

W. Bill Booth
Chair
Idaho

James A. Yost
Idaho

Tom Karier
Washington

Dick Wallace
Washington



Bruce A. Measure
Vice-Chair
Montana

Rhonda Whiting
Montana

Melinda S. Eden
Oregon

Joan M. Dukes
Oregon

January 9, 2009

Stephen J. Wright
Administrator
Bonneville Power Administration
P.O. Box 3621-A
Portland, OR 97208

Dear Steve:

The Council understands that Bonneville will initiate a process to discuss with its customers the agency's future role in energy-efficiency acquisition. We support your discussions with your customers to assess conservation program designs that will yield increased levels of savings.

We believe there are some very important principles that must be preserved in any consideration of Bonneville's post-2011 conservation role. In the 5th Power Plan, during the regional dialogue process, and in other policy discussions about conservation, the Council has expressed a consistent set of principles regarding Bonneville's role in conservation acquisition. These principles include:

- (1) **Conservation targets.** Bonneville should continue to commit its public utility customers to meeting their share of the Council's conservation targets. Bonneville should ensure that public utilities have the incentives, support, and flexibility to pursue sustained conservation acquisitions appropriate to their service areas in a cooperative manner. The Council supports Bonneville's regional dialogue policy to fund conservation primarily as a tier 1 obligation of the Federal Base System.
- (2) **Utility reporting.** Bonneville should enforce provisions in its power sales contracts that require utility reporting and verification of conservation savings so that Bonneville and the Council can track whether conservation targets are being achieved.
- (3) **Implementation mechanism.** Bonneville should offer flexible and workable programs to assist utilities in meeting the conservation goals, including a backstop role for Bonneville, should Bonneville and utility programs fail to achieve these goals.
- (4) **Regional conservation support.** Bonneville should continue to be active in funding and implementing conservation programs and activities that are inherently regional in scope, such as the Northwest Energy Efficiency Alliance, the Regional Technical Forum, and other regional efforts proposed as a result of the Northwest Energy Efficiency Taskforce process.

We believe these principles are critical to the region's continued success in acquiring all cost-effective conservation and should not be compromised in any agreements with your customer utilities.

Sincerely,



W. Bill Booth
Chair