

TIER Environmental Forecast Group
 Advocates for the West
 Alaska Housing Finance Corporation
 Alliance to Save Energy
 Alternative Energy Resources Organization
 American Rivers
 The Apollo Alliance
 Audubon Washington
 Bonneville Environmental Foundation
 Central Area Motivation Program
 Citizens Utility Board of Oregon
 City of Ashland
 Clackamas County Weatherization
 Climate Solutions
 The Climate Trust
 Community Action Partnership of Oregon
 Community Action Partnership Assoc. of Idaho
 Conservation Services Group
 David Suzuki Foundation
 Earth and Spirit Council
 Earth Ministry
 Ecos Consulting
 Ecological Design Center
 Formative Options, LLC
 Gresham People's Utility District
 The Energy Project
 Energy Trust of Oregon, Inc.
 EnXco Development Corporation
 Environment Oregon
 Environment Washington
 Eugene Water & Electric Board
 Friends of the Earth
 Golden Eagle Audubon Society
 Grasslands Renewable Energy
 Horizon Wind Energy
 Home Performance Washington
 Housing and Comm. Services Agency of Lane Co.
 Human Resources Council, District XI
 Iberdrola Renewables
 Jaha Conservation League
 Jaha Rivers United
 Jaha Rural Council
 Jaha Wildlife Federation
 Interfaith Network for Earth Concerns
 Kootenai Environmental Alliance
 Laborers International Union of North America, NW Region
 League of Women Voters - ID, OR & WA
 Metrocenter YMCA
 Missoula Urban Demonstration Project
 Montana Audubon
 Montana Environmental Information Center
 Montana Public Interest Research Group
 Montana Renewable Energy Association
 Montana River Action
 Montana Trout Unlimited
 Moontown Foundation
 The Mountaineers
 Multnomah County Weatherization
 National Center for Appropriate Technology
 Natural Resources Defense Council
 New Buildings Institute
 Northern Plains Resource Council
 Northwest Energy Efficiency Council
 Northwest Renewable Energy Institute
 Northwest Solar Center
 JW Natural
 JW SEED
 Olympic Community Action Programs
 Opportunities Industrialization Center of WA
 Opportunity Council
 Oregon Action
 Oregon Energy Coordinators Association
 Oregon Environmental Council
 Oregon HEAT
 Pacific Energy Innovation Association
 Pacific NW Regional Council of Carpenters
 Pacific Rivers Council
 The Policy Institute
 Portland Energy Conservation Inc.
 Portland General Electric
 Puget Sound Alliance for Retired Americans
 Puget Sound Energy
 Renewable Northwest Project
 River Network
 Salmon for All
 Save Our Wild Salmon
 Seattle Audubon Society
 Seattle City Light
 Sierra Club
 Sierra Club, BC and MT Chapters
 Snake River Alliance
 Solar Oregon
 Solar Washington
 South Central Community Action Partnership, Inc.
 Southeast Idaho Community Action Agency
 Southern Alliance for Clean Energy
 Spokane Neighborhood Action Programs
 Student Advocates for Valuing the Environment
 Thomas Audubon Society
 Trout Unlimited
 Union Of Concerned Scientists
 United Steelworkers of America, District 11
 VA CTED - Housing Division
 Washington CAN!
 Washington Environmental Council
 Washington State University Energy Program
 Working for Equality And Economic Liberation
 World Institute for a Sustainable Humanity
 World Steward



NW Energy Coalition
 for a clean and affordable energy future

August 19, 2011

Steve Wright, Administrator
 Bonneville Power Administration
 PO Box 3621
 Portland, OR 97208

Dear Steve,

We appreciate the opportunity to meet with you last week regarding the EEI budget for FY2011 – 2014. The following are NWEC's comments in response to that dialog and to the BPA draft proposal "Proposed Approach for EEI Budget Adjustments and Scenario Results Due to Energy Efficiency FY2011 Capital Overspend."

First, we would like to reiterate our compliments of Bonneville's energy efficiency program and the successful efforts to ramp up energy efficiency achievements of your utility customers. We hope that this year is the beginning of the realization of the challenge you helped layout with the Northwest Energy Efficiency Task Force to accelerate acquisition of energy efficiency across the region. These energy efficiency gains will benefit BPA's utilities, end users, and the region as a whole.

Second, we strongly urge BPA to consider an alternate approach to solving this year's capital overspend that allows the agency to honor all energy efficiency commitments in FY2011 without reducing future year budgets. We agree with the approach of funding all FY2011 requests, including those ECA requests that came in after BPA put a hold on processing further requests, estimated at \$4 million, and maintaining the FY2012 budget at previously established levels. However, all of the scenarios in BPA's draft proposal require a net reduction in future year budgets (FY2013 and FY2014). We urge BPA to explore alternate solutions to maintain FY2013 and FY2014 budgets at their current levels, effectively increasing budget resources to capture valuable EE resources.

Further, we point out that the BPA proposal as written uses the EEI budget of \$115 million dollars for FY2011, which reflects \$35 million dollars that was already "borrowed" from future years per BPA's decision announced in June. We suggest that further discussions of the EEI budget include this \$35 million in a more transparent manner and that budget solutions for the post FY2011 period increase sufficiently to include the \$35 million advance made to cover the increase to FY2011.

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In summary, we do not support any of the scenarios put forward in the BPA proposal. The existing EEI budget is set to achieve the Northwest Power Planning Council's medium case for energy efficiency as set forth in the 6th Power Plan. The Council Plan analyzes a high case for energy efficiency acquisition that is also cost effective. FY2011 efficiency activity may well indicate that the region is on a path to achieve the high case level of savings. We believe it would be a disservice to the region, BPA's utility customers, end use electricity customers and indeed BPA itself to put the brakes on the successful achievement of all cost effective energy efficiency by constraining the budget.

As we have mentioned previously, there are several ways BPA can maintain out year funding to support the existing momentum: a very modest rate adjustment, third-party financing of debt, cost reductions in other program areas within BPA, drawing on reserves generated from surplus sales. We continue to believe that these solutions will further your conservation obligations more effectively than telling utilities that their aggressive efficiency efforts this year will penalize them in future years.

While we understand your desire to manage within the existing five-year conservation budget, finding the means to increase the budget to fund all cost effective energy efficiency has many benefits. Most critically, it ensures sufficient funding in future years to acquire all cost effective energy savings, serving the interest of the region by reducing the need for additional energy resources and saving money for utilities and end users. This approach also has the following benefits that we feel are key to BPA relationships both in the energy efficiency program and beyond:

- Honors existing commitments to customer utilities.
- Maintains momentum with utilities, trade allies and vendors who are committed to grow this sector and create more jobs and economic benefits for the region.
- Avoids a roller coaster that will damage the energy efficiency infrastructure.
- Alleviates inter-utility equity tensions.

Increasing cost effective energy efficiency acquisition at a faster rate than anticipated in the FY2011 – FY2014 budget has great value to BPA, its customers and the region. We do not see this overspending incident as an indictment of BPA's effectiveness in delivering energy efficiency services. In fact, we continue to believe that BPA's role in helping its customer utilities and the region capture all cost effective energy savings is a vital one and should be maintained.

We appreciate the opportunity to provide comments on BPA's approach to this issue and hope that you will consider our alternative approach as a viable option for moving forward toward a final resolution.

Sincerely,



Nancy Hirsh
Policy Director