



July 13, 2007

2007 007007

Northwest Power and Conservation Council  
Attention: Terry Morlan  
851 S.W. Sixth Avenue, Suite 1100  
Portland, OR 97204

*Subject: Comments to Conservation Council's Methodology*

Dear Mr. Morlan:

Thank you for allowing Benton PUD to comment on the Conservation Council's methodology for determining the kWh conservation potential.

The Conservation Council has developed percentages used as part of the methodology to identify the maximum achievable potential for conservation measures over the 20-year planning horizon required by the Act. The percentages used to determine the achievable potential is 85% for non-lost opportunity measures (existing stock) and 65% for lost opportunity (new construction).

Benton PUD provided comments on the 5<sup>th</sup> Power Plan questioning the Council's estimate that 85% of technically available conservation is achievable over the course of the 20-year planning period. The Council did not address this comment other than to refer to chapter 3 of the plan which states "Historically, the Council has assumed that 85 percent of the technically available conservation was achievable because it believed that the wide assortment of incentives and regulatory measures provided by the Northwest Power Act could persuade the region's electricity consumers to install a large percentage of the available and cost-effective conservation"

We understand from discussions with Council staff that the 85% is based on the Hood River Residential Weatherization Project (HRCP) that occurred in the early 1980's. This Project was a pilot program funded by BPA in order to determine residential weatherization customer participation at a 100% incentive level. 85% of the residences had major measures installed by the Project. The first sentence in the Summary of the (HRCP) report specifically states that the Project was intended to test the reasonable upper limits of a **residential weatherization program**. The first sentence in the Project Design states that the HRCP was envisioned as a major research and demonstration project to provide information on **residential**

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**weatherization programs.** The (HRCP) should not be used as a basis for other than what it was intended and that is for only residential weatherization.

In the 5<sup>th</sup> Power Plan the Conservation Council's planning process assumes that all individual measures for each customer class (residential, commercial, industrial and irrigation) are going to achieve the 65%/85% participation level over the 20 year period. There are approximately 45 individual measures in the 5<sup>th</sup> Power Plan and that all 45 measures will achieve the level of participation as in the Hood River Project.

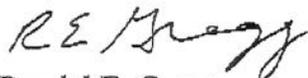
The (HRCP) should not be used to determine the kWh savings potential for the 45 or so various measures that make up the residential, commercial, industrial and irrigation customer classes. Commercial, industrial and irrigation behavioral characteristics are much different than residential customers.

The region has been very successful acquiring and meeting the regional targets set by the Conservation Council; however, the success rate has been very dependent on federal, state and city codes. A number of the measures listed in the Power Plan have been met and have exceeded the Council's target but have been met because of the various codes that have been put in place.

Even though the region has been meeting the targets that have been set by the Conservation Council we do not believe the methodology that is currently being used (65%/85%) for **all** 45 individual measures is the methodology that should be used for the future.

The Council has not provided technical information to support these percentages. We recommend the Council work with regional utilities to review and develop achievable percentages for each sector and each measure. In the mean time, the Council should publish lower achievable potential targets until this technical work can be completed.

Very truly yours,



Randal E. Gregg  
Director of Power Management

REG/scg