



November 2, 2004

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

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Margie Harris,
Executive Director

Dear Mr. Walker:

Energy Trust of Oregon submits these comments on the Draft Fifth Pacific Northwest Electric Power and Conservation Plan.

Energy Trust is funded by the Oregon Public Utilities Commission to invest ratepayer revenues collected by PacifiCorp and Portland General Electric in cost-effective energy efficiency projects, above-market costs of renewable energy projects, and energy market transformation activities in Oregon. Energy Trust also invests in conservation programs for Oregon residential and commercial customers of NW Natural. Our goals are to provide, by 2012: electric energy savings of 300 average megawatts of electricity; gas energy savings of 19 million therms; and renewable energy resources sufficient to meet ten percent of Oregon's energy requirements. These goals are intentionally ambitious. Achieving them will require support from energy utilities and organizations like the Council. By the same token, we view ourselves as one of your allies in developing energy conservation and renewable energy.

We would like to begin by complimenting the Council on the draft plan. The Council's emphasis on development of energy efficiency measures is prudent from a policy perspective and entirely consistent with our programs. As the plan acknowledges, even though there is currently an energy surplus in the region, some utilities are resource constrained even in the short term. Aggressive development of energy conservation not only helps meet these needs, but will cushion the region from energy crises like the one in 2000-2001. And, as we know, conservation is one of the region's least expensive and least environmentally harmful resources.

We are also pleased that the Council's emphasis on wind energy. Energy Trust has developed several wind projects and has more underway. As the Council says, wind is not only clean and renewable, it is a hedge against volatile gas prices and carbon dioxide

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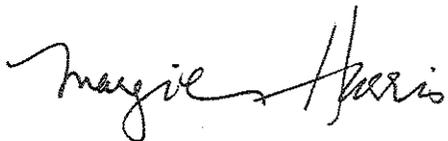
control measures. Our experience with wind raises one concern about the draft plan, however. Because of transmission uncertainties, the Council foresees only moderate, targeted development of commercial scale wind projects over the remainder of the decade. In contrast, Energy Trust believes that with extension of the energy production tax credit, regulatory support for renewable energy development and incentives like Energy Trust's, wind projects will develop at a relatively fast pace in the short term. In fact, we will not be surprised to see large-scale wind development become commercially viable in the next 3-4 years. We urge the Council to take a second look at this. Our belief is that wind is likely to be an even more important resource in the short term than the draft plan anticipates. That said, we acknowledge the importance of the Council's suggestion that transmission barriers be addressed.

We would also urge the Council to give more emphasis to geothermal and biomass in the Plan. With the U. S. Department of Energy's emphasis on geo-powering the West, recent federal tax incentives for both geothermal and biomass, and the Western Governors' policy initiatives, we believe the Plan understates the role of these resources in near-term supply.

Finally, unlike the Council, we do not foresee the need for the development of coal-fired power plants in Oregon by the end of the decade. Over the coming years, it is reasonable to expect continuing volatility in fossil fuel prices, advances in renewable technology, and growing pressure to reduce greenhouse gases. From our perspective, this supports the best elements, and indeed the basic thrust, of the Council's plan: aggressive energy conservation and a growing development of renewable energy.

We look forward to working with you on our common goals.

Sincerely,

A handwritten signature in cursive script that reads "Margie Harris". The signature is written in black ink and is positioned above the printed name and title.

Margie Harris
Executive Director