



Weatherization upgrades, including insulation, save energy while maintaining constant, comfortable temperatures homes.

Energy conservation: Part of BPA’s resource mix

A fundamental purpose of the Pacific Northwest Electric Power Planning and Conservation Act is to encourage the conservation of electricity in meeting BPA’s obligation to supply federal power to its customers in the region.

BPA is authorized to acquire “conservation” as a resource and the Act gives it priority when BPA acquires resources to meet its obligations. Conservation is defined as “any reduction in electric power consumption as a result of increases in the efficiency of energy use, production, or distribution.” Conservation acquired by BPA must be cost-effective and reduce the retail load demand served by the agency’s firm power customers.

BPA began acquiring conservation savings from its customers in 1981. Today, the agency acquires conservation in the form of energy savings from its firm power customers under Energy Conservation Agreements (ECA). Under the ECA, BPA sets a budgeted amount of money

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a customer is eligible to receive as reimbursement for implementing specified measures that produce verifiable energy savings. Customers choose which energy conservation measures to install from a menu of measures and guidelines published in the agency’s implementation manual that accompanies the ECA. Using their own funding to install or implement measures, customers then invoice BPA for measures that produce verifiable energy savings. In return, the agency pays the customer, completing BPA’s acquisition.

BPA also supports customers’ energy conservation efforts in other ways. BPA engineers assist customers with custom projects, and the agency offers programs that augment and support customers’ implementation efforts. BPA also offers funding to cover some of the





BPA incentivizes advanced water heating technologies like heat pump water heaters that are up to 50% more efficient than standard electric water heaters.



A wall-mount mini-split heating and air conditioning unit.

administrative costs incurred by utility customers when running conservation programs. In addition, BPA supports the Northwest Energy Efficiency Alliance in its market transformation initiatives.

BPA's conservation programs help keep the agency's rates lower by cost-effectively meeting BPA's resource needs. This helps BPA's utility customers keep power bills low for people and businesses in their communities. Implementing conservation measures can also help customers mitigate their risk of exceeding their BPA Tier 1 priority firm (PF) Contract High Water Mark.

A shared responsibility

The cost of acquiring energy conservation is recovered in BPA's Tier 1 PF power rates. At the beginning of each two-year rate period, BPA establishes a budget that reflects the cost of acquiring energy conservation from customers. This is called the energy conservation budget, and it is calculated using a utility's Tier One Cost Allocator. BPA sets the amount of the incentive for each qualifying conservation measure and reimburses utilities after approving their invoice for the energy conservation savings. Utilities may pass all, some or none of that incentive on to their end-users.

In addition to the energy conservation acquired by BPA under the ECA, utilities have pledged to achieve a significant amount of savings on their own. BPA budgets for 70% of the programmatic energy savings needed to meet its target, with utilities self-funding the remaining 30%. This has helped BPA keep power rate increases at or below the rate of inflation.

Relying on customers to self-fund 30% of the savings also recognizes that many utilities fund energy conservation programs beyond what BPA reimburses. The partnership with utility customers to deliver energy conservation programs to Northwest communities helps reduce energy costs and benefits the region by reducing the need for new resources.

Learn more

Learn more about BPA's residential, commercial, industrial and agricultural energy conservation resources at bpa.gov/conservation.