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**via e-mail: [comments@nwcouncil.org](mailto:comments@nwcouncil.org)**

Chair Bill Bradbury  
Northwest Power and Conservation Council  
851 S.W. Sixth Avenue, Suite 1100  
Portland, OR 97204

Subject: Comments on High Level Indicators

Dear Chairman Bradbury and Members of the Council,

Thank you for the opportunity to comment on the proposal to establish High Level Indicators for tracking progress on the Council's Power Plan. The Public Generating Pool (PGP) is composed of eleven consumer-owned electric utilities that serve approximately one million customers throughout Oregon and Washington. As utility managers responsible for the planning, development, operations and maintenance of generating resources and transmission and distribution systems that serve our customers, we understand the importance of having accurate and relevant metrics to guide and evaluate performance.

It is our experience with management tools and key indicators that leads us to question both the relevance and the appropriateness of the use of High Level Indicators being proposed by the Northwest Power and Conservation Council (Council). After reviewing the Council's proposal on this topic, PGP believes that High Level Indicators are both unnecessary and inappropriate at this time. If the Council chooses to pursue indicators, a more robust public process than what has been conducted to date is needed. Finally, several of the proposed High Level Indicators are in no way influenced by the Council's Power Plan and, therefore, are not appropriate measures of the Council's progress or achievements.

#### **HIGH LEVEL INDICATORS BEYOND CURRENT COUNCIL REPORTING ARE NOT NECESSARY**

The Council currently provides annual reports to the region on the amount of energy efficiency achieved and the forecasted adequacy of the Northwest power system. The Council also reports on the state of the Northwest power system in its annual report to Congress. This reporting practice used by the Council is consistent with the primary purpose for the creation of a Power Plan and additional reporting against the proposed High Level Indicators is not needed.

The Council has indicated that the purpose of the High Level Indicators is to help assess "how well we are implementing the plan and meeting the goals of the Act." Under the Northwest Power Act, the Council is required to develop a Power Plan with specific elements and has no direct responsibility or authority over actual investment decisions or actions by regional utilities. Therefore, the use of High Level Indicators to assess implementation and actions by utilities, over which the Council has no statutory authority and control, serve no useful purpose.

#### **NOT THE TIME TO PURSUE DEVELOPMENT OF HIGH LEVEL INDICATORS**

A tremendous amount of work remains for Council staff, Council members and the region to develop the 7th Power Plan by December 2015. High Level Indicators are not necessary for development of the 7th Power Plan.

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Grant County PUD / Klickitat County PUD / Lewis County PUD / Pend Oreille County PUD / Snohomish County PUD / Tacoma Power

Developing High Level Indicators at this stage is a distraction from the higher-priority work of developing the assumptions, modeling tools, and decision factors for the 7th Power Plan.

### **IF HIGH LEVEL INDICATORS ARE TO BE DEVELOPED, MORE ROBUST PUBLIC PROCESS IS NECESSARY**

The concept of using High Level Indicators was initially presented at a Power Committee meeting in August 2014, and again discussed at the September 2014 Power Committee meeting. The full Council has not had a discussion about the purpose or the need for High Level Indicators.

Conversely, the development of High Level Indicators for the Fish and Wildlife Program occurred over a 15 month period, involved two rounds of public written comment, independent science review, and numerous discussions with the full Council. There has not been adequate discussion and process for the Council to adopt High Level Indicators at this time. As stated above, we do not believe this item is a high priority activity. If the Council wants to pursue the use of High Level Indicators, PGP recommends the Council wait until the completion of the 7th Power Plan and conduct an appropriate public process that begins with a regional discussion on the purpose of the Power Plan.

### **SEVERAL PROPOSED HIGH LEVEL INDICATORS ARE NOT APPROPRIATE**

PGP believes that several of the High Level Indicators being proposed are not appropriate metrics because they either:

- a. Measure something over which the Power Plan has no influence/control; or
- b. Are not a meaningful measure of the stated objective(s).

PGP is commenting on a subset of the proposed High Level Indicators. PGP does not endorse or support the other High Level Indicators that are not mentioned below. As stated above, we believe the Council must conduct a multi-stage process after the completion of the 7th Power Plan to determine the need, purpose and approach of developing any High Level Indicators.

- **Annual Utility/System Benefit Charge Administrators (SBC) Program Savings vs. Plan Targets** – This is not an appropriate measure because the Power Plan creates a 5-year energy efficiency goal, not an annual target. Comparison of regional 5-year energy efficiency achievements relative to the Plan’s 5-year range for the energy efficiency goal would be more appropriate.
- **Regional Electricity Use per Person vs. US Average** – This is not an appropriate measure of conservation and energy efficiency because electricity use per person is impacted by a number of different factors other than energy efficiency, including: weather, age of infrastructure (electric vs gas), economics, etc. We recommend that this indicator be dropped.
- **Annual Trends in Renewable Resource Costs** – Renewable resource costs are not impacted or influenced by anything in the Council’s Power Plan. They are influenced by a complex mix of technology development and financial incentives. We recommend that this indicator be dropped.
- **Regional generating resource availability** – Generating resource availability is not influenced by anything in the Council Power Plan. “Reliable and Adequate” can be combined and the 5% LOLP is an appropriate measure for both. We recommend that this indicator be dropped.
- **Average PNW Residential Electric Bills vs. US Average/Electric Revenues as a Share of Gross Regional Product vs. US Average** - Both of these measures are irrelevant and not appropriate measures of an economical power supply. The Pacific Northwest has built its economy around the benefit of low cost hydro. It is expected that both today and in the future we will continue to see that benefit realized with cheaper rates and power bills than the national average. More appropriate measures of an economical power supply might include:
  - Change in PNW electric bills over time vs CPI (or other inflation measure)
  - Change in percentage of electricity costs in average PNW household costs over time

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PGP appreciates the opportunity to provide comment to the Council on this issue. PGP encourages the Council to delay any additional discussion on the development of High Level Indicators until after the completion of the 7th Power Plan. In the event that the Council decides to continue this process, PGP believes that another round of public comment on a refined list of High Level Indicators, at a minimum, is necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Therese Hampton".

Therese Hampton  
Executive Director, Public Generating Pool

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