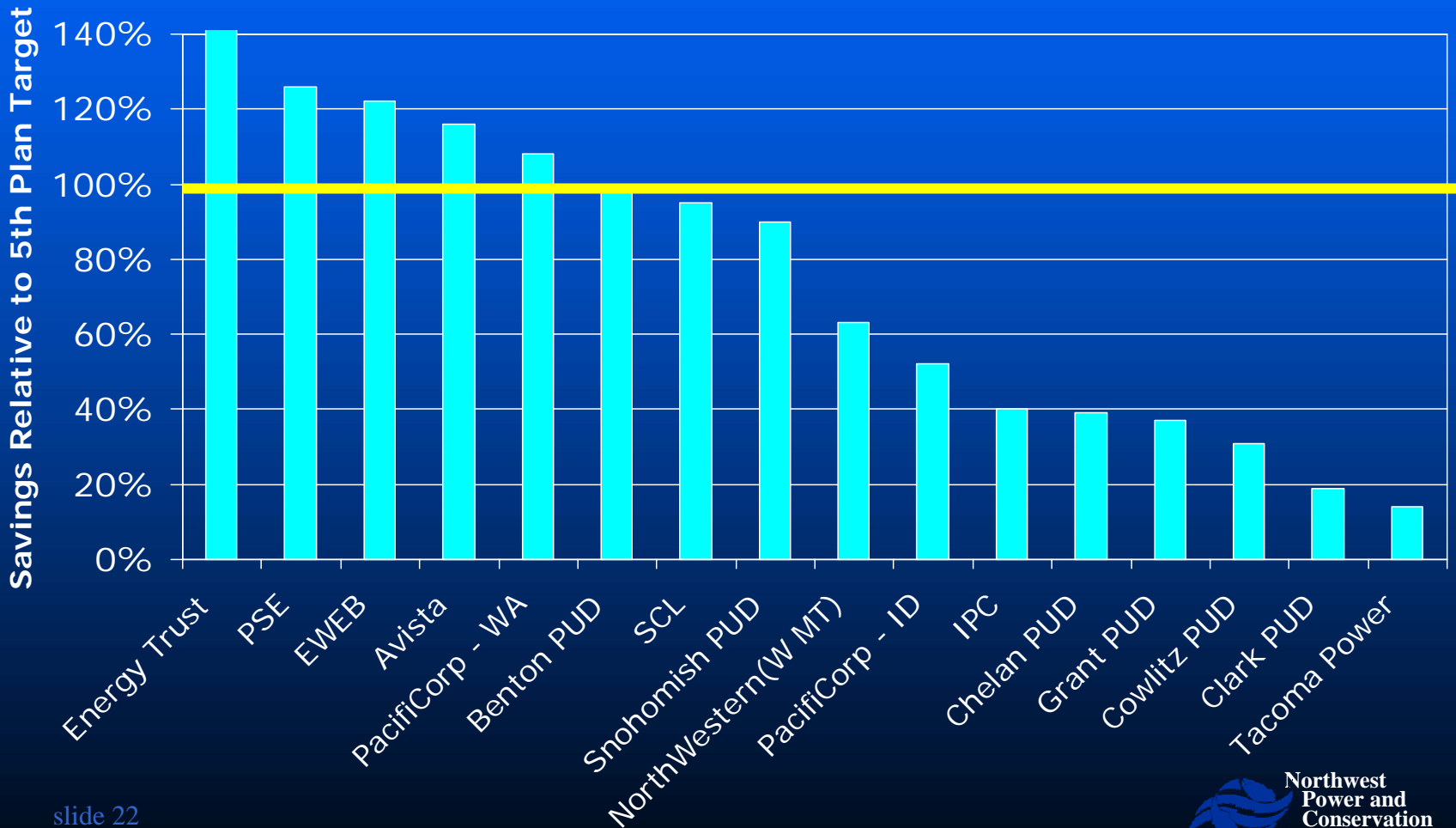
2005 Findings by Utility

16 Largest Utilities or 85% of Regional Loads

- Four utilities far exceed targets 
 - 15 to 35% above “share” of regional target
- Four utilities within 10% of target 
- Eight utilities fell short 
 - Seven achieved less than half of their “share” of regional target

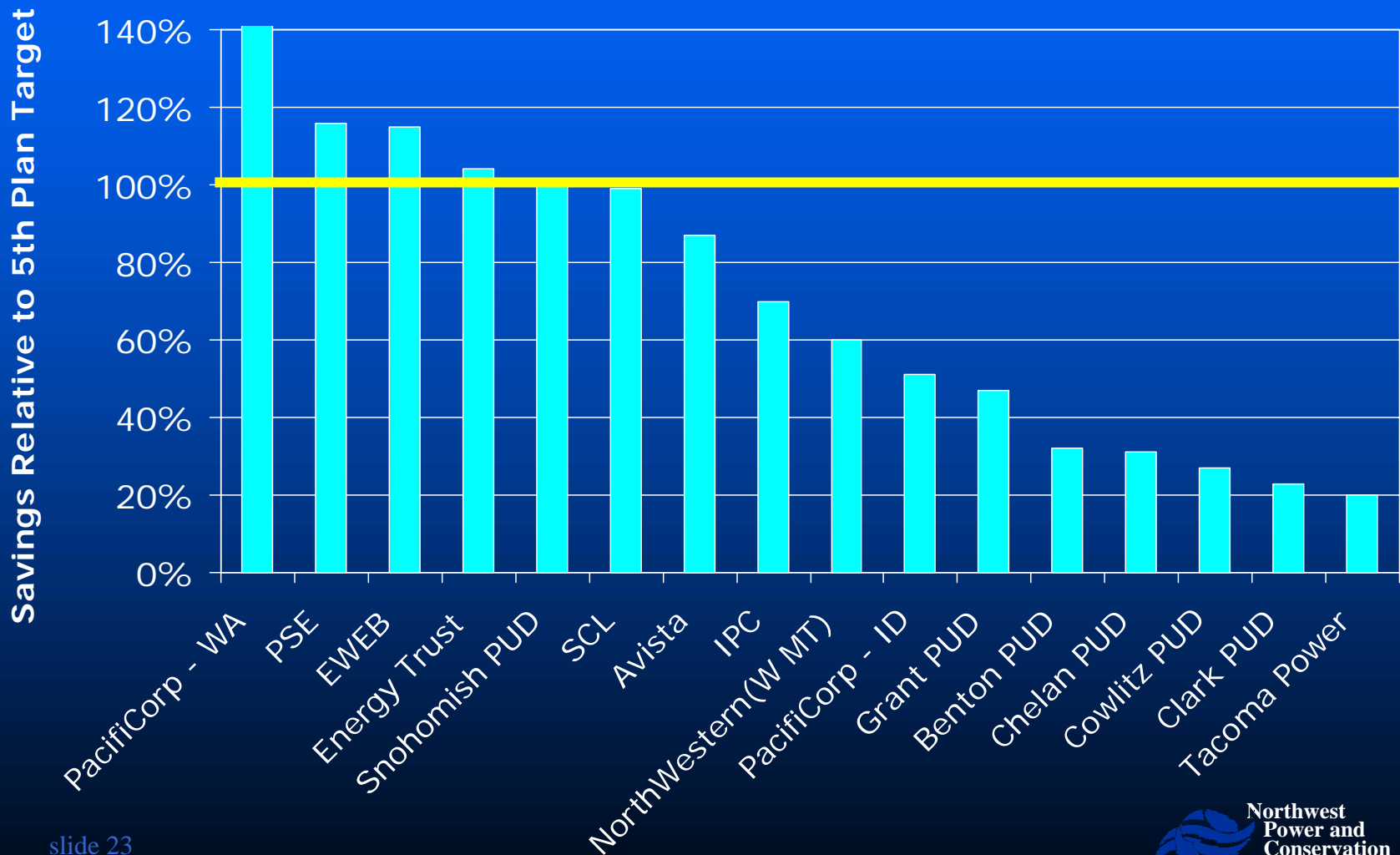
2005 Results

16 Largest Utilities – 85% of Regional Loads



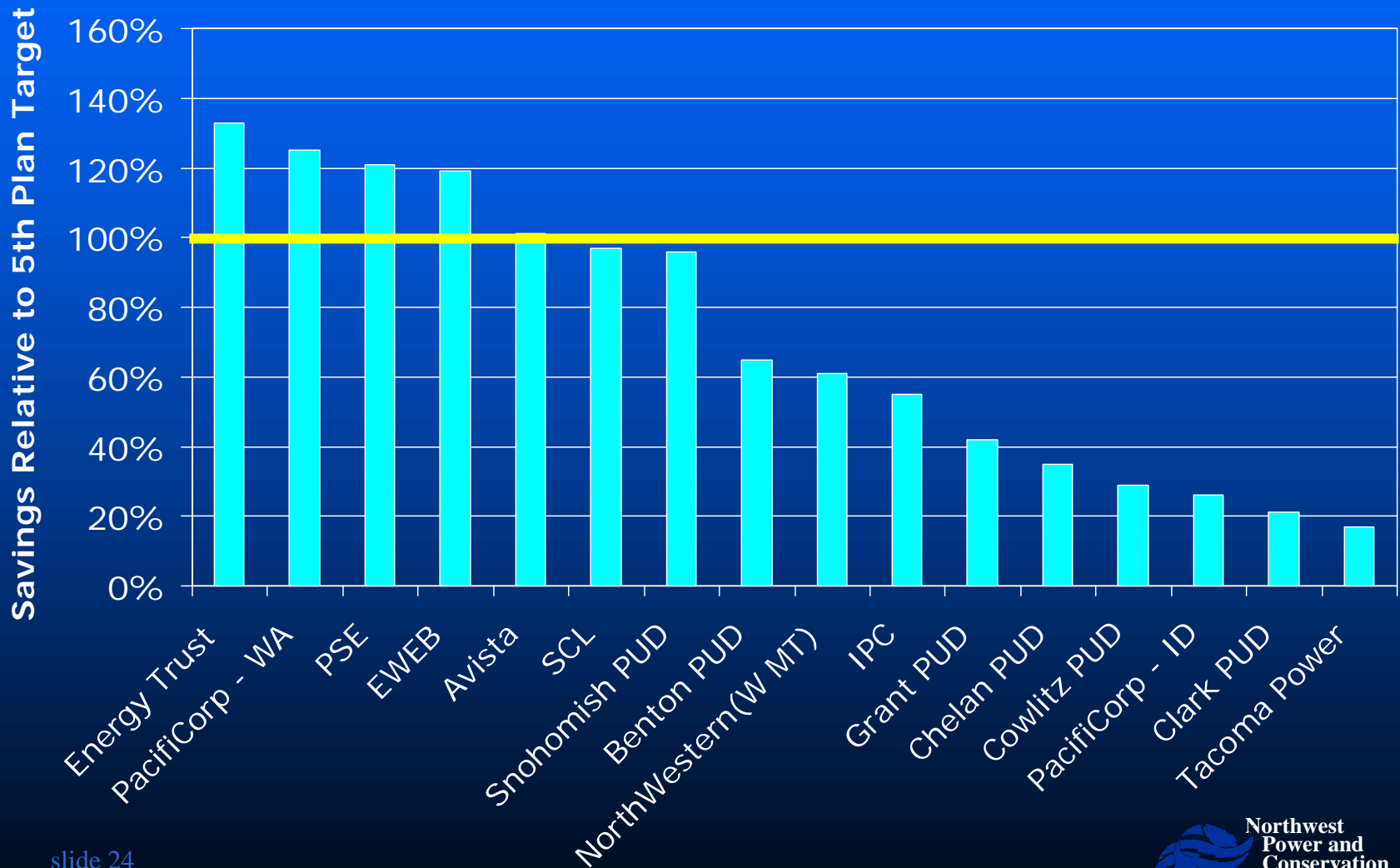
2006 Preliminary Results

16 Largest Utilities – 85% of Regional Loads

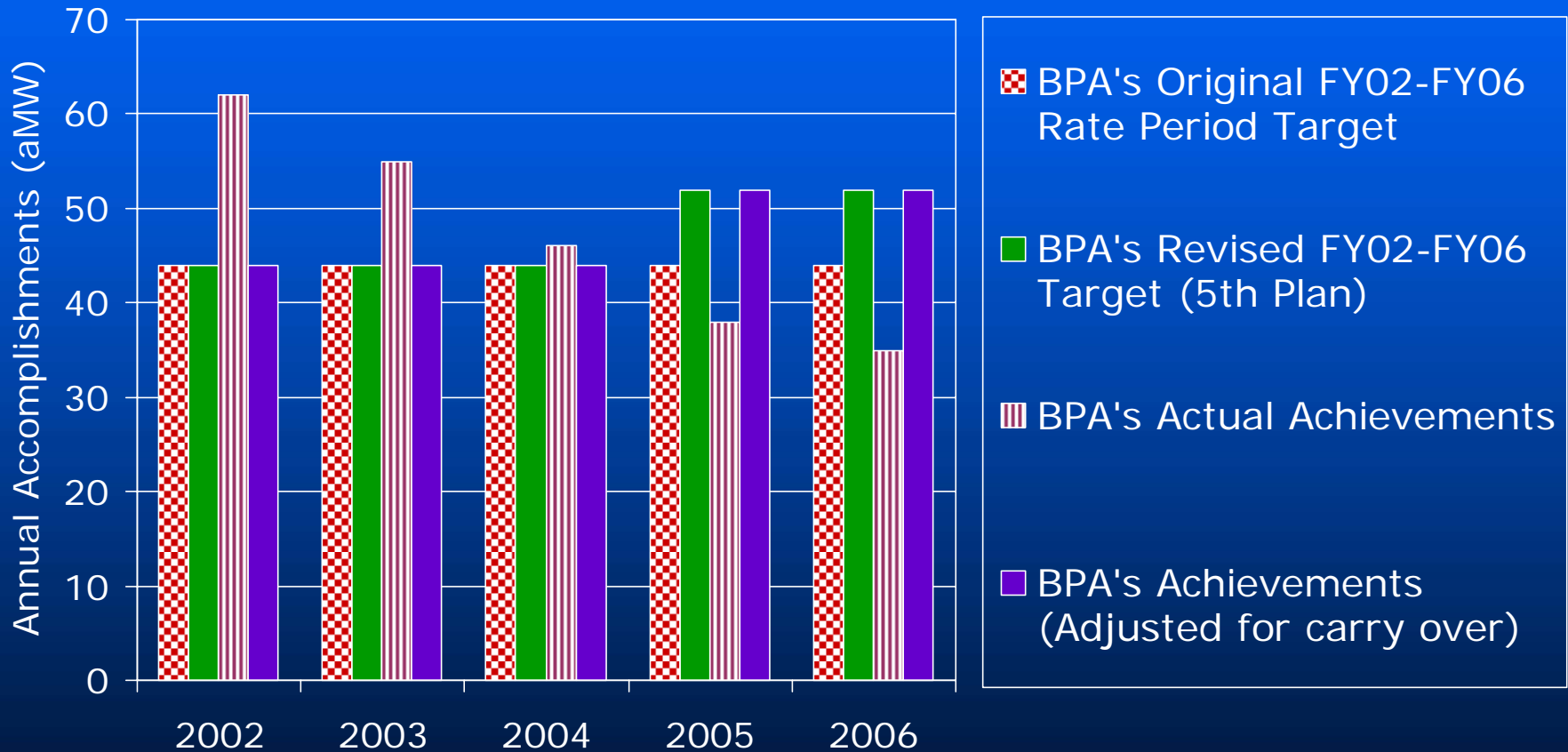


Average 2005-06 Preliminary Results

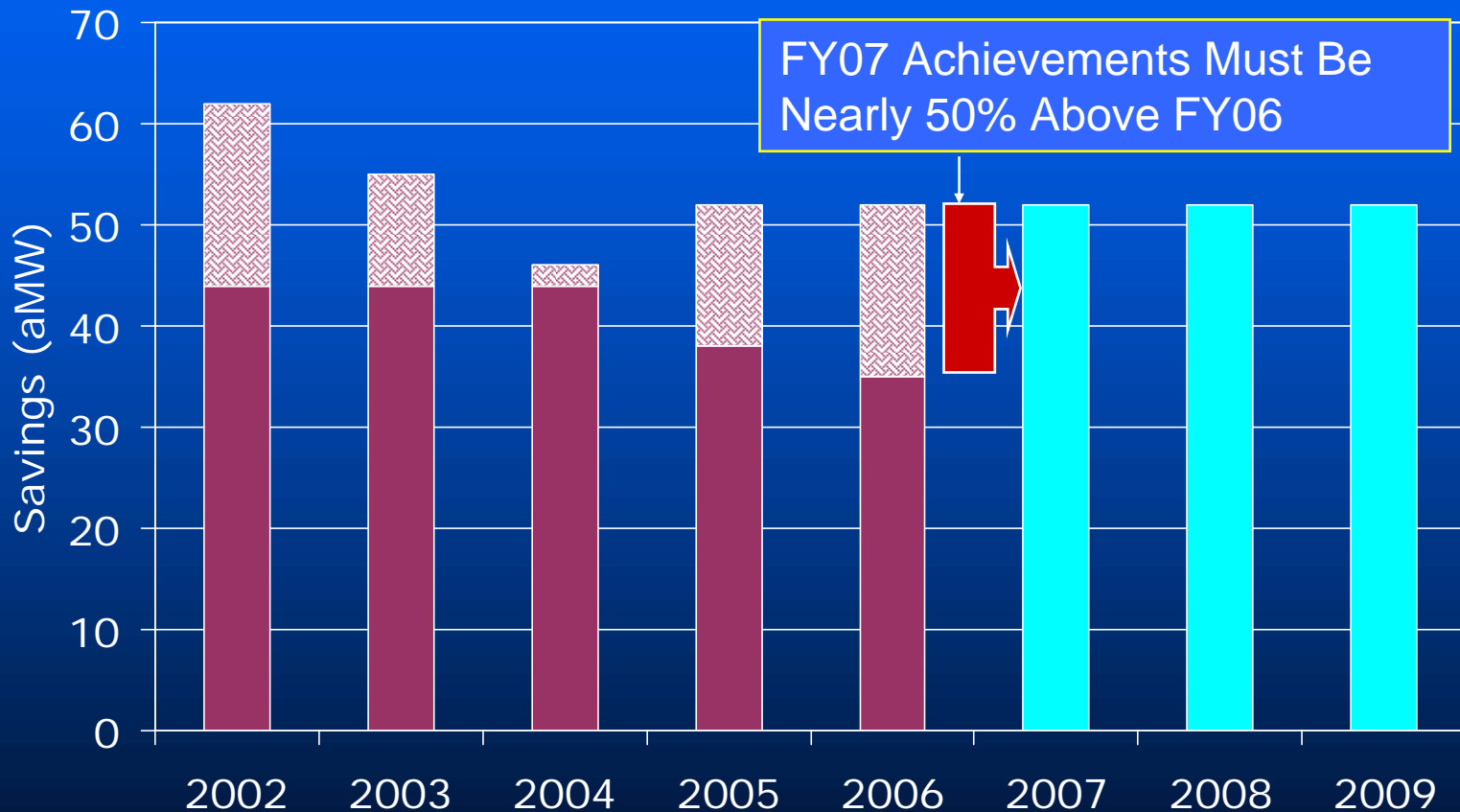
16 Largest Utilities – 85% of Regional Loads



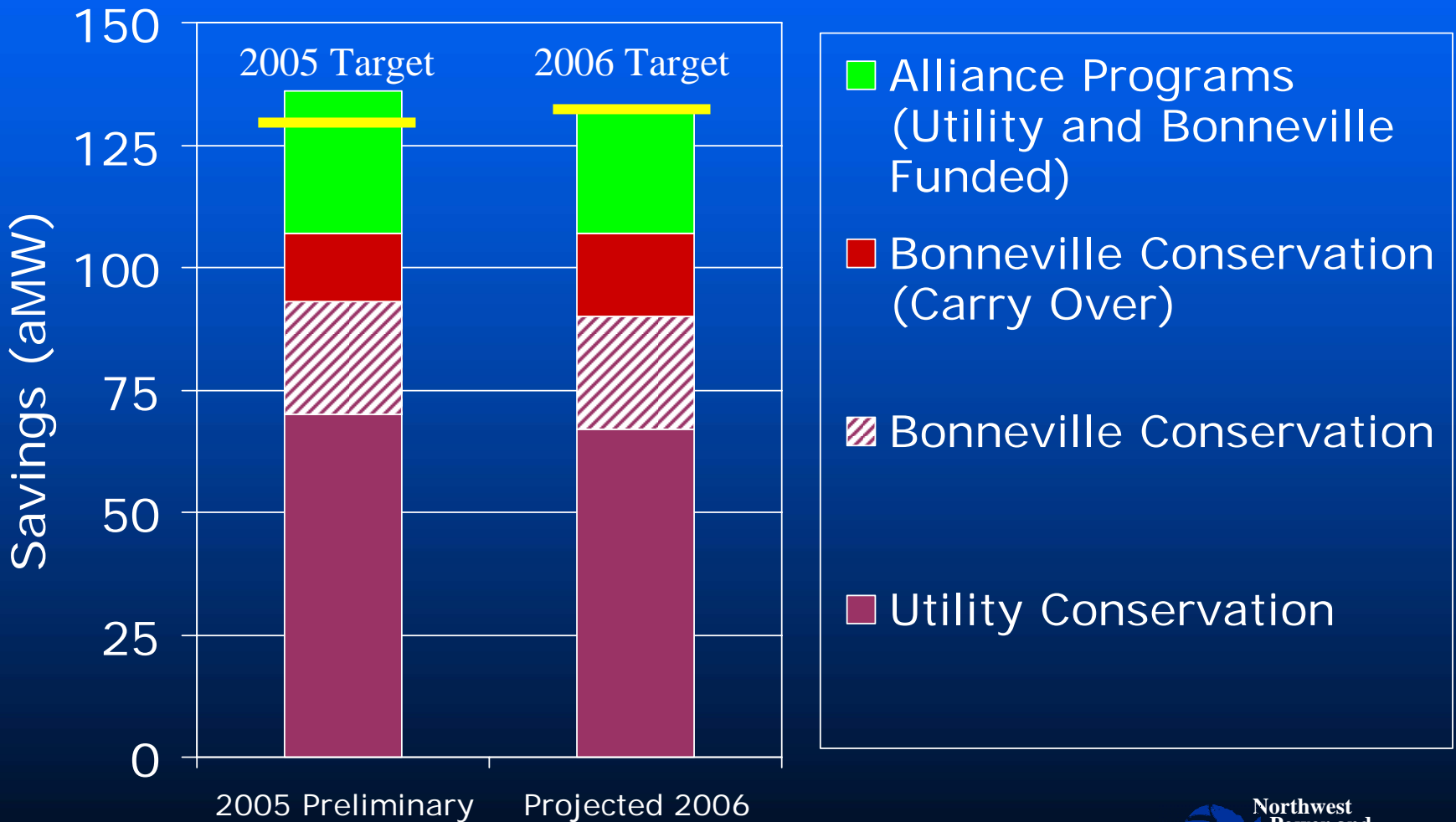
Bonneville Achieved It's 2002-2006 Targets



However, BPA Has Exhausted Its "Surplus"



With Bonneville's "Carry Over" The Region Exceeds the 5th Plan 2005 -2006 Targets



The Road Ahead – Is this the Renaissance?



The Road Ahead – A Brighter Future @ Lower Wattage

- Over 7 million CFLs sold in 2005
 - PNW has 16% of all US installs



- State & Federal standards for 17 appliances
 - Help hit targets beginning 2008



- BPA has several new regional initiatives underway



- Commercial & Industrial program participation is up



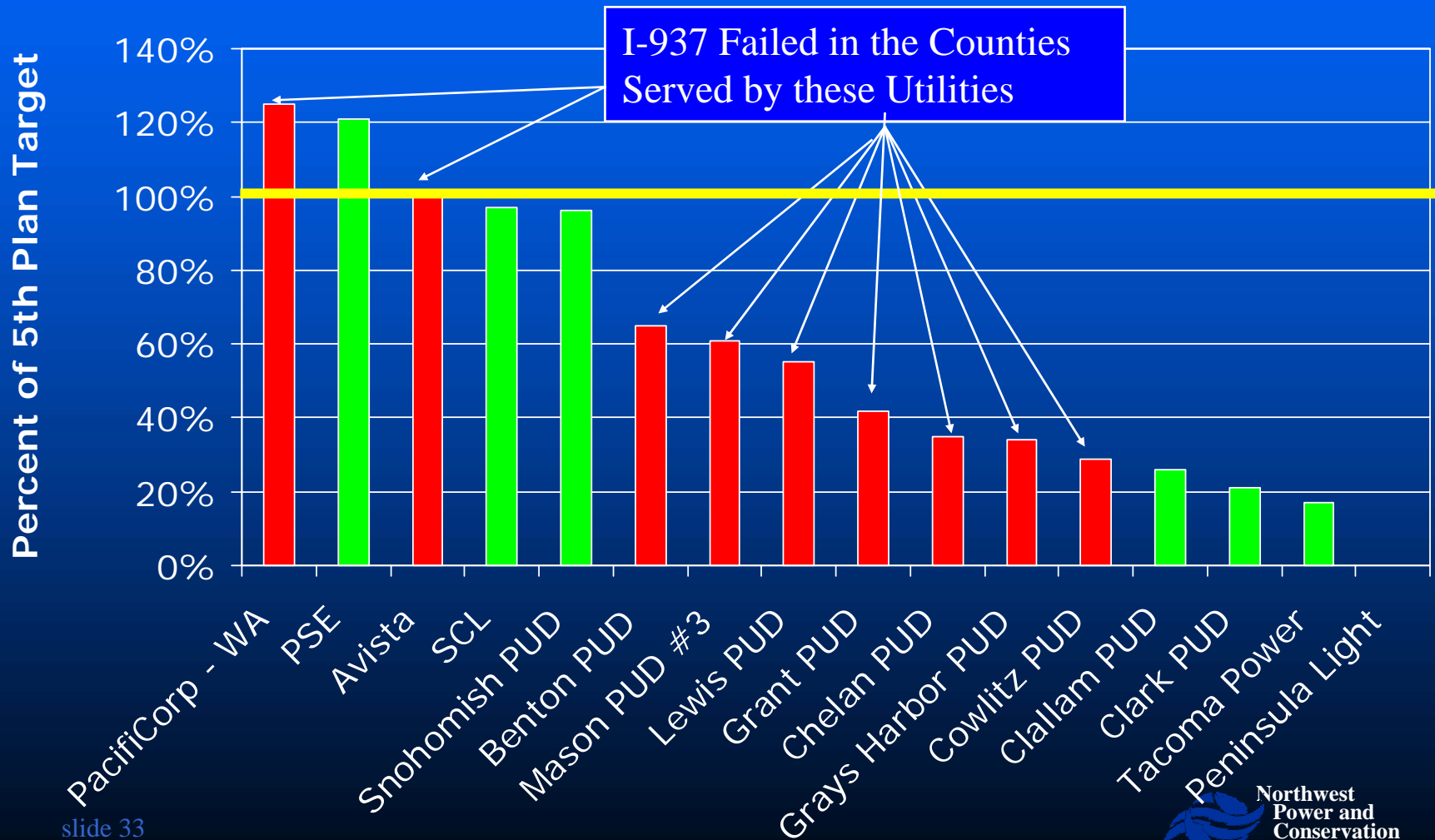
The Road Ahead – Utilities Appear to Be “Ramping Up”

- PSE is developing a “green utility” strategy
- Avista has increased its annual efficiency goal by 20% -- and management has asked staff to “squeeze out more efficiency” company wide
- Idaho Power expects to nearly double its efficiency expenditures next year
- PGE has initiated discussions that could lead to an increase in Energy Trust funding

I-937 Passed



I-937 Failed In Most Counties Served by Public Utilities Who Do Not Appear to Be Achieving the 5th Plan's Targets



After A Quarter Century

The Region May Finally Achieve the
Power Act's Vision of Making the
Inefficient Use of Electricity . . .

Immoral

Illegal

Unprofitable



*Thank you very
much.*

*Thank you
verry, verry
much.*