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To: NWPPC

From: Roger Gray, CEO

Re: Comments on NWPPC's July 2016 NW Residential Electric Bills Analysis and Report

Date: August 29, 2016

Northwest Requirements Utilities (NRU) is a trade association representing 53 BPA load following customers that are exclusively or nearly exclusively reliant on BPA for power supply, including BPA energy efficiency (EE) programs. NRU appreciates the opportunity to comment on the NWPPC report. Given the preferred position that EE has in many NW resource plans, NRU agrees that it is important to assess the results of EE in terms of overall effectiveness.

NRU shares the concerns articulated in the Public Power Council's comments on this report. Before drawing any definitive conclusions or assuming that an apparent correlation equates to causation, NRU believes further analysis, methodology check and data scrub are necessary. We also question classification of utilities by urban and rural. For example, we believe that some utilities may have been classified as "urban" because they are adjacent to an urban area, but actually are quite "rural" when it comes to factors such as customers per distribution line mile and access to gas for heating. Many of the IOUs included in the study are combinations of rural and urban customers.

It is clear that natural gas heating versus electric heating is a major factor in differences in consumption. Additionally, weather is likely a major factor in consumption differences across different parts of the region. NRU is concerned that what appear to be surface-level *correlations* across very different situations is being used to draw broader *causation* conclusions.

If the NWPPC explores the impact of EE spending on rates and bills, the analysis must be an apples-to-apples comparison so other major drivers of differences in rates and bills are apparent. PPC's comments do an excellent job summarizing a variety of concerns that NRU also shares.

Thank you for the opportunity to comment.