

March 17, 2023

Jamae Hilliard Creecy, VP Energy Efficiency
Bonneville Power Administration

RE: PPC Comments on BPA’s Draft 2022-2027 Energy Efficiency Action Plan

The Public Power Council (PPC) appreciates this opportunity to provide comments on BPA’s Draft 2022-2027 Energy Efficiency Action Plan. PPC is the broadest trade association of Northwest public power, representing the full diversity of utilities with preference rights to purchase wholesale power and transmission services from BPA.

PPC members rely on these services to provide reliable, economic, and environmentally responsible power supply to the communities and businesses they serve at cost. PPC members provide the majority of the funding that supports BPA’s operations and obligations to repay the federal and private investments in the federal system. This includes final “take or pay” responsibility for costs of the power system under long-term contracts.

PPC members have and continue to make substantial investments in energy efficiency. **The entire BPA energy efficiency program is funded by the power rates paid by preference customers, in addition to programs and support at individual utilities.** Although a distinction is sometimes made between Energy Efficiency Incentive (EEI) and “self-funded” conservation, in actuality all conservation acquired by BPA is funded directly by power customers. Further, with the Tiered Rates Methodology, customers are subject to price signals and a rate design that ensures that the costs, benefits, and risks of their energy efficiency investments (and other resource investment decisions) are their own. Finally as context, PPC members are non-profit, locally governed entities that do not have a profit motive that could be a disincentive to energy efficiency investments.

PPC strongly supports the ongoing use of the BPA Resource Program analysis as an analytical foundation for development of energy efficiency acquisition strategies. In combination with appropriate inputs from the Northwest Power and Conservation Council’s power plan, this results in an approach that is consistent with the power plan while fulfilling BPA’s obligation to conduct its own due diligence in resource

acquisition. PPC supports further enhancement of the Resource Program analytical capabilities through time to enable the most informed resource decisions for both generating and supply-side resources.

PPC believes that the recommendations and driving factors behind the Action Plan are generally reasonable. It is of particular importance to emphasize that a lower target range of programmatic acquisition is not indicative of a diminished commitment to pursuing cost-effective energy efficiency. Rather, there is a reality of declining potential for energy efficiency due to previous achievements both programmatically and in terms of codes, standards, and general technological progress. In terms of cost effectiveness, the costs of alternative resources (including carbon free) have also declined dramatically.

PPC supports reasonable flexibility in implementation of the energy efficiency program to meet customer needs. Outcomes of optimal production cost modeling must be balanced with consideration for “real world” implementation for diverse customer circumstances. For example, there are varying levels of potential in different sectors by service territory and also different levels of access to materials and contractors to implement measures. Rural utilities in particular face unique challenges and PPC supports implementation options to meet their needs as part of an overall portfolio - even where that may not be completely optimal from a modeled cost-effectiveness standard. We also note that with new large load types coming on, retail energy sales may not be the best measure of a “small” or “rural” utility – a utility could be a generally a small rural community but serve a large server load for example.

Finally, we encourage BPA to be adaptable to changing circumstances during the course of the Acton Plan period. Regular check ins and adjustments as needed represents prudent business practice.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in blue ink that reads "Michael Deen". The signature is written in a cursive style and is contained within a thin black rectangular border.

Michael Deen
Policy Director, Public Power Council