

# Conservation in the Northwest

Nancy Hirsh, NW Energy Coalition

2/6/02

# Benefits of Energy Efficiency

- Lower Electricity Bills – doing more with less not doing without
- Reduce Risk – diversify resource portfolio, reduce market purchases and fuel price risk
- Reduce Peak Constraints – both transmission and generation
- Create Jobs – efficiency programs employ approx. 53 people/per million dollars spent vs. 33 people long-term employed in construction of thermal projects

# Efficiency Benefits Cont.

- Local Economic Development – most efficiency contractors are local companies
- Environmental Benefits – no air and water emissions
- Fastest, cheapest and cleanest way to lighten our load on the region's energy system!

# Strong Conservation Ethic

- 1978 - 2000 region saved over 1500 aMW  
= more than enough to supply all of MPC's  
peak load or 6 - 250 MW power plants
- Average cost 2-2.5 cents/kwh saved
- Montana Power Co. – saved 38 aMW over  
this time period

# Mid 1990's Conservation Investments Plummet

- 75-85% decline in commitments - MPC captured 7.3 aMW in 1994 and 0.8 aMW in 1999
- Why?
  - Natural gas-fired power plants made technology breakthrough
  - Gas prices very low
  - Restructuring of the industry - uncertainty

# 2001 Energy Crisis Hit the Region Hard

- Widespread load curtailment & behavior modification
- Efficiency programs can't be implemented fast enough. Infrastructure dismantled during the 90's

# Region Responds to the Crisis

- Despite weak infrastructure
  - conservation/ curtailment fastest response
  - region saved 85 aMW in 2001
- Had utilities maintained investments at 1993 pace through 2000 - saved another 464 aMW = up to \$1.7 billion paid in power costs during crisis!
- 860 MW of new generation on line in 2001
- 3181 MW of new gas fired generation under construction – on line 2002-03

# Regional Opportunity for Conservation Remains

- Northwest Power Planning Council estimates a Grande Coulee dam worth of cost-effective conservation opportunities over the next 20 years (at least another 2400 aMWs)
- No more than 15% of those efficiencies will be captured by consumer reaction to energy prices
- BPA Programs: conservation and renewables discount, conservation augmentation

# 2400 aMW of Savings

- \$2.3 billion in economic benefit to the region - avoided electricity costs
- Reduced carbon emissions by approximately 80 million tons

# Capturing the Benefits

- Energy crisis is over? - reliability concerns for the long-term. Efficiency has been relatively untapped to augment system reliability
- Get off funding roller coaster - stable long-term funding and delivery
- In March, Oregon's 3% system benefits charge goes into effect. 10 year program
- Long-term extension of Montana's USBC is vital to capturing this resource

# Capturing the Benefits cont.

- Statewide efforts maximize consumer participation, public education opportunities, and enable manufacturers and retailers to depend on a single set of programs
- Expand business & residential energy tax credits for investments in energy efficiency
- Continue support for regional market transformation efforts
- Update building codes