



## Public Power Council

1500 NE Irving, Suite 200  
Portland, Oregon 97232  
503.232.2427  
Fax 503.239.5959

January 20, 2005  
Via Electronic Mail

Paul Norman  
Senior Vice-President, Power Business Line  
Bonneville Power Administration  
P.O. Box 14428  
Portland, OR 97293-4428

RE: Conservation Work Group Recommendations

Dear Paul:

BPA assembled the Renewables Focus Group to get customer and interested party feedback on several ideas BPA has developed to help it become a facilitator of renewable resource development post-2006. After several meetings, the group concluded that BPA customers believe one of the ways BPA can do this is by retaining several features of a program already in existence. The Conservation and Renewables Discount (C&RD) program has given utilities an impetus to invest in conservation or renewables or both, based on their customers' needs. This flexibility has proven very desirable because of the widely varying composition of utility loads. PPC, as a participant in the group, was asked by the group to pass along this message to you and the BPA representatives in the Conservation Work Group.

The Focus Group would like to see a renewables discount in the future, but separating it from the conservation discount will likely not amount to significant renewables investments (owing to the small size of the renewables budget set aside for such a rate discount). The group urges that BPA retain the flexibility found in the C&RD by keeping the conservation and renewables discounts linked. If they remain linked, BPA could assure preservation of the conservation budget by dedicating a minimum amount of the discount to conservation and a minimum to renewables. The group thought it would be useful to give utilities the ability to trade their conservation and renewables portions, thus allowing those utilities with greater renewables potential to make the most of their discount, while giving those

with less interest in renewables the ability to take advantage of greater conservation opportunities. This construct would also allow those utilities to use their discounts to explore opportunities for both conservation and renewables investments if they desire. Finally, because of the nature of renewable resource development, it would be helpful to have some certainty about the rate discount program through FY 2011.

The Focus Group continues to meet with BPA and work out how best to preserve the flexibility of the existing C&RD program, while assuring a certain amount of conservation investment.

Sincerely,

A handwritten signature in black ink, reading "C. Clark Leone". The signature is written in a cursive style with a long horizontal stroke at the end.

C. Clark Leone  
Manager

cc: Michael J. Weedall  
John B. Pyrch  
Karen L. Meadows