

1 **NORTHWEST PUBLIC POWER ASSOCIATION**

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3 **RESOLUTION 2-09**

4 **IN SUPPORT OF ENERGY EFFICIENCY**

5 Public utilities in the West will be facing major challenges in the coming years.  
6 Two major challenges are the need to develop additional sources of power to meet  
7 growing customer needs and the impact of climate change legislation and regulation  
8 on power costs. Effective energy efficiency programs can provide utilities and  
9 ratepayers with opportunity and incentive to offset costs associated with meeting  
10 regulatory challenges by substituting power purchase needs with energy efficiency  
11 gains.

12 The Bonneville Power Administration (BPA) has historically been able to supply  
13 all regional publicly- and cooperatively-owned utilities with the power necessary to  
14 meet their ratepayers' needs. However, starting in October, 2011, BPA be  
15 implementing a tiered rate mechanism and will be unable to meet all the future needs  
16 of those regional utilities that currently depend on its resources. Many utilities will be  
17 forced to purchase power on the market to meet ratepayers' needs beyond BPA's "High  
18 Water Mark" level and will face the marginal cost of new resources, which is almost  
19 certainly to be considerably more expensive than the Tier 1 power from Bonneville.

20 Climate change has become the focus of proposed state and multi-state  
21 regulation. The Western Climate Initiative (WCI) as well as proposed legislation in  
22 Oregon and Washington will directly affect the price of carbon-based power purchased  
23 on the open market. Utilities whose needs exceed power allotted under the High  
24 Water Mark will be faced with increased power cost pressures due to climate change  
25 legislation.

26 Energy efficiency is not only affordable and abundant; it has additional  
27 advantages, such as reducing greenhouse gas emissions and providing savings to  
28 ratepayers. Western utilities which invest in energy efficiency help create jobs at the  
29 local level which benefit local economies and tax bases.

30 Accordingly, the Northwest Public Power Association (NWPPA) was pleased to  
31 see significant federal investment in energy efficiency programs as created in the  
32 "American Recovery and Reinvestment Act of 2009". The hope is that new  
33 investments or incentives will help develop new energy efficiency technologies and  
34 create stability in the delivery infrastructure to increase public interest in energy  
35 efficient programs.

36 Additionally, NWPPA urges Congress and the Western Governors' Association  
37 (WGA) to aggressively implement and promote:

- 38 • Long-term energy efficiency measures as a cornerstone of America's energy  
39 policy;
- 40 • The implementation of all cost effective energy efficiency programs at the utility,  
41 State, and Federal level;
- 42 • Increased research and development funding or incentives for demand side  
43 management technologies such as "Smart Grid" which will enable utilities to  
44 directly target peak loads at critical times of the day and year;

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- Tax credits and incentives for public facilities, businesses and homeowners to install energy efficiency measures, thereby lowering facility costs and thus reducing strains on budgets;
- Increased funding for low-income energy efficiency programs, enabling low-income renters and homeowners to better afford the rising energy costs associated with market-based power and climate change;
- Funding for energy efficiency training programs in schools and colleges to help train the energy efficiency workforce of the future;
- Energy efficiency building codes and code enforcement for the construction and retrofitting of homes and commercial businesses;
- A concerted campaign at multiple government levels to inform the public about the benefits of energy efficiency as well an educational effort on “how to” reduce energy consumption aimed at consumers; and
- Recognition for early energy efficiency achievements towards meeting state, multi-state or federal emission reduction targets.

63 Revised: March 2009 by EPUD, Chelan PUD, Western Montana G&T and  
64 NWPPA Staff – Revised again 5-18-09