

FOR THE PURPOSE OF SUPPORTING THE)
ELIGIBILITY OF INVESTOR OWNED)
UTILITIES FOR PARTICIPATION IN)
BONNEVILLE POWER ADMINISTRATION)
CONSERVATION PROGRAMS INITIATED)
UNDER THE NORTHWEST POWER ACT)

RESOLUTION NO. 82-295

WHEREAS, The Ninety-Sixth Congress of the United States of America has passed the Pacific Northwest Electric Power Planning and Conservation Act; and

WHEREAS, The first purpose of this Act is: "(1) To encourage through the unique opportunity provided by the Federal Columbia River Power System--

(A) Conservation and efficiency in the use of electric power; and

(B) The development of renewable resources within the Pacific Northwest"; and

WHEREAS, The Act identifies conservation as the highest priority means for meeting the future power requirements of the region; and

WHEREAS, The Bonneville Power Administration (BPA), which operates the Federal Columbia River Power System, has established that only "qualified" utilities which have entered into a firm power sales requirements contract will be eligible to participate in long-term programs initiated under the Act; and

WHEREAS, The investor owned utilities serving the Portland metropolitan area have not entered into firm power sales requirements contracts but have executed residential energy exchange contracts with BPA; and

WHEREAS, it has been demonstrated that benefits will flow to all rate pools from BPA funded conservation activities undertaken in the residential sector by these utilities and/or local governments; and

WHEREAS, local governments and utilities in the Portland metropolitan area have demonstrated initiative and have achieved significant energy savings through conservation and renewable resource development; now, therefore,

BE IT RESOLVED:

1. That the Council of the Metropolitan Service District supports the position that conservation activities undertaken by investor-owned utilities holding residential energy exchange contracts will reduce the firm load requirements and benefit all ratepayers of the BPA.

2. That such conservation activities are consistent with the objectives of the Northwest Power Act.

3. That the Metro Council requests the Administrator of BPA to show cause why utilities with residential energy exchange contracts should not be eligible to participate in long-term energy conservation programs initiated under the Act.

ADOPTED by the Council of the Metropolitan Service District this 28th day of January, 1982.



Presiding Officer

A G E N D A M A N A G E M E N T S U M M A R Y

TO: Metro Council
FROM: Executive Officer *ELG*
SUBJECT: Resolution Supporting Eligibility of Investor-Owned
Utilities for Participation in Bonneville Power
Administration Conservation Programs Initiated Under the
Northwest Power Act

I. RECOMMENDATIONS:

- A. ACTION REQUESTED: Adopt Resolution supporting Investor-Owned Utility (IOU) eligibility to participate in Bonneville Power Administration (BPA) programs initiated pursuant to the Northwest Power Act. (PL 96-501)
- B. POLICY IMPACT: This action is consistent with an earlier Council Resolution No. 81-242 making recommendations to the Pacific Northwest Electric Power and Conservation Planning Council.
- C. BUDGET IMPACT: There is no direct budgetary impact connected with this resolution. Failure of BPA to modify its eligibility policy and the inability of IOU to successfully negotiate long-term requirements contracts will make it difficult for Metro and local jurisdictions in the region to fully benefit from programs initiated under the Northwest Power Act.

II. ANALYSIS:

- A. BACKGROUND: BPA has established a policy which limits participation in programs initiated under the Northwest Power Act to areas where utilities have entered into long-term firm load requirements contracts. Portland General Electric (PGE) and Pacific Power & Light (PP&L) have signed residential exchange contracts with BPA and have demonstrated that any conservation undertaken in this sector will reduce BPA load requirements and benefit the ratepayers.

The long-term liability the IOU and, ultimately, their customers must accept in signing firm load requirements contracts far outweighs the benefits that would come from participation in BPA conservation and technical assistance programs. However, until such contracts are signed or BPA modifies its policy, it will be difficult for the Portland metropolitan area to fully benefit from the Regional Power Act.

The main purpose of the attached Resolution is to signal that Metro respects the position of PGE and PP&L and will not pressure them to sign requirements contracts simply to become eligible for BPA conservation programs. The Resolution also helps to strengthen the cooperative relationship which has been developing between Metro and utilities. In the event that requirements contracts are never signed, this relationship will be doubly important.

All Regional Energy Forum participants are encouraged to adopt a similar resolution.

- B. ALTERNATIVES CONSIDERED: No resolution of support.
- C. CONCLUSION: Adopt Resolution.

JL/gl
4930B/283
12/28/81