



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



January 30, 2012

Mr. Bill Bradbury, Chair

Northwest Power and Conservation Council

851 S.W. Sixth Avenue, Suite 1100

Portland, OR 97204

Dear Chairman Bradbury

The Eugene Water & Electric Board (EWEB) wishes to offer comments on the Mid-Term Assessment of the Sixth Power Plan. We appreciate the work of the Council thus far in the development of the Assessment, including significant outreach and valuable conversation with stakeholders. What we have seen and heard of the assessment appears to be a good snapshot of what is going on in the region, however, we do wish to offer comments that underscore points that are important to EWEB:

### **Meeting Peak Needs**

EWEB sees this issue as paramount in the region. EWEB itself will not much longer have adequate peaking capacity and flexibility needs are even greater. Historically, the region has been capacity rich, but energy poor, which explains why Demand/Response is only recently beginning to receive the same focus that energy efficiency has previously. Peak load reduction and load shifting are strategies integral to the region's successful energy future and we urge enhanced emphasis of these areas.

### **Accounting for Diverse Utility Situations**

The Mid-Term Assessment and any Power Plan iteration is widely used by policymakers, consumers, interest groups and the media. We urge you to include a reminder to the audience for the assessment that individual utility situations can vary greatly. It is possible in some instances that a reader of the assessment might presume a "composite utility" profile and make assumptions they might think universally applicable to resource planning at individual utilities and this is not the case.

### **Addressing Retail Rates alongside Wholesale Prices**

It may be useful to address the divergent retail rate experiences going on in the region alongside soft wholesale market prices. While the wholesale prices are down, some utilities are experiencing completely different retail rate directions based upon long or short positions.

### **Clarifying Energy Efficiency expectations**

It would be helpful to have more clarity whether energy efficiency savings figures in the plan are a goal, target, expectation or a range of what is likely to occur.

### **Challenging Energy Efficiency Economics**

The Assessment has a generally realistic view of economic conditions. However, we wish to underscore the challenges posed to energy efficiency during this time. Due to soft wholesale power prices and flat load growth, it is important to consider what may be displaced from acquiring more energy efficiency than there is load growth. Spending on energy efficiency in a way that displaces a clean resource that costs less has rate impacts that are difficult to rationalize to customers and elected officials and can also aggravate issues of inter-customer subsidization.

### **Plan Adaptability**

EWEB supports the inclusion wherever possibility of adaptability to changing circumstances within a plan iteration. For example, EWEB has adopted a policy to meet all load growth with energy efficiency, in other words, the conservation target is a function of load growth.

Thank you again for the opportunity to comment. We believe the level of Council engagement on the Assessment has been commendable and we look forward to continuing the conversation as we eventually make our way towards the development of the Seventh Power Plan.

Sincerely,

Jason Heuser

Intergovernmental Relations Liaison