

Energy

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EFFICIENCY

News From BPA - Your Northwest Energy Partner

CONSUMERS WANT CLEAN ENERGY

Conservation and renewable energy are not fading into the memory books, as some might believe. In fact, consumers' appetite for clean, efficient energy may be keener than ever.

Those are conclusions drawn from a review of 18 surveys and focus groups conducted here in the region and elsewhere between 1990 and 1998. They are part of a just released report entitled, "Renewable Resources and Conservation: What Consumers Want," by Gene Ferguson, a BPA conservation specialist who did the research.

"We did a general review of work done on the national level to determine if the Northwest findings are consistent with national trends," Ferguson said. "We were interested in factors affecting consumer choice of energy suppliers and willingness to pay for certain resources."

BPA is interested in knowing how consumers are reacting to the choices that they may soon have. Do they care about conservation and renewable energy or is basic electric service at the lowest price all that really matters? What might the implications of these consumer attitudes be for the new Conservation and Renewables Discount Rate program that BPA is designing with customers? What could they be to state legislatures who are considering whether and how to support continued investment in these resources. Ferguson aimed to find out, and here are some of his conclusions.

Utility executives shouldn't be surprised that consumers profess a willingness to pay more for environmentally friendly energy. But how much more? Orcas Power and Light

reports that a majority of its customers say they will pay 50 percent more for such power. That high degree of enthusiasm may not be matched elsewhere, but it reflects an attitude that prevails in many smaller communities.

The Conservation and Renewable Energy Systems (CARES) group surveyed customers served by its members in Benton, Clallum, Franklin, Grays Harbor, Klickitat, Pacific and Skamania counties. In these rural areas, 88 percent of customers said they supported renewables. Asked how much they would be willing to pay, 24 percent said they would pay \$5 more every two months; 23 percent said \$7; and 2 percent said \$10.

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Consumers Want Clean Energy

Continued

When asked what kinds of resources their suppliers should acquire, consumers were clearly in favor of those that added no insult to the environment. Sixty-one percent of customers of Western Montana G&T agreed that new resources to serve them should have a positive or neutral effect on the environment and 78 percent expressed similar sentiments in Salem Electric's territory.

But how should the higher costs of environmentally friendly resources be borne? Ferguson said when consumers have been asked this question directly they have a strong inclination to have the costs spread throughout the rate base, rather than having a charge tagged onto their individual utility bill.

"It may be that people intuitively understand that everyone benefits from cleaner resources, and to the extent this costs more, everyone should pay," he said. "They also seem to be thinking that they can't do enough by themselves to make a difference — that it has to involve many people."

When promoting conservation and renewables, it's important to define audiences and tailor messages to them, studies indicate. A study conducted for Montana's Center for Energy Efficiency and Renewable Technologies found that 70

percent of women were willing to pay 10 percent for efficient alternatives, while 62 percent of males were so inclined. Age made an even greater difference: 80 percent of the 20 somethings were willing to pay more, but only 55 percent of those over 65 said they would.

Combine that intelligence with the fact that women are increasingly the ones making basic purchasing decisions for the family and that younger consumers are more likely to switch energy providers, and you begin to formulate a more effective marketing strategy, Ferguson said.

Ferguson said the studies signal evolving consumer attitudes toward energy and the need for methodical, ongoing research.

"Clearly it would be a mistake to ignore what seems to be a significant preference that we give clean, efficient energy an environmental premium

when we add new resources to the region's inventory," Ferguson said.

To view the complete report prepared by Ferguson, visit BPA's Energy Efficiency webpage at <http://www.bpa.gov/Energy/N/>.

- Gene Ferguson

In addition to those mentioned in this article, the following Northwest entities contributed information that is represented in Ferguson's report:

Renew 2000

Emerald PUD

Enron/PGE

Snohomish County PUD

Tillamook PUD

Clark Public Utilities

Eugene Water & Electric Board

KENETECH Windpower

Washington Water Power

Ravalli Electric Cooperative, Inc.

Seattle City Light

Northwest Energy Team (Inland Power & Light, Vera Water & Power,

Kootenai Electric Cooperative)

What is Green-e?

The Green-e Renewable Energy Project encourages consumer confidence in buying "green" electricity. Established by the Center for Resource Solutions together with other stakeholders (environmentalists, consumer advocates, industry participants) it is a way to help consumers understand how they can purchase verified, renewable, green power from credible companies. The Green-e logo is used for easy identification of green electricity products. A voluntary certification and verification program, it is this nation's first for green electricity products. Green-e tells consumers:

- *At least 50 percent of the electricity supply for the product comes from renewable electricity resources.*
- *Any non-renewable part of the product has lower air emissions than the traditional mix of electricity would have if they did not switch.*
- *The company offering the product agrees to abide by the Green-e program's code of conduct.*

Excerpted from the Green-e webpage <http://www.green-e.org>

C&R Discount Update

BPA continues to refine its conservation and renewables discount (C&RD) mechanism for inclusion in its initial power rate proposal that will be issued in mid-May. The C&RD is designed to be an incentive for utilities to invest in incremental conservation and renewable resource development. The one-half mill discount will make available about \$30 million for those investments. In good financial years, an additional \$15 million “dividend” will be distributed for conservation and renewables. The most recent C&RD elements that will be reflected in the initial rate case proposal are:

- Customers need to certify that their conservation investments are incremental to what they would have spent absent the discount.
- Qualifying low-income weatherization expenditures don't have to be incremental.
- BPA will “guarantee” an appropriate investment in renewables and low-income weatherization by augmenting the spending by utilities if they don't achieve the percentage levels recommended by the Comprehensive Review.
- A portion of the cost of purchasing endorsed low impact hydroelectric resources will eligible for the discount.

- Customers who purchase 7.5 or less average mega-watts from BPA will be able to choose an alternative approach with minimal requirements to qualify for the C&RD.

- Customers can “carry over” both positive and negative C&RD credit amounts from one year to the next, up to the total C&RD credit amount available, with final true-up only at the end of the contract or rate period (which ever is shorter).

- Organizations of BPA's power customers authorized to implement conservation and renewable resource programs for their member utilities will be allowed to “pool” C&RD credits across the service territories of the organization's member utilities.

- For planning and budget purposes, information about the amount of C&RD credit available to each customer will be available in advance of each year.

The C&R discount, if approved in the final rate case deliberations, will take affect on Oct. 1, 2001. For latest information on the C&RD, please see BPA's Energy Efficiency web site at <http://www.bpa.gov/Energy/N/c&r.htm>.

- John Pynch

Power to Green the Northwest

Building on a 50-year legacy of serving the public, BPA offers environmentally preferred or green electricity products to interested customers while encouraging the development of renewable energy and enhancing fish and wildlife projects in the Pacific Northwest.

We are fortunate in the Pacific Northwest to have an abundance of hydropower. Resources that are green (small hydropower, wind, geothermal, etc.) are considered sustainable or renewable because the source of the power is constantly renewing itself. The sources of non-renewable electricity (e.g. fossil fuel fired generation) are finite and can cause significant amounts of pollution.

The cornerstone of BPA's environmentally preferred power is two small hydropower facilities with nameplate ratings under 30 average mega-watts and one wind facility. The referenced dams comply with the most stringent low-impact hydropower criteria available today, as established by American Rivers, a non-profit organization dedicated to protecting America's rivers. Compliance with these standards means that

the dams from which some of BPA's green power is generated have little impact on fish and wildlife.

In addition, BPA's environmentally preferred power carries the Green-e logo. It met stringent ethical, consumer and environmental protection criteria set forth by the Center for Resource Solutions. The Center for Resource Solutions is a non-profit organization dedicated to helping raise consumer awareness about green power. In September, 1997 the organization launched the Green-e Renewable Electricity Program.

BPA's environmentally preferred power is available in limited amounts and is sold as surplus firm on an incremental or substitution basis to utility customers in the Pacific Northwest. BPA has made several sales to Northwest utilities and there is currently an inventory of approximately 5-6 aMW remaining.

- Claire Hobson

NEW TECHNOLOGY

NeXt House Offers a Glimpse of the Future

Home of the Future. Something you'd expect to see in Disney's Tomorrow Land, not a local Northwest community. But, thanks to the sponsorship efforts of BPA and Kootenai Electric Cooperative, you no longer need to go to a theme park to catch a glimpse of the future. You can visit the NeXt House, an all-electric show home at the North Idaho Building Contractors Association 1999 Parade of Homes in July/August.

"We are taking an innovative and untried approach to getting the word out to the public on energy efficiency, resource-efficient construction, and a healthy indoor environment", says BPA's Mark Jackson, the manager of the project. "In the old "RD&D" days, we would provide incentives for builders to install new technology or try new approaches to energy-efficient construction, air leakage control, and HVAC systems. Then we would try to schedule access to the home for testing and to collect performance data to determine if the measures would make sense as part of larger conservation acquisition programs. We had limited opportunity to do what we really wanted to do, and there was always some tension between builders, the researchers, and the homeowner."

The NeXt House lets us put together a complete package of state-of-the-art techniques and technology in one home. As part of the home show, thousands of people will have the chance to see all the elements and systems working together to provide maximum comfort and amenity with a minimum energy requirement.

The design team did a lot of research to come up with the elements of the NeXt House. Where possible, alternatives to standard lumber framing are being used. The walls and roof

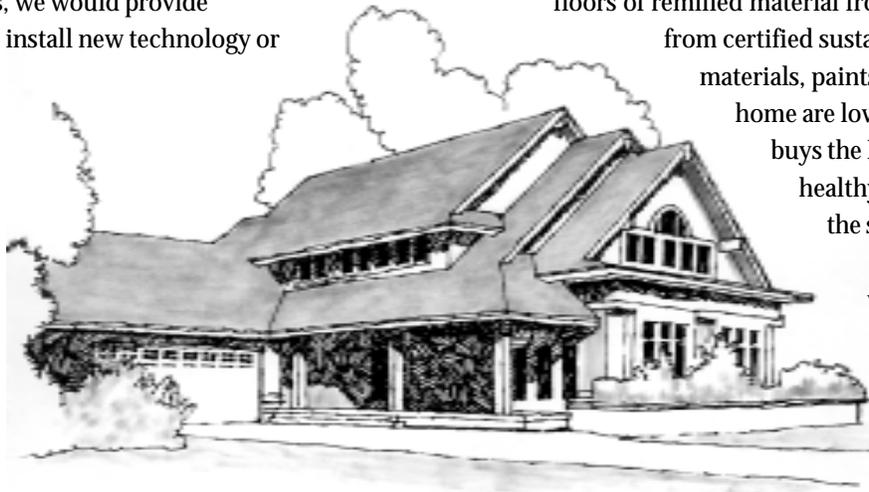
are Structural Insulated Panels (SIP), and the interior partition walls are framed with manufactured studs. Everything comes out nice and straight, with no bowed walls, and the materials are resource efficient. A geothermal heat pump heats and cools the house. This type of heat pump extracts heat from the earth through wells drilled into the building site. The system has the lowest operating cost of any heating system available. Super-efficient windows let in lots of light, but keep out winter cold and summer heat.

Other features include a high-efficiency appliance package, a complete home automation and lighting control system, a heat recovery ventilation system and hard wood floors of remilled material from old flooring or wood from certified sustained yield forests. All materials, paints, and finishes used in the home are low toxicity. So, whoever buys the NeXt house will get a very healthy indoor environment from the start.

BPA wanted to find a way of getting the most out of what we spend on promoting energy-efficiency and technological innovation. To stretch the dollars and increase public aware-

ness. We came up with the NeXt House idea to make the effort pay for itself. When the home show is over and we have gotten good public exposure to the home, we will sell it at fair market value and roll the money over into another home in the series. "We plan to do a series of 6 homes scattered across the region," says Vicki English, coordinator of BPA's efforts to sponsor energy efficiency and technical advancements. "The net cost to BPA when we are finished should be near zero dollars, and it may even generate additional funds to sponsor other projects."

- Mark Jackson



TIP FOR THE SEASON

Help conserve water during the drier seasons. Use a rain barrel to collect rainwater then use it for watering your outdoor potted plants and flowers.

Fuel Cell Road Show Generates Electrifying Ideas

BPA's prototype Proton Exchange Membrane (PEM) fuel cell system has gotten quite a workout over the last few months. The 5 kilo-watt methanol-fueled power appliance was first unveiled to the public in late November at the international Fuel Cell conference in Palm Springs. From there began a 5,000-mile odyssey that spanned the northwest from Great Falls, Montana to Eugene, Oregon. Mark Jackson, the fuel cell project manager, started out on the road trip with little more than a rental truck, a bag of donuts and a thermos of espresso.

I began with the premise that if this project was going to move forward to field testing stage, it needed significant customer support. I wasn't sure at first how well utilities would take to this new technology would be received by utilities. But my fears vanished before I got ten minutes into the first presentation and demonstration. People quickly started coming up with situations where the fuel cell system could solve a power delivery or reliability problem for their customers. It was soon clear that utilities would support further development of the power system and they would be willing to share in the cost.

The road show was a joint effort involving BPA and Northwest Power Systems, the private firm we are working with to develop the fuel cell. The prototype system is manually operated. So someone from NPS came along to each demonstration to start the system up. Meanwhile I launched into my presentation on the fundamentals of how the appliance works. By the time my talk was over, the fuel cell system was up to power and operating smoothly.

It was while people watched the system operate that the most interesting comments and ideas popped up. For example, Larry King, a BPA Account Executive from Burley, Idaho suggested breweries that produce alcohol-free beer could operate the system on the ethanol they extract from the beer. The system would produce heat and electric power for the brewery operations. And, since the alcohol is used on the premises, there are no complications related to off-site ethanol sales.

I heard ideas for application of the technology varying from remote site placement, where extending the existing distribution system is prohibitively expensive, to on-grid backup and uninterruptible power supplies. You can see how this starts to create a picture of why many think if the cost can be reduced through mass production; the potential applications are almost limitless.

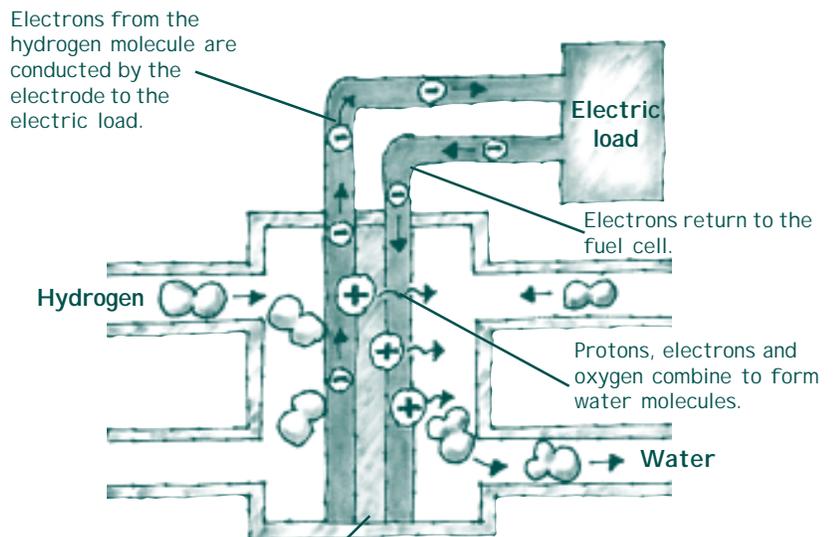
During the road show, we took advantage of any opportu-

nity to demonstrate the system. Most places we rolled the system off the truck onto a customer's loading dock, but we were open to other approaches. At a statewide co-op managers meeting in Great Falls, there was no way to offload the system for an indoor demo, so we fired up the system in the back of the truck. Even with the chilly north winds blowing, the system was intriguing enough to keep the co-op managers standing around the back of the truck asking good questions and coming up with interesting applications. In Eugene, we operated a house as the demo. Jeff Shields, the general manager at Emerald PUD, was bold enough to let us disconnect his house from the grid and meet the power needs of the home with the fuel cell system. We are pleased to say in all these situations the system started right up and performed flawlessly.

The road show was successful in generating enough interest to take the project to the next step. BPA will cost share in producing ten "Alpha" test units, with a follow-on batch of 100 "Beta" test units. We set a project target of 8 cents a kWh for off-grid power in five years. Judy Johansen, the BPA administrator, has presented an even greater challenge of 5 cents in five years. With a natural gas fuel reformer planned for future development, we just might be able to meet her challenge. I know myself and others most closely connected to the fuel cell project are ready to try.

- Mark Jackson

How Fuel Cells Work



The membrane electrolyte assembly separates hydrogen molecules into electrons and protons and allows the protons to move through the membrane.

Electric Revolution Stimulates and Challenges NW Entities

Regional, national and international experts gathered in Portland, Ore. on March 18 and 19 to explore how new technologies will revolutionize the energy business, both in power production and transmission. The "Electric Revolution" symposium turned out to be one of the largest on distributed power technologies ever held.

BPA Administrator Judi Johansen closed the event with a challenge that serves as inspiration for Northwest leadership. She said, within the next five years, environmentally friendly distributed power technologies will provide power delivered at or below 5 cents per kilowatt-hour, with an energy conservation efficiency of 95 percent including use of waste heat. The people of the Pacific Northwest will make it happen.

Speakers talked about the consumer connection. Distributed technologies provide a higher level of reliability that puts them in sync with where consumers are headed both at home and in business. But to succeed, they need to be easy to use. Several said small power sources in substations or at end-use could reduce transmission congestion, support voltage, shave peaks, and improve the use of distribution assets. Steps need to be taken in industry restructuring and regulation that will encourage, not hinder these innovative ideas.

The Electric Revolution offered just a peek at the wide variety of technologies that are emerging to supplement or provide an alternative to central-station generation. On display were natural gas microturbines, fuel cells, wind turbines, geothermal heat pumps, solar products from a thermal-solar dish generator to photovoltaic roof shingles,

power flow management products, inverters and connectors and measurement products including data loggers and metering systems.

Over 400 attended this event, representing Northwest utilities, environmental

groups, government agencies, and private companies. At the event were speakers from ScottishPower, British Petroleum, Bechtel, SINTEF Energy Research – Norway, NRDC, DOE, Northwest Power, Orcas Power and Light, City of Ashland, Emerald PUD, Okanogan County Electric Cooperative and special guest dinner speaker James Burke, to name just a few. Eighteen vendors displayed technologies in the exhibit hall and the two days networking was steady.

More highlights of the Electric Revolution are found in BPA's website at www.bpa.gov/Corporate/KCC/electric_rev/summary.htm.

- Sharon Doggett



ITAP REVISITED

An article appeared in the February issue of this newsletter about the Industrial Technical Assistance Providers (ITAP). The article, intended to introduce utilities and other readers to a resource that can help respond to industrial customer needs, sparked interest and concern among some energy-related businesses. A clarification is in order.

Services currently offered by ITAP members include: energy and environmental assessments, assistance in adopting new technologies and business practices, access to federal and university research facilities, staff training, and financial assistance. For more information about ITAP, please contact the Energy Ideas Clearinghouse at 1-800-872-3568.

Comprehensive audits, equipment selection, design and installation services are generally done by energy service companies. For more information about energy businesses that may offer these services, consult the Northwest Energy Efficiency Business Listing located in the Energy Efficiency portion of BPA's website at <http://www.bpa.gov/cgi-scripts/ncs/custhome.asp>.

CUSTOMER FOCUS

In Pursuit of Leaky Ducts

Don't let leaky ducts leave you shivering in the cold or breathing unhealthy pollutants, so says Central Electric Cooperative (CEC) who has taken steps to alleviate these problems for its customers.

National surveys show that the typical heating/air conditioning duct system suffers efficiency losses of 25 – 40 percent in both new and existing homes. Duct leakage can also be a chief cause of indoor air quality problems in many houses. That's more than enough reason for this utility to want to educate its members on duct system inefficiencies.

For over a year and a half, CEC has been helping residential consumers find and fix leaky ducts through its Healthy Home Energy Program. Using duct system testing equipment like the Duct Blaster and the Blower Door trained CEC energy specialists pinpoint inefficiencies that can make a home uncomfortable and waste heating and cooling dollars. They also check to see if a duct system is sucking potentially dangerous air from garages, fireplaces, etc. into living areas. Best of all they do this free for CEC members. Non-members with electric forced-air heating systems can also ask for testing. The fee is nominal at \$95.

Once problems are identified, CEC works with consumers to find local firms skilled in making repairs. They have been very successful in getting buy-in from contractors to do work in accordance with a standard set of specifications.

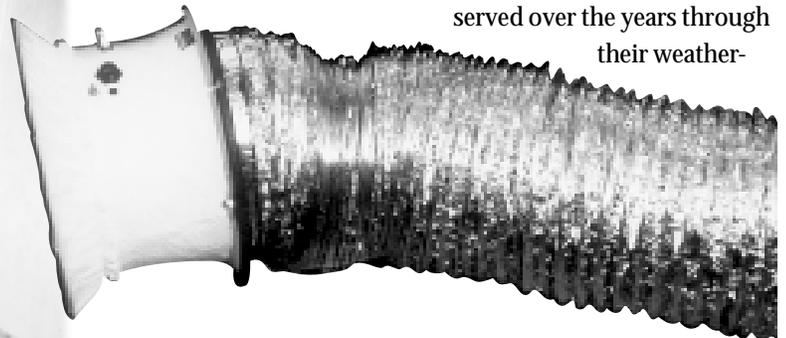
The Healthy Home Energy Program is a very popular one. "The challenge for us is not creating customer demand, it's managing it", says Jim Crowell, spokesperson for CEC. "Our advertising has been very successful, but our resources are limited. It becomes a juggling act between the amount of

publicity we give the program and the staff we have available to respond to customer requests."

CEC uses local TV, radio and print media to get the word out about Healthy Home Energy Program. Usually one month of advertising books their staff for six months.

Over 500 inquiries and/or completions have been logged, and the requests for testing keep coming in. Most of those are due to comfort concerns, high bills and dusty environment situations. To help in taking those requests CEC has conducted special training sessions for employees who work in the co-op's 24-hour call center.

CEC, which serves a portion of the city of Bend and five counties in central Oregon, has a territory that spreads over 5300 square miles. It has a residential customer base of 19,000 accounts. Though many of these have already been served over the years through their weather-



ization program or are built to Super Good Cents standards, there are still many who can benefit from the Healthy Home Energy Program. Just one more way this utility is still finding opportunities to improve energy efficiency for its consumers and the Northwest.

For more information on the CEC Healthy Home Energy Program, call Vern Rice, Energy Specialist at (541) 389-1980. - Sharon Doggett

Visit Energy Efficiency's Web site at:
<http://www.bpa.gov/Energy/N/default.htm>



CONFERENCES

Mac makes mold studies *marvelously* interesting!

What could possibly be interesting about mold and mildew, you ask? It's all in the presentation style and content. Don't miss this dynamic "Killing Mold and Mildew" Workshop.

Well-known speaker, MacGregor Pearce of St. Paul, Minnesota, has it all. "Mac" is an environmental health consultant specializing in indoor air quality problems. He has investigated mold in homes, commercial buildings, hospitals, clinics and skyscrapers. Mold and mildew are at the root of a number of health problems and contribute to building degradation. Mac makes mold studies *marvelously* interesting.

This mold and microbiology workshop, sponsored by Okanogan County PUD, is Wednesday, May 12, 1999, at the PUD auditorium in Okanagon, Wash., from 1 p.m. to 5 p.m. Registration begins at 12:30 p.m. Cost for the workshop is \$25, payable to Okanogan County PUD. Payment must be received by April 31.

For more information please contact Debbie Peters, Okanogan County PUD, at (509) 422-8427.

Business List Sees Steady Growth

It was last fall when we introduced the Northwest Energy Efficiency Business List in this newsletter. An online tool developed by BPA, the list is a collection of firms and professionals that offer energy efficiency products and services to Northwest entities. It has grown steadily since its debut, now providing information on over 540 private companies.

The latest additions to the list are 22 PV/solar companies, with plans for more and other renewables firms. A concentrated effort is underway to better categorize the metering companies on the list and to increase that group beyond the current 100 firms.

We are hearing good things about the Business List. Many report using it to find services or for other business purposes. Some have gained new customers as a result of being on

the List. Others are using it to recruit new members to energy organizations (e.g. NEEC), to expand invitee lists to energy related conferences (e.g. Energy '98), or to help in profiling the energy efficiency and renewables industry in various locations (e.g. Washington Department of CTED). One company states it has been getting web page hits referred from the listing. While the president of one of the solar companies just listed called to say he used the business listing to find some of the companies he had hoped to connect with.

So what's next for the Business list? Continued outreach to add more private firms and educate folks of its existence. We seek new listings by regularly sending out information surveys, using vendor and attendee lists from conferences and from contacts in some of our local utilities. Plans are to expand the List even further to include utilities, state agencies and other energy related groups that are resources for energy efficiency work.

Take a moment to explore the Business List in BPA's Energy Efficiency website at

<http://www.bpa.gov/cgi-scripts/ncs/custhome.asp>

SYSTEM BENEFITS CHARGE

Oregon – Still Hanging On

Two bills have been introduced to the Oregon legislature so far this session dealing with deregulation of Oregon's electric industry. One in the House Commerce Committee by the Fair and Clean Energy Coalition (HB 3359). The second, which is getting most of the attention, is Senate Bill 1149. Its

chief sponsor is Senate Majority Leader Gene Derfler (R-Salem) who introduced it

in his Senate Public Affairs Committee. Each has a public purposes provision.

On April 5, with the backing of a strong faction of business and consumer groups, the Senate Public Affairs

Committee passed Derfler's bill that calls for a gradual approach to deregulation starting on Jan. 1, 2001. It is scheduled to go next to the full Senate for vote the week of April 19.

Here is a summary of the key aspects of the 3 percent public purposes charge provisions of each bill.

SB 1149 (Derfler)

For IOUs:

- Based on total sales of electricity services
- Only applies to direct access consumers
- For a period of 10 years
- Funds distribution – 68 percent new cost-effective energy conservation and market transformation, 19 percent above market cost new renewables, 13 percent new low income weatherization
- Consumers > 1 aMW receive a credit against the charge for on site qualifying measures
- A separate charge will be collected for low-income billing assistance

For Public Utilities

- Beginning on the date a public utility offers direct access to any class of retail customer, they shall start collecting a public purpose charge from that class
- For a period of 10 years
- Charge shall be sufficient to produce 3 percent of revenues from electricity services
- Funds may be expended on programs pursuant to agreement with BPA
- Provide for separate billing assistance program.

HB 3359 (Fair and Clean Energy Coalition)

- Based on total sales of electric services
- Applies to all consumers
- Publics have local control of the funds
- Extra charge for billing assistance
- Loads >10 aMW may spend funds at own facility

Washington – Not this Year

The Washington legislature ends its session on April 25. Cut off dates for bills to get out of committee and pass out of their respective houses

was in March. No systems benefit charge legislation was introduced this session. There continues to be reluctance by the House Technology, Telecommunications and Energy Chair to pass pieces of restructuring legislation without a comprehensive restructuring bill. While the Democratic majority in the Senate expressed an interest in drafting legislation for a systems benefit charge it likely would not have gotten through the House where the 50/50 split has kept most bills from passing this session.

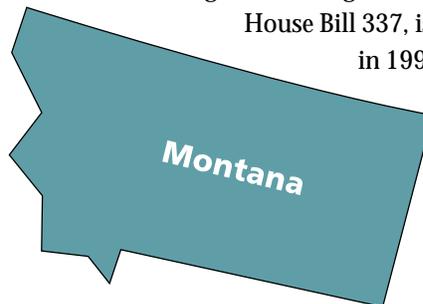
Montana – Focuses on Implementation

The 1999 Montana legislature has concentrated on implementation of the 2.4 percent Universal System Benefits Charge (USBC) that was approved as part of Montana's comprehensive retail electric restructuring law in 1997.

Utilities began collecting USBC revenues on Jan. 1, 1999. House Bill 337, is the result of work done in 1998 on follow-up legislation

to clarify numerous details about how the USBC will be administered. As of mid-April this bill was still being reviewed and considered by the state legislature.

Montana's retail access law allows utilities to receive credit toward their annual funding requirements for their internal programs and activities that qualify as universal



System Benefit Charge (Montana)

Continued

system benefits (USB) programs and purposes. Cooperative utilities are allowed to pool their statewide credits. Large customers (defined as having loads greater than 1,000 kilowatts) may also receive credits for their internal expenditures that qualify for USB purposes. HB 337 clarifies how the credits will be accounted for and reported on an annual basis. It explains how financial responsibility is established if the state Department of Revenue later disallows claimed credits.

HB 337 authorizes the state Department of Revenue to establish two state funds to receive monies from utilities if there is a positive difference between the credits claimed and the annual funding requirement. One fund, to be administered by the Department of Public Health and Human Services, is for low-income energy assistance. The other fund would be administered by the Department of Environmental Quality for other USB purposes.

HB 337 also establishes a credit review process. Unless an interested person files a challenge to annual reports filed by IOUs, Cooperatives, and large customers, their claimed credits are presumed correct. If a challenge is filed, the Department of Revenue will conduct an initial review to determine if the credit is likely to qualify for USB purposes. Should the department determine a more formal review is necessary, it will issue a public notice of opportunity to comment, may schedule a hearing, and will then make a decision based upon the record.

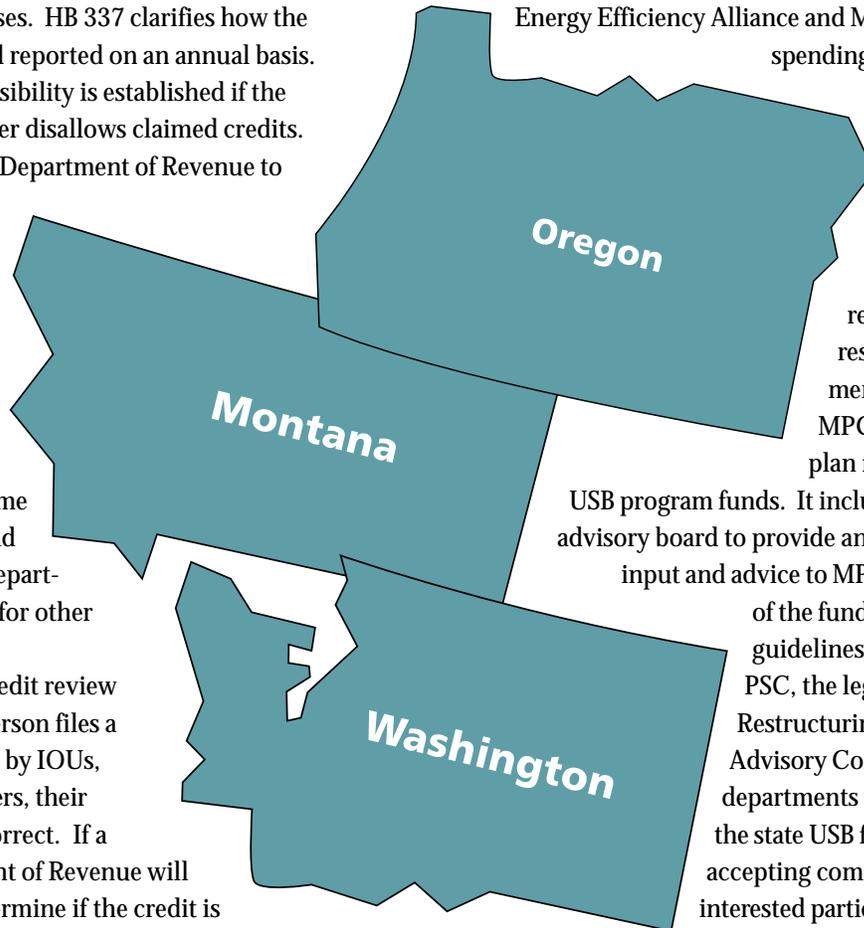
The Public Service Commission (PSC) issued an order in February 1999 specifying an allocation for Montana Power

Company's (MPC's) initial annual collection of \$8.559 million in USBC program funds. Funds are to be distributed: 50% for local conservation and large customer rebates; 13% for market transformation (a combination of NW Energy Efficiency Alliance and Montana-based spending); 21% for low-income bill assistance, weatherization, and Energy Share/outreach; 13% for renewable resources; and 3% for research and development. In late March, MPC filed a proposed plan for administering its

USB program funds. It includes creating an advisory board to provide an avenue for public input and advice to MPC on expenditures of the funds, within the guidelines established by the PSC, the legislative Electric Restructuring Transition Advisory Committee, and the departments that will administer the state USB funds. The PSC is accepting comments from interested parties on MPC's proposal through mid-April.

The PSC is still in discussion with Montana-Dakota Utilities and with Flathead Electric/Energy Northwest, Inc. concerning details of USBC collection and distribution in their service areas.

- Cindy Custer/Carol Fleischman/Gail Kuntz



TIP FOR THE SEASON

Inspect and maintain all heating and cooling systems. Periodic maintenance such as cleaning and replacement of filters can save up to 10 percent of your heating and cooling costs.

from *Energy Excerpts*

PROGRAM NEWS

Market Transformation: The Local Connection

Our February newsletter featured a story about the value that local actions can bring to regional market transformation efforts undertaken through the Northwest Energy Efficiency Alliance (Alliance). One place this is already happening is in support of Super Good Cents (SGC) manufactured housing; a program the Alliance has stated can particularly use local assistance.

Some utilities are providing incentives in their local areas to further encourage SGC manufactured home purchases. In January, Blachly-Lane County Co-op became the eighth utility in the region to offer incentives for homes located in their service area. Joe McFadden, the Co-op's contact person, reports that the utility initiated a \$200 credit on their electric statement for SGC certified manufactured homes in their area. So far, one home has received the incentive.

Orcas Power & Light, who offers their own incentive for SGC manufactured homes (\$300 to the buyer and \$100 to the dealer), is reminding retailers who supply homes to their service area of the availability of their incentive. At the utility's request, BPA has also contacted the retailers and made them aware of the incentives being offered by Orcas and the other utilities in the region.

Fall River Electric Coop. and Lost River Electric Coop. in Idaho, Columbia Rural Electric Association, Inc., Grant County PUD, OHOP Mutual Light Co., and

Pend Orielle County PUD in Washington are the other utilities offering incentives.

Some utilities are tuning their local communities in to the benefits of SGC manufactured homes by publishing articles in customer newsletters. Grays Harbor PUD's Joanne Hansen included an article and photo in the March issue of their "Energy" newsletter about their exhibit booth that was part of the Feb. 6th Grays Harbor Chamber of Commerce Trade Show at the South Shore Mall. The article included a description of the Super Good Cents display that featured the higher insulation levels provided by SGC and quieter and more efficient exhaust fans.

People from Salem, OR and nearby communities got a glimpse of what SGC manufactured homes are all about at the March Salem Home Show. A Super Good Cents/ Natural Choice exhibit was featured by the Oregon Office of Energy (OOE). Representatives from OOE, the Idaho Office of Energy and BPA were on hand to answer questions from the dealers and prospective buyers who attended. A new "Comfort You Can Count On" brochure was unveiled and distributed at the show that included SGC savings in different Northwest cities. The booth included insulation and fan exhibits, panels illustrating the higher appraisal values for SGC manufactured homes and details on incentives offered by some utilities in the region.

- Don Davey



Appliance Efficiency on the Move

Portland General Electric (PGE), the Oregon Office of Energy and BPA have teamed up under in a pilot program to offer substantial savings on energy-efficient refrigerators to owners and managers of low-income multifamily housing. The hope is it will encourage landlords to replace worn-out refrigerators with high-quality, energy-saving ones. PGE purchased 144 apartment-sized Maytag refrigerators with a \$50,000 interest-free loan from the Office of Energy. BPA donates the warehouse space and labor to move the refrigerators in and out.

March 17th marked the first pick-up from the BPA warehouse of eleven of these appliances that were placed in Portland area housing.

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