

## **Long-Term Regional Dialogue Policy Proposal Comments by the Northwest Energy Efficiency Council**

The Northwest Energy Efficiency Council (NEEC) supports a number of the proposed BPA conservation policies in the post-2011 timeframe, but believes that the document needs to be strengthened in a number of key areas. First, it is critically important that BPA state unequivocally its commitment to achieving all the cost effective energy efficiency resources in the region. BPA takes the important step of doing so for its “fair share” of regional load and by placing the resources necessary to achieve that in its Tier 1 rate structure. BPA should be applauded for this. However, the substantive changes that BPA is proposing globally in this document call into question whether and how those additional conservation resources will be achieved. History does not provide confidence that a laissez-faire approach will result in the optimal outcome.

BPA provides somewhat vague language suggesting that customer utilities might be offered a conservation package to meet power needs beyond base allocations, but the proposal lacks specificity and commitment. BPA must work harder to find policies and mechanisms that insure that all cost effective energy efficiency is acquired. A Tier 1 contractual requirement of its customer utilities requiring that all cost effective conservation be acquired might just be the policy option that is necessary to hard wire this resource.

Importantly, BPA will not, under this proposal, penalize its customer utilities for pursuing energy efficiency in the near term and through 2011. It is vitally important that this approach remain in the final decision as without such a guarantee, the region would suffer higher risk, higher cost, and serious injury to the trade ally partnerships on which BPA and its customer utilities rely.

NEEC understands that BPA is committing to cost effective energy efficiency resources while “...keeping the costs and rate impacts of doing so as low as possible.” That said, BPA must budget adequately, now and in the future, to insure that energy efficiency goals are achieved. Missing conservation targets by inadequate resource commitments will increase cost and risk for everyone in the region.

NEEC understands the proposed BPA policy to not include the small farm and residential loads of IOU’s as a component of BPA’s “fair share” conservation obligation. If that is to be the case, BPA must not count conservation achievements by these same customers, regardless of the financial mechanism by which those resources are achieved, toward the BPA conservation goal.

NEEC appreciates the opportunity to provide these comments to BPA on this important issue. NEEC is a regional trade association of the energy efficiency industry, located at 157 Yesler Way, Ste. 409 Seattle, WA 98104.