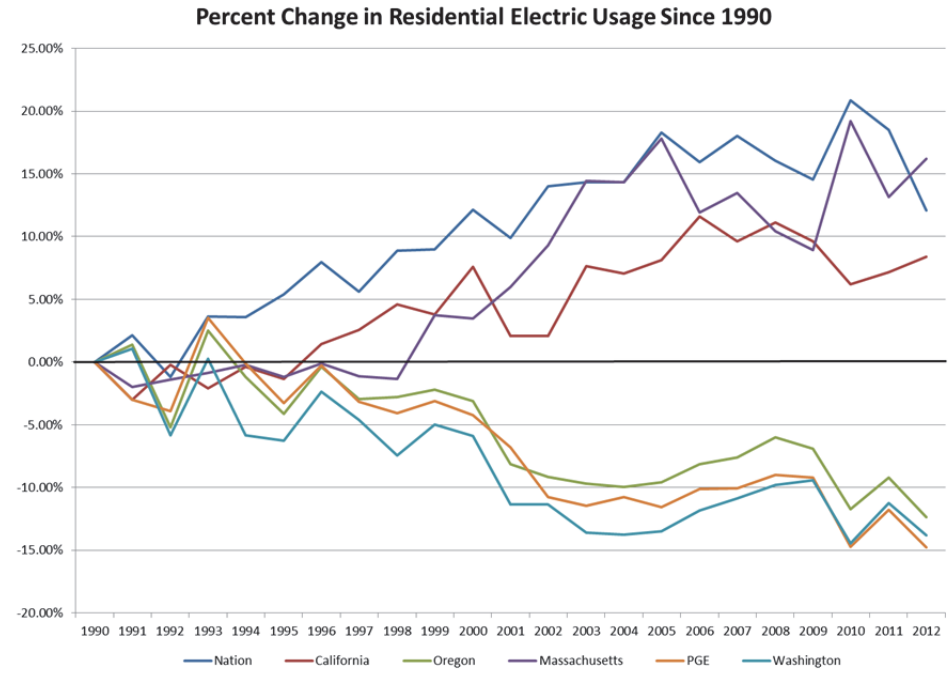
Portland General Electric

Energy Efficiency: Our First Priority

Oregon is an energy efficiency leader

Oregon ranks #3 among all states in energy efficiency, according to the American Council for an Energy Efficient Economy. Since 1990, Oregon has decreased its residential electrical energy use by 12 percent while the national average has grown by more than 12 percent.



Information courtesy of Citizens' Utility Board

We put energy efficiency first

Energy efficiency is a first priority resource for Portland General Electric and Pacific Power. Both utilities work with the Energy Trust of Oregon to identify cost-effective energy efficiency within their service areas, including weatherization, as well as lighting, appliance and HVAC system upgrades. Utilities include these measures in their Integrated Resource Plan, which effectively lowers the forecasted load growth, reducing future generation needs.

In 2013, energy efficiency projects in PGE and Pacific Power service areas saved 57.8 average megawatts (MWa) of electricity, up more than 9% from 2012. Since the creation of the Energy Trust in 2002, a total of 436 MWa have been saved, enough to power 361,000 homes. In the near term, the Energy Trust's energy-efficiency targets are more aggressive than those found in the Northwest Power and Conservation Council's 6th plan.

#3
Oregon's state ranking in energy efficiency

57.8
MWa saved in 2013

436
MWa saved since 2002

361,000
Number of homes that could be powered through energy saved since 2002

140 million
Approximate dollars contributed annually for energy efficiency investments by PGE and Pacific Power customers

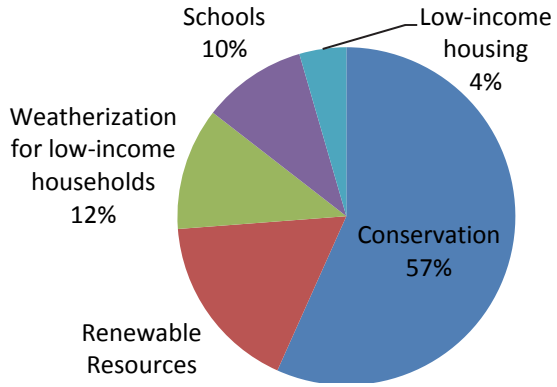
Our customers invest heavily in energy efficiency

Oregon's legislature established two ways to fund IOUs' energy-efficiency projects:

- The **Public Purpose Charge** adds 3 percent to PGE and Pacific Power customers' utility bills to fund energy-efficiency investments and clean-energy generation through the Energy Trust, as well as targeted energy efficiency investments in schools and low-income households.

- **Senate Bill 838**, passed in 2007, allows PGE and Pacific Power to increase the amount of dollars collected through rates beyond the Public Purpose Charge. These funds support the Energy Trust's efforts to capture all the cost-effective energy efficiency projects identified during the IRP process – and have doubled the revenues available for energy efficiency.

Allocation of Oregon's 3% Public Purpose Charge



Through these two funding mechanisms, more than $155 million were raised from PGE and Pacific Power customers in 2013, the vast majority going to support energy efficiency efforts.

2013 Total Public Purpose Charge and SB 838 Funding

	Total PPC	SB 838	Combined Rate Impact
PGE	$45,100,000	$50,000,000	6.59%
PacifiCorp	35,085,000	26,960,000	5.67%

Cost-effectiveness is key for energy efficiency

Energy efficiency is widely recognized as a least-cost option for meeting customers' energy needs – as long as it is cost-effective. Organizations like Energy Trust, OPUC, Northwest Power and Conservation Council, and the Northwest Energy Efficiency Alliance all use a similar approach to determine whether an energy efficiency measure is cost effective. In addition, a 10 percent conservation credit is given to energy efficiency in order to incorporate hard to quantify energy-related benefits, increasing the number of measures that meet cost effectiveness tests.

When cost-effectiveness is not taken into account, we are not able to achieve the full potential of dollar and energy savings. For example, an audit by the Oregon Secretary of State about the use of public purpose dollars by schools found that school districts did not consistently implement the most cost-effective energy efficiency measures. If they had implemented the most cost-effective measures, they could have achieved almost $40 million more in savings and gained an additional 70 percent reduction in energy usage over the life of the measures. The audit also found that the payback periods of some measures exceeded their useful life, resulting in an estimated net loss of $6.2 million.