

3TIER Environmental Forecast Group
Advocates for the West
AirWorks, Inc.
Alaska Housing Finance Corporation
Alliance to Save Energy
Alternative Energy Resources Organization
American Rivers
A World Institute for a Sustainable Humanity
BlueGreen Alliance
Bonneville Environmental Foundation
Centerstone
Citizens' Utility Board of Oregon
City of Ashland
City of Seattle Office of Sustainability & Environment
Clackamas County Weatherization
Clean Energy Works Oregon
Climate Solutions
Community Action Partnership Assoc. of Idaho
Community Action Partnership of Oregon
Conservation Services Group
David Suzuki Foundation
Earth and Spirit Council
Earth Ministry
Ecova
eFormative Options
Emerald People's Utility District
Energy Trust of Oregon
Environment Oregon
Environment Washington
Friends of the Earth
HEAT Oregon
Home Performance Guild of Oregon
Home Performance Washington
Housing and Comm. Services Agency of Lane Co.
Human Resources Council, District XI
Iberdrola Renewables
Idaho Clean Energy Association
Idaho Conservation League
Idaho Rivers United
Idaho Rural Council
Interfaith Network for Earth Concerns
Laborers International Union of North America, NW Region
League of Women Voters – ID, OR & WA
Metrocenter YMCA
Montana Audubon
Montana Environmental Information Center
Montana Renewable Energy Association
Montana River Action
Montana Trout Unlimited
National Center for Appropriate Technology
Natural Resources Defense Council
New Buildings Institute
Northern Plains Resource Council
Northwest Energy Efficiency Council
Northwest Renewable Energy Institute
NW Natural
NW SEED
Olympic Community Action Programs
One PacificCoast Bank
Opower
Opportunities Industrialization Center of WA
Opportunity Council
Oregon Energy Coordinators Association
Oregon Environmental Council
Oregonians for Renewable Energy Policy
Pacific Energy Innovation Association
Pacific NW Regional Council of Carpenters
Pacific Rivers Council
Portland Energy Conservation Inc.
Portland General Electric
Puget Sound Advocates for Retired Action
Puget Sound Cooperative Credit Union
Puget Sound Energy
Renewable Northwest
River Network
Salmon for All
Save Our wild Salmon
Sea Breeze Power Corp.
Seattle Audubon Society
Seattle City Light
Seinergy, LLC
Shoreline Community College
Sierra Club
Sierra Club, Idaho Chapter
Sierra Club, Montana Chapter
Sierra Club, Washington Chapter
Silicon Energy
Smart Grid Northwest
Snake River Alliance
Solar Installers of Washington
Solar Oregon
Solar Washington
South Central Community Action Partnership
Southeast Idaho Community Action Partners
Southern Alliance for Clean Energy
Spokane Neighborhood Action Partners
Student Advocates for Valuing the Environment
Sustainable Bainbridge
Sustainable Connections
SustainableWorks
The Climate Trust
The Energy Project
The Policy Institute
Trout Unlimited
US Green Building Council, Idaho Chapter
Union of Concerned Scientists
United Steelworkers of America, District 12



July 15, 2014

Nancy M. Mitman
Acting Executive Vice President and Chief Financial Officer
Bonneville Power Administration
PO Box 14428
Portland, OR 97293

Via electronic submission at www.bpa.gov/publiccomments

Dear Ms. Mitman:

We appreciate the opportunity to comment on BPA's Integrated Program Review for FY 2016/2017 rate period. With the close of the public comment period now at hand, we want to once again emphasize the need for BPA to increase its investment in energy efficiency programs in FY 2016-17. We urge you to give meaningful consideration to the following points:

Increase low-income weatherization budget to \$10 million

BPA provides just over \$5 million a year for weatherization programs specifically for low-income households across the region. This funding level is an important component of local efficiency and energy services efforts yet has not changed substantially since 2007. Low-income ratepayers contribute to the cost of conservation programs through their rates, but are not able to take advantage of program benefits because most programs require substantial participant contributions. It is a simple matter of equity that low-income households have access to conservation programs. Further, it is a far better long-term investment for BPA and utilities to reduce the need for rate assistance through weatherization.

Low-income weatherization assistance helps people across the region reduce their energy bills. The U.S. Department of Energy estimates that low-income households receiving weatherization services see their energy bills drop by an average of \$437 a year. These savings make all the difference for Northwest families and communities struggling through tough economic times.

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Five million dollars for BPA's entire service territory is too little. We recommend that BPA's low-income weatherization funding be increased to \$10 million per year. Low-income agencies providing weatherization services indicate a strong need for additional funding given their long waiting lists. In BPA's Oregon territory alone, the waitlist for services includes enough families that at current budget levels it would take more than 10 years to reach them all – and the waitlist continues to grow each year. Increasing this budget by \$5 million would have very little effect on overall BPA rates, but it would mean a great deal to many struggling families.

Ensure sufficient energy efficiency funding

BPA must incorporate sufficient funding in FY2016-17 to ensure the 6th plan targets are met and all cost-effective conservation is achieved. The Northwest Power Act defines energy efficiency as the priority resource. That means that when acquiring resources to meet anticipated future loads, the BPA Administrator first must pursue cost-effective energy efficiency in accordance with the Northwest Power and Conservation Council's regional plan. Additionally, BPA's Long-Term Regional Dialogue Policy is to pursue all cost-effective conservation, identified by the Council's regional plan, in the service territories of public utilities served by BPA. BPA contributes substantially to regional progress on energy efficiency by coordinating and helping achieve public power's share of the Council targets during each planning period.

BPA has an obligation to meet the public power share of the Council's targets for energy efficiency outlined in the 6th Plan. Significant questions have been raised about the adequacy of the current proposed budget levels to achieve this commitment. This is primarily because BPA did not use the 6th Plan targets to set the proposed IPR and CIR budget levels. And although new analysis was presented during the IRP process that does utilize the 6th Plan targets, this analysis is preliminary and thus we have no assurances that the proposed expense spending (along with capital expenditures outlined in the 2016/2017 Capital Investment Review initial publication) will be sufficient to achieve either BPA's asset management objectives or the agency's overarching commitments under the Long-Term Regional Dialogue Policy to meet public power's share of cost-effective conservation under the Council's regional plan. BPA should initiate an IPR II process once the energy efficiency budget analysis is complete, so that stakeholders have a chance to review and comment on the proposed budget, both capital and expense, with all of the information necessary to make informed decisions.

Budget to the Council plan's high case energy savings target

In the IPR II process recommended above, and in all future IPR's, BPA should budget to the Council Plan's *high case* energy savings target instead of to the medium case used in current practice. Budgeting to the high case for energy efficiency ensures that funds are available to capture all available cost-effective savings. If the cost-effective savings are not available, any leftover funding can carry over to future years or be credited back to customers. It is better to prepare for meeting the demand for cost-effective energy efficiency than to end up turning away good energy saving projects.

Reflect energy efficiency revenue in budget documents

We continue to believe that revenue, generated by a program that has only been characterized by BPA as an expense, is relevant to the discussion during the budgeting process. We believe budget analysis that shows both costs and revenue generated will show the tremendous economic benefits BPA's energy efficiency programs provide to the region. These program investments keep rates low for utilities, reduce bills for end use customers, and provide jobs and other financial benefits to small and large businesses through program efficiencies and improvements gained along with energy savings. In short, BPA's energy efficiency programs are a smart fiscal investment. We recommend that BPA include a more accurate representation of the financial details of the energy efficiency budget in future IPR materials.

While we understand that the agency faces short-term budget challenges, it is in the interest of BPA, utilities and utility customers to maintain focus on long-term energy efficiency benefits. BPA should be proud of the energy efficiency programs it has developed and their contribution to the region's economic strength. We ask you to maintain robust funding for these programs to ensure a steady growth in programs.

We urge BPA to give meaningful consideration to these issues and would be happy to discuss them with your further.

Sincerely,



Wendy Gerlitz
Senior Policy Associate