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FY 2014 energy efficiency funding

2 messages

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To: Tad Johnsen <TAJohnse@gocolumbiamo.com>, Ryan Williams <RPWILLIA@gocolumbiamo.com>, Jim Windsor <JRW@gocolumbiamo.com>, Worley Tina <CLW@gocolumbiamo.com>

Hi,

Here is an item that I should have brought up at the last W&L Advisory Board meeting since we are well into budget planning for FY 2014.

Budget recommendation for energy efficiency programs.

I recommend a \$5 million increase in the budget for energy efficiency programs for FY 2014.

This can be achieved without any rate increase because of savings coming from canceling our contract with Nearman.

The cost estimate, used in the Renewable Energy Report, for the total cost of Nearman in FY 2012 was \$9,069,144.30 for 149,328 MWH. Since we have not signed a contract with anyone to replace this energy we will likely be purchasing it from the MISO market. In FY 2012 the average cost of energy at the Columbia node was \$25.03. At that cost an equal quantity of energy would cost us \$3,737,679.84 for a savings of \$5,331,465.46. \$5 million of this could go to reducing the quantity of energy we will need over the next ten or more years. I would guess that to efficiently use this amount of money we will need to hire at least two additional staff. I note that the unused \$300 thousand would permit a 8.9% increase in the average MISO price without any increase in our projected spending.

It is probably not possible to incorporate this finally until we hear back from Kia Harris.

However, if we wish to do anything next year we need to at least reserve these funds for that purpose. It is well below what I think we will need for a Virtual Power Plant based upon energy efficiency but that level of funding can not be achieved for FY 2014.

If you think that it is useful I can introduce this at the Advisory Board meeting in May. That is too late to start the process. I expect I should have made this recommendation in January but at that time the funding source was not on my radar.

Dick Parker