Draft Northwest Power Plan recommends mostly energy efficiency to meet future demand for electricity and reduce risk of future electricity shortages and high prices

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PORTLAND, Oregon — The Council invites public comments on its Draft Sixth Northwest Power Plan, which envisions that 58 percent of the new demand for electricity over the next five years could be met with energy efficiency. Over the entire 20-year horizon of the power plan, energy-efficiency, which is the most cost-effective and least-risky resource available, could meet 85 percent of the Northwest's new demand for power.

"Energy efficiency is the keystone of the power plan," said Chair Bill Booth, an Idaho member of the Council. "The Council has identified an impressive amount of low-cost energy efficiency, and we're looking forward to hearing comments about our analysis of that potential."

The Northwest Power Plan, which the Council revises every five years, advises the Bonneville Power Administration, the federal agency that is the region's largest electricity supplier with 147 utility customers. Bonneville's administrator is required to make decisions about future electricity supplies that are consistent with the Council's power plan. The plan also serves as a regional blueprint to assist electric utilities in their own planning within their service territories.

The Draft Sixth Power Plan calls for achieving 1,200 average megawatts of efficiency over the next five years, or a little over 200 average megawatts per year (one average megawatt is enough electricity to power about 700 homes for a year). In comparison, the Fifth Power Plan called for achieving 700 average megawatts of efficiency over the five-year period from 2005 through 2009, or about 140 average megawatts per year. Through 2008, efficiency improvements totaled 762 average megawatts, exceeding the goal after just four years.

The new plan predicts that demand for electricity will grow by 2,058 average megawatts between 2010 and 2014. If the 1,200-megawatt goal is achieved, energy efficiency could meet 58 percent of the anticipated demand growth. Looking beyond the first five years, the plan predicts that demand for electricity will grow by about 1.2 percent per year over the next 20

years and identifies 5,800 average megawatts of new energy efficiency that could be available over that period to meet 85 percent of that demand. The average cost of the efficiency is half the cost of new power plants.

Future advances in research and technology could lead to transmission upgrades, smart-grid energy management, and power-storage improvements. In addition, the Plan identifies energy efficiency in homes, businesses, and industries in a variety of applications including appliances, consumer electronics, lights, motors, electrical equipment, and building construction.

In addition to efficiency improvements, the plan identifies generating resources including power plants fueled mainly by wind and natural gas to meet the new demand. The plan anticipates no new coal-fired power plants over the 20-year planning horizon.

Since 1983, when the Council issued its first power plan, the regional investment in energy efficiency reduced demand for electricity by 3,700 average megawatts and resulted in only about half as many new power plants being built as would have been without the efficiency improvements. This significant reduction in demand for power, which is equal to the amount of electricity consumed today by all of Idaho and western Montana, saved consumers more than $1.6 billion in electricity costs in 2007 alone compared to the cost of the same amount of electricity from power plants fueled by wind, natural gas, or coal. The reduced demand also means that carbon emissions from the region's power system are about 14 million tons per year lower than they would be if the demand were met with power from plants that burn fossil fuels.

The new plan, the sixth since the Council issued its first plan in 1983, is posted here, with instructions on how to comment. Public hearings will be held in the four Northwest states over the next two months.

During the public-comment period, the Council is asking for special attention on the following issues:

1. Rising prices of electricity over the next 20 years and ways that utilities can help to reduce the effect on their customers' monthly bills, including development of conservation, renewable resources, and demand-response programs;
2. Load-growth projections for the region - short-term (2010-2015), medium-term (2010-2020) and long-term (2020-2030) – and the extent to which the Council's economic forecasts adequately incorporate uncertainty;
3. Conservation targets, the feasibility of achieving those targets, and major sources of uncertainty in achieving them;
4. The analysis and evaluation in the Plan regarding future capacity needs and the resources to meet peak load demands in the winter and summer;
5. Integration of wind power into the region's power system and incorporation into the plan of strategies and resources necessary to meet projected future wind power

development; and,

6. The adequacy of energy and capacity resources, reliability of the regional power system, and appropriate measures of each.

The Council is an agency of the states of Idaho, Montana, Oregon and Washington and is directed by the Northwest Power Act of 1980 to prepare a program to protect, mitigate and enhance fish and wildlife of the Columbia River Basin affected by hydropower dams while also assuring the region an adequate, efficient, economical and reliable power supply.

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