

2012 BPA Rate Case Customer Workshop

**Conservation in Load Forecast
September 14, 2010**



Reflecting Conservation in the Load Forecast

Goal: Explicitly identify the conservation amounts assumed in the forecasts for each customer. Doing this in preparation for the RHWM process and the 2014 rate case.

- 1) Need to correctly capture historical pattern and any growth included in the trend.
- 2) Need to capture changes to trend from either increasing or decreasing utility program activity



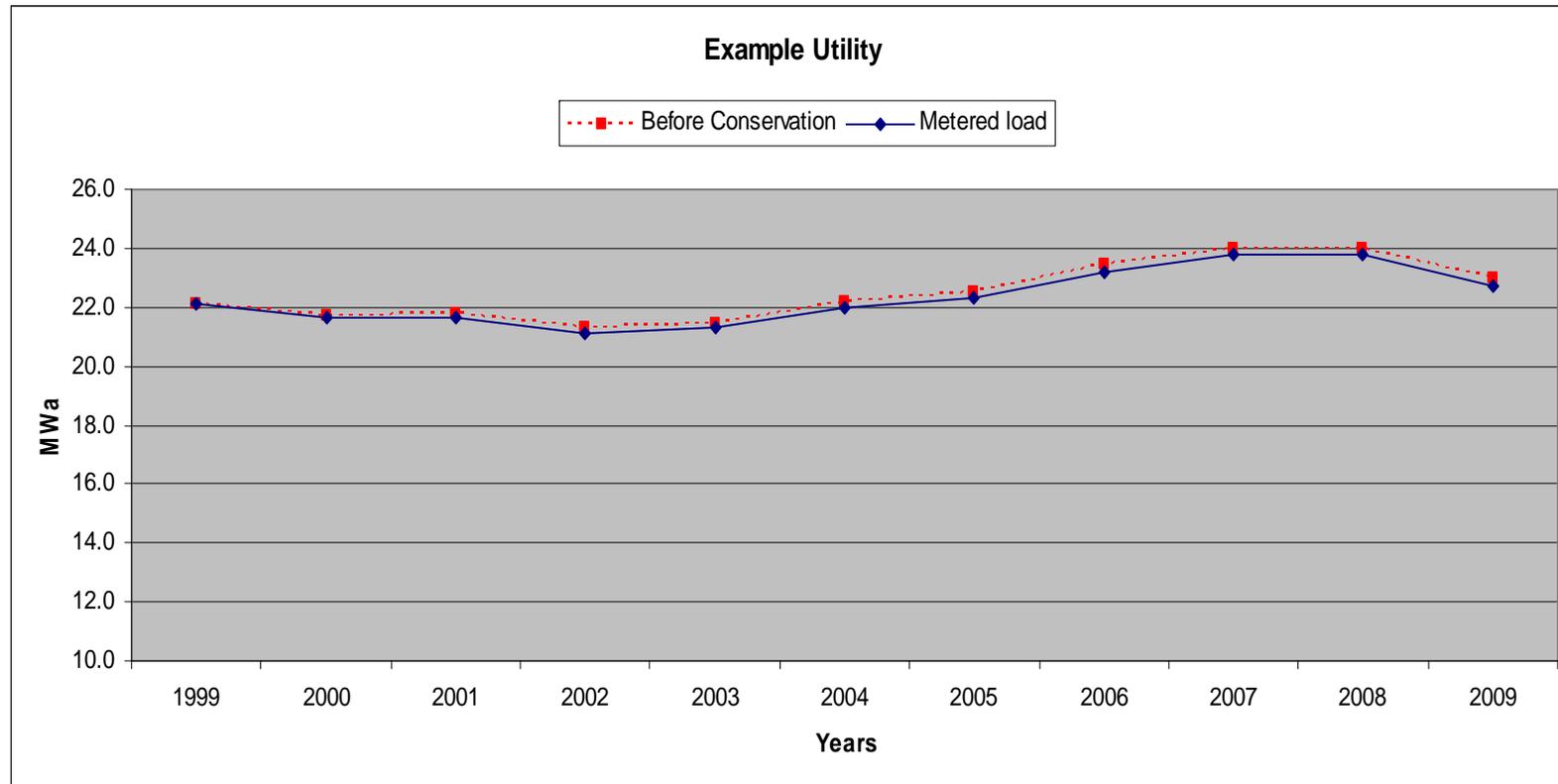
Reflecting Conservation in the Load Forecast

Steps

- 1) Create and forecast a historical time series of growth without conservation.
 - Add to metered readings the reported conservation achieved.
 - Model time series without conservation to determine forecasted growth.
- 2) Calculate implied trend in conservation being achieved- may include a trend based on activity level of each utility.
 - Calculate difference between forecast without conservation and metered data including conservation.
- 3) Explicitly adjust trend by program specific changes identified by each utility.
 - This could be either an increase or decrease in trend depending on the specific utility conservation plans.



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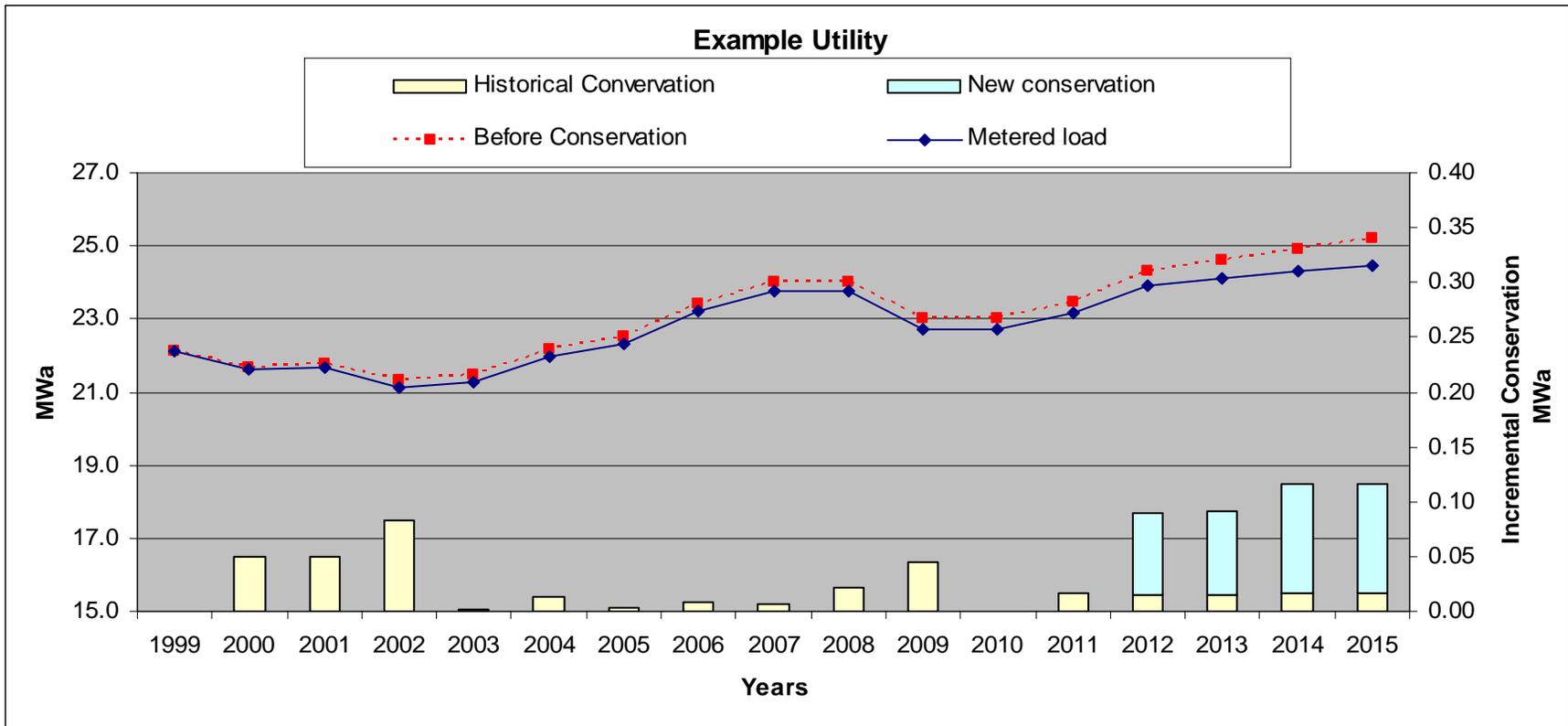


Metered loads: Average Annual Growth Rate 1999-2009 (AAGR) - .3%

Conservation adjusted loads: AAGR - .4%



Reflecting Conservation in the Load Forecast



Forecast identifies trend on historical conservation assumed in forecast and explicitly includes new conservation by year.



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Items we will monitor for potential impact to BPA planning

- 1) Growth rates are reasonably close for before conservation and metered value time series
- 2) New incremental conservation appears doable
 - Does the Utility new activity seem reasonable compared to other utility experiences for similar programs?
 - Does the Utility have a track record of running successful conservation programs?
 - Is the infrastructure in place to run a productive conservation program?

