



January 31, 2013

Mr. Mark Walker
Public Affairs Division Director
Northwest Power & Conservation Council
851 SW 6th Avenue, Suite 1100
Portland, Oregon 97204-1348

RE: Draft Sixth Power Plan Mid-Term Assessment Report

Dear Mark:

Thank you for the opportunity to comment on the Council's Draft Sixth Power Plan Mid-Term Assessment Report.

PNGC Power is a Portland-based electric generation and transmission (G & T) cooperative owned by 14 Northwest electric distribution cooperative utilities who serve customers in seven western states.

Mid-Term Assessment Review Process

We thank the Council for leading a highly productive review process. In addition to the solicitation of our written comments, we have met on numerous occasions with Councilmembers and staff to discuss the draft Mid-Term Assessment. They have been very open to discussion of key issues in the Sixth Plan, especially in the area of energy efficiency. We believe that the draft Mid-Term Assessment is a better document because of our work together.

In addition, we are very interested in the ways this important Mid-Term Assessment will lead to a more productive Seventh Power Plan. Specifically, we understand that the technical modeling, analysis and review in the Seventh Plan will be conducted in a more transparent and collaborative format. We are very supportive of such an approach and anticipate it will result in a better Seventh Plan as a result.

Energy Efficiency Achievements

The Mid-Term Assessment provides an opportunity to set the stage for addressing energy efficiency in the Seventh Power Plan. PNGC Power continues to be committed to achieving cost effective conservation savings that are part of an overall strategy to meet the region's energy needs. However, it is important to examine the feasibility and practicality of energy efficiency policy objectives set forth in the Sixth Power Plan given the number of changing circumstances that have occurred in the utility industry since the plan was developed and adopted.

We must carefully examine the goals and costs (including tax policy and other incentives) of meeting most or all of future regional load growth requirements through specific conservation and efficiency targets as a metric for measuring success of the region's energy efficiency programs. There are many factors beyond the control of an individual electric utility that impact its ability to capture conservation savings. These factors include but are not limited to: a stale economy, low natural gas prices, and inadequate program design for rural residential utilities. These and other associated factors should be examined in the Seventh Power Plan. We ask that the Council take care to make sure that energy efficiency targets for the entire region are not driven by the goals, policies and statutes in Washington and Oregon.

Renewable Resource Development

We also ask that the Council take care to avoid a bias towards renewable resource development statutes and policies that are driven by renewable portfolio standard statutes and draft energy plans in Oregon and Washington. Such goals and objectives may not be appropriate or even feasible for Idaho and Montana. As we look toward the 7th Power Plan, we ask the Council to closely examine policies that drive renewable resource development in the region, and the impact that these statutes and policies have today, and are likely to have in the future, on market price, system reliability, and the ability to provide capacity.

We appreciate this opportunity to provide written comments on several issues identified in the draft Mid-Term Assessment.

Sincerely,

A handwritten signature in blue ink that reads "Douglas R. Brawley". The signature is fluid and cursive, with the first name being the most prominent.

Douglas R. Brawley
Senior Vice President, Power Management
PNGC Power

cc: Bonneville Power Administration
Councilmembers and staff