

Tom Karier  
Chair  
Washington

Frank L. Cassidy Jr.  
"Larry"  
Washington

Jim Kempton  
Idaho

Judi Danielson  
Idaho



Joan M. Dukes  
Vice-Chair  
Oregon

Melinda S. Eden  
Oregon

Bruce A. Measure  
Montana

Rhonda Whiting  
Montana

November 1, 2006

## MEMORANDUM

**TO:** Power Committee

**FROM:** Ken Corum

**SUBJECT:** Update on Pacific Northwest Demand Response Project (PNDRP)

We've been working since last spring on setting up a collaborative process to stimulate the development of demand response in the region, involving the 4 states' utility commissions, Bonneville, the Regulatory Assistance Project (RAP) and other members of the power community. After individual discussions with utility commissioners about their priorities, we invited a scoping committee to select the 3 topics to be taken up in the process. That committee met on September 7 and agreed on 3 topics:

1. Retail price structure,
2. The integration of benefits to the distribution and transmission systems, along with the other benefits of demand response, and
3. Methods of evaluating the cost effectiveness of demand response measures

The scoping committee also agreed that bringing demand response and energy efficiency programs together so that electricity users would hear about both programs from the same customer-contact people would be useful. The committee agreed that this integration of demand response and energy efficiency programs would be a good topic number 4 if it turns out to be feasible to expand the process scope.

On October 23 the scoping committee had a conference call to discuss a proposal written by Richard Sedano of RAP, which described the priority topics to be addressed, proposed the formation of a steering committee, and emphasized a focused and intensive process in order to reach conclusions that can lead to action soon. The committee discussed the priority topics, considering alternative strategies for approaching these topics, and discussed the role the utility commissions will have in the process. We didn't reach clear conclusions on these issues, but Richard Sedano will be circulating a revised proposal in the next couple of weeks, with a goal of having a proposal for U.S. DOE funding soon after that.

---

q:\tm\council mtgs\nov 06(p4-7) dr update.doc