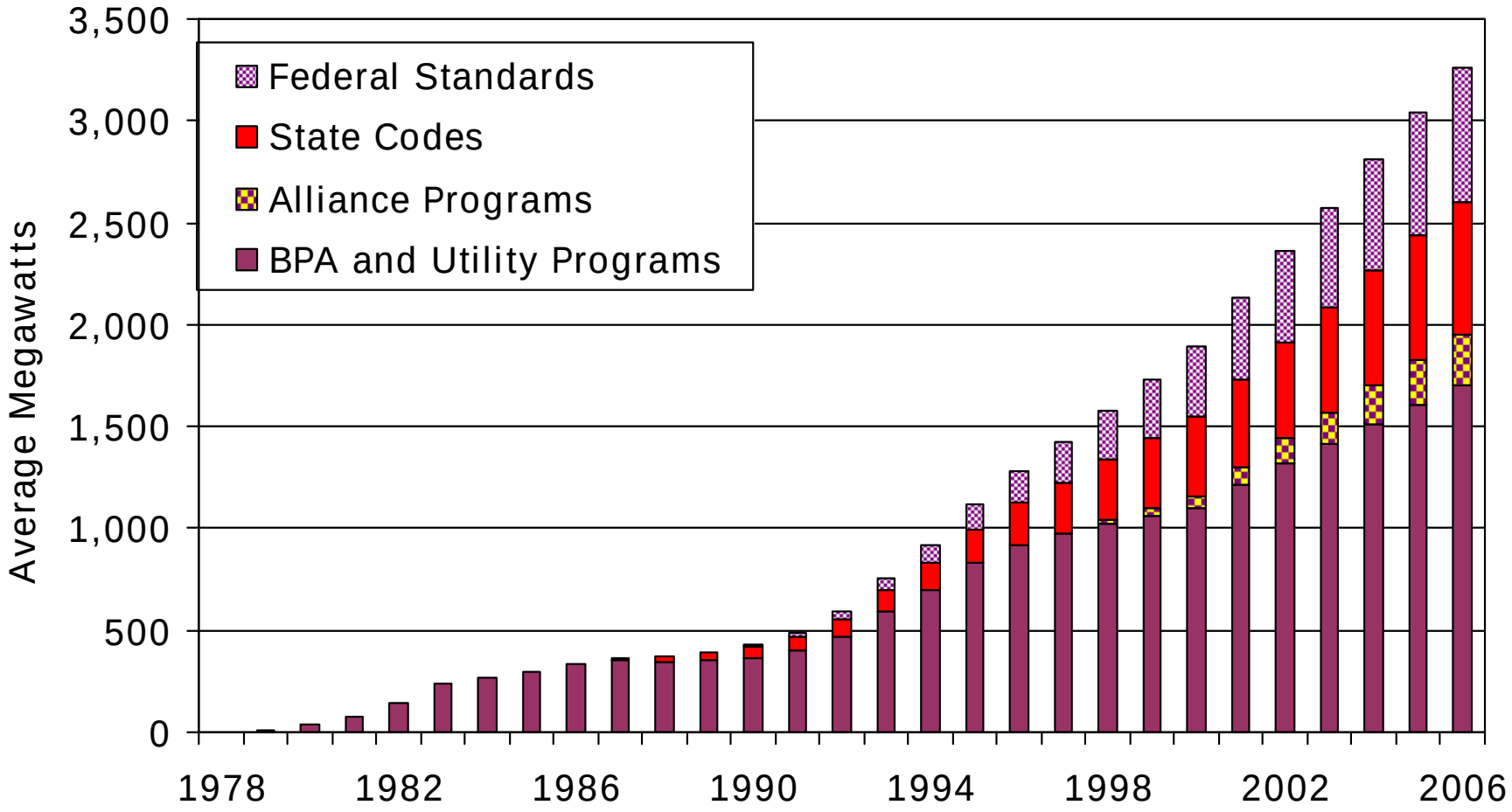
Overview of Conservation in the Pacific Northwest

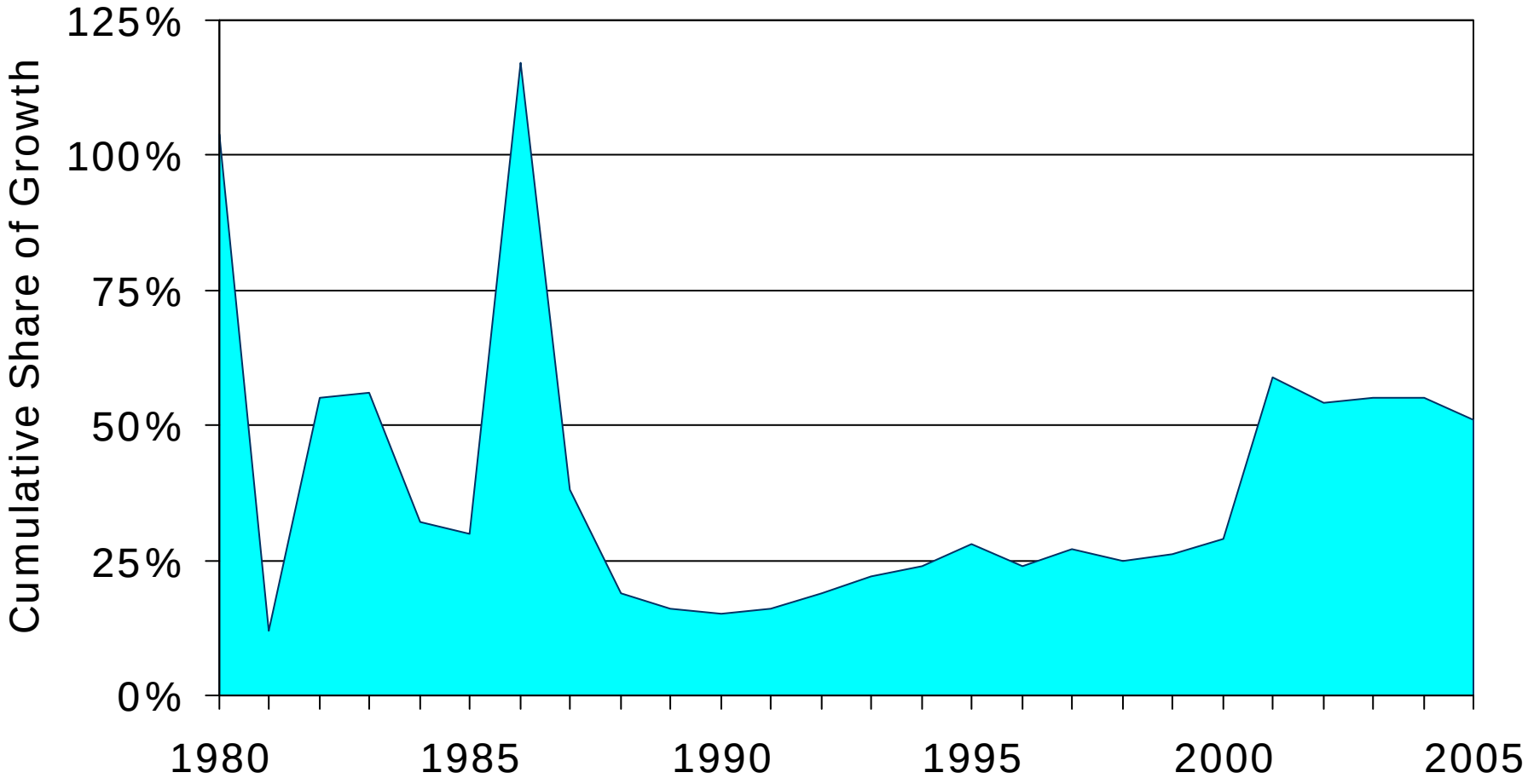
Energy Efficiency Options in the Northwest Post-2011Meeting

March 4, 2008

Regional Savings Now Total Nearly 3300 aMW



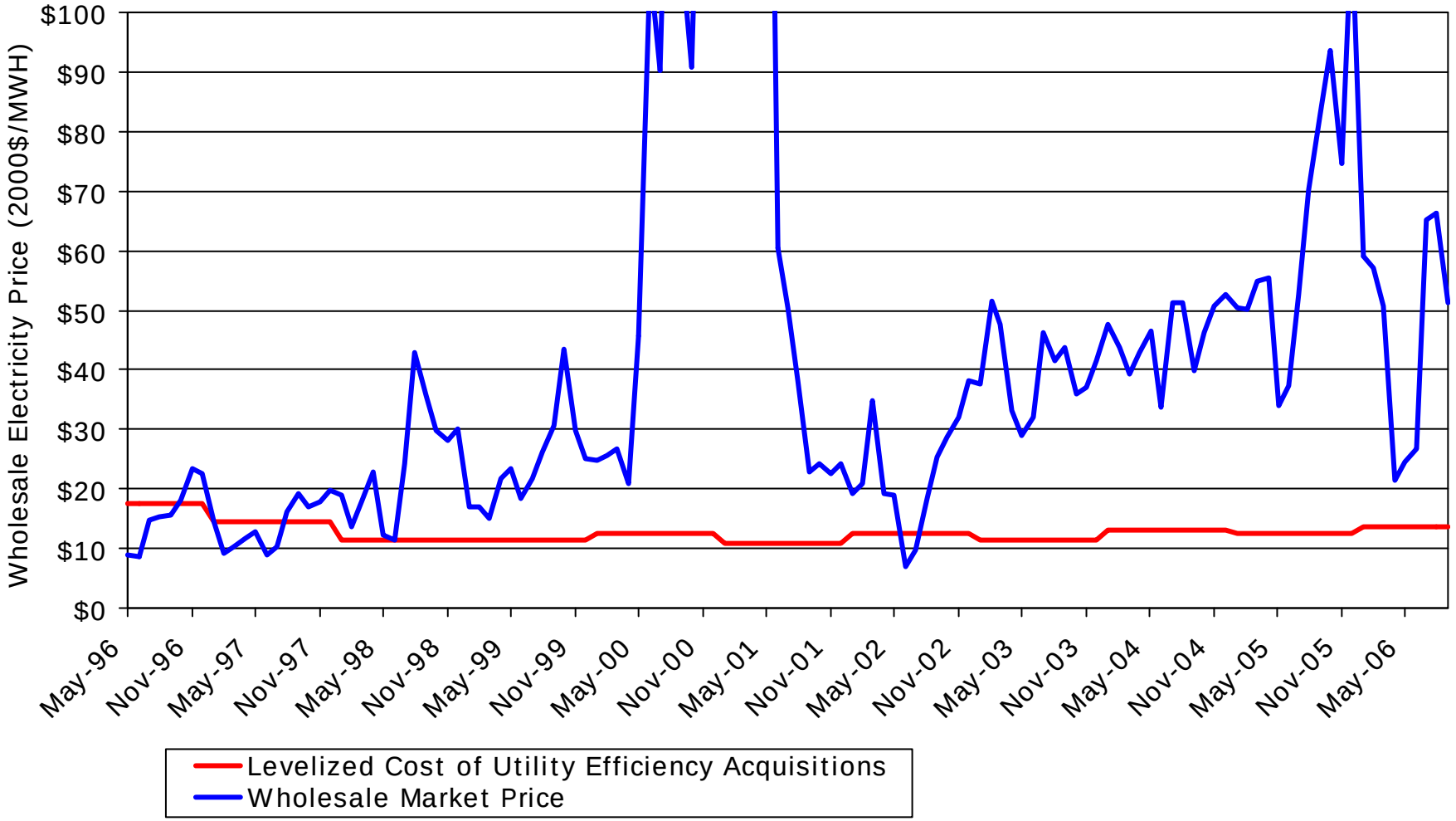
Since 1980 Energy Efficiency Resources Met Half of PNW Load Growth



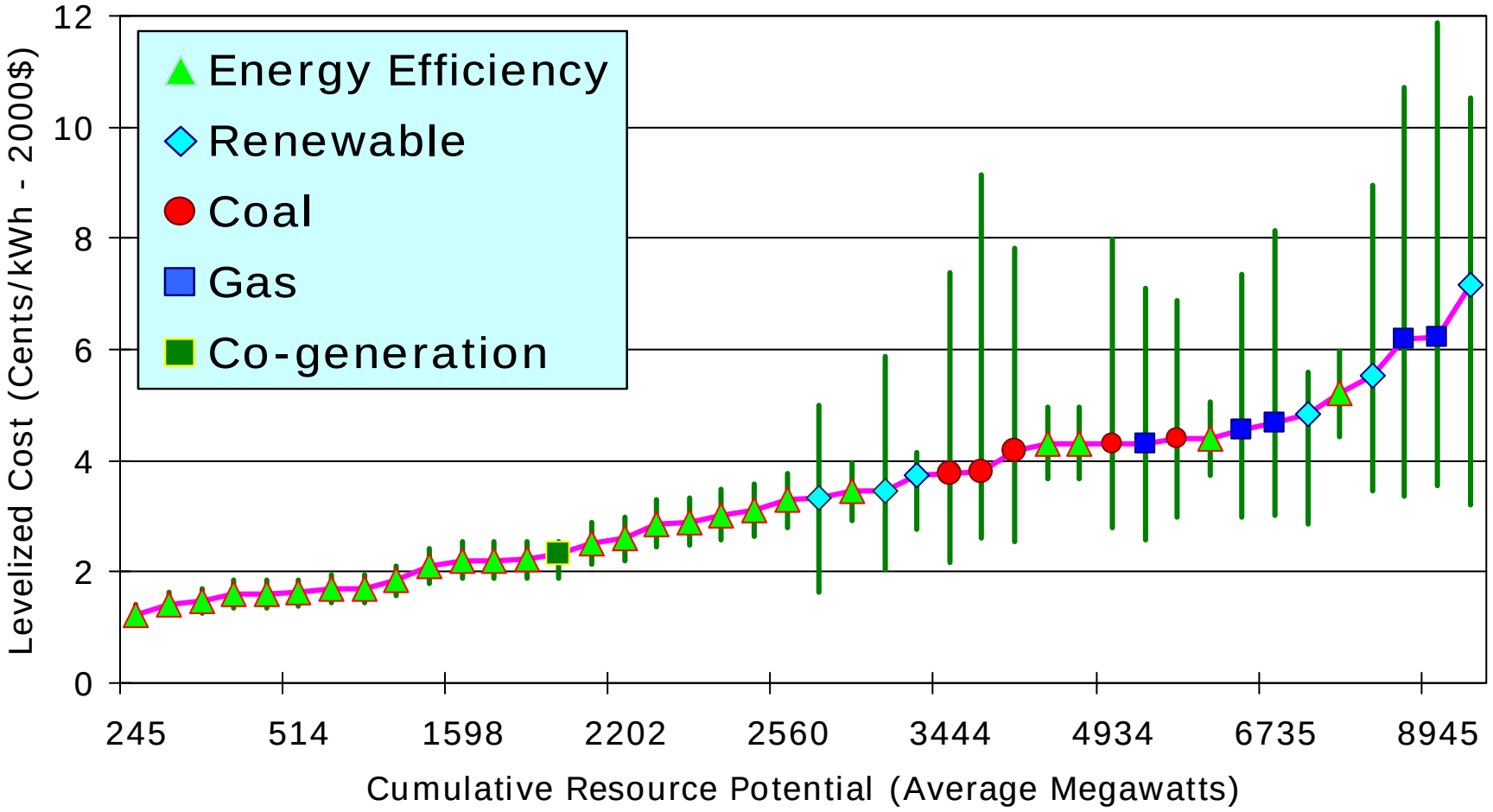
So What's 3300 aMW?

- It's enough electricity to serve the ***entire state of Idaho*** and ***all of Western Montana***
- It saved the region's consumers nearly than *$1.3 billion* in 2005
- It lowered 2005 PNW carbon emissions by an estimated *13.5 million* tons.

Utility Acquired Energy Efficiency Has Been A ***BARGAIN!***

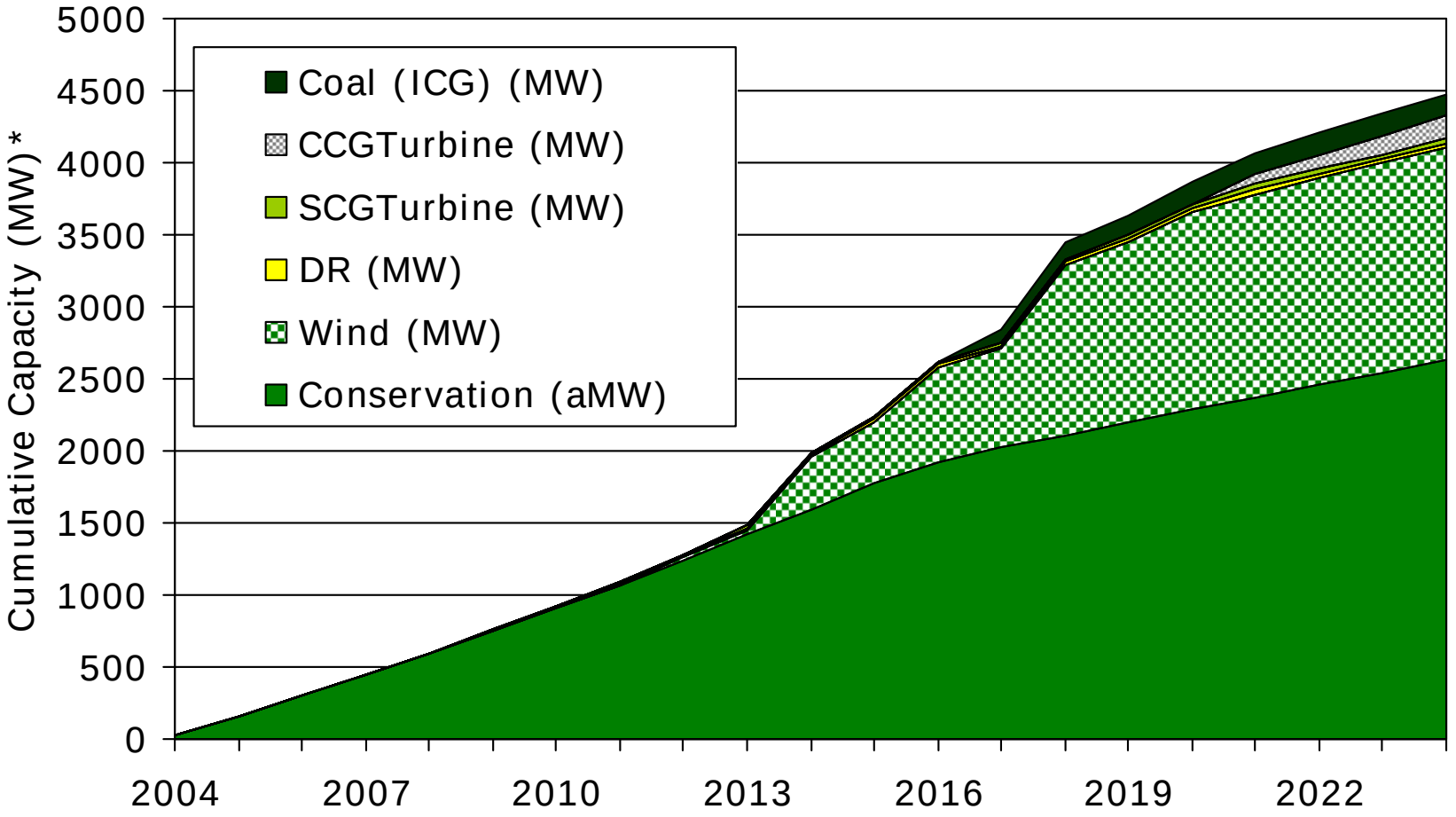


Portfolio Analysis On One Slide



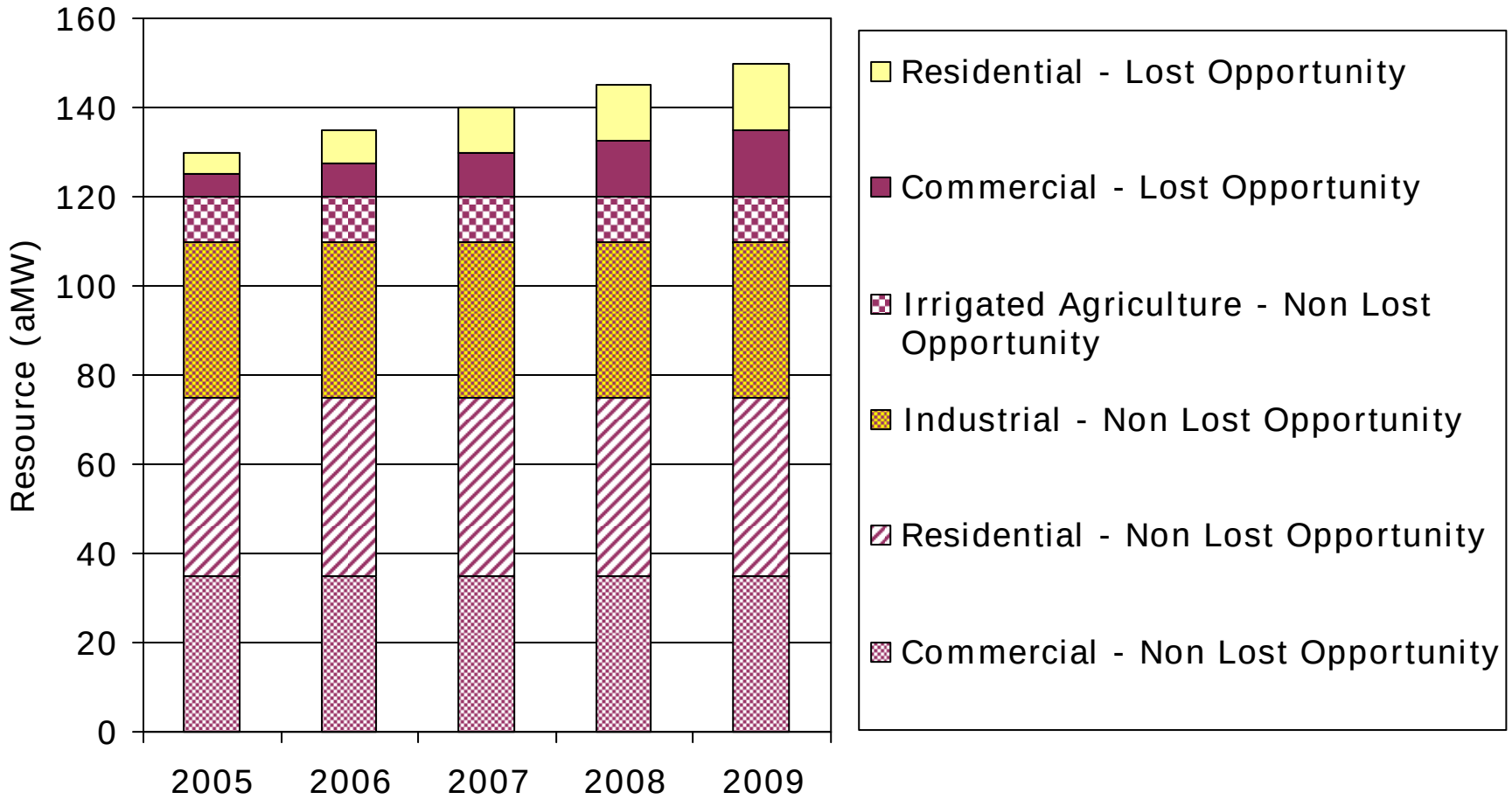
Resource potential for generic coal, gas & wind resources shown for typical unit size. Additional potential is available at comparable costs.

5th Plan Relies on Conservation and Renewable Resources to Meet Load Growth

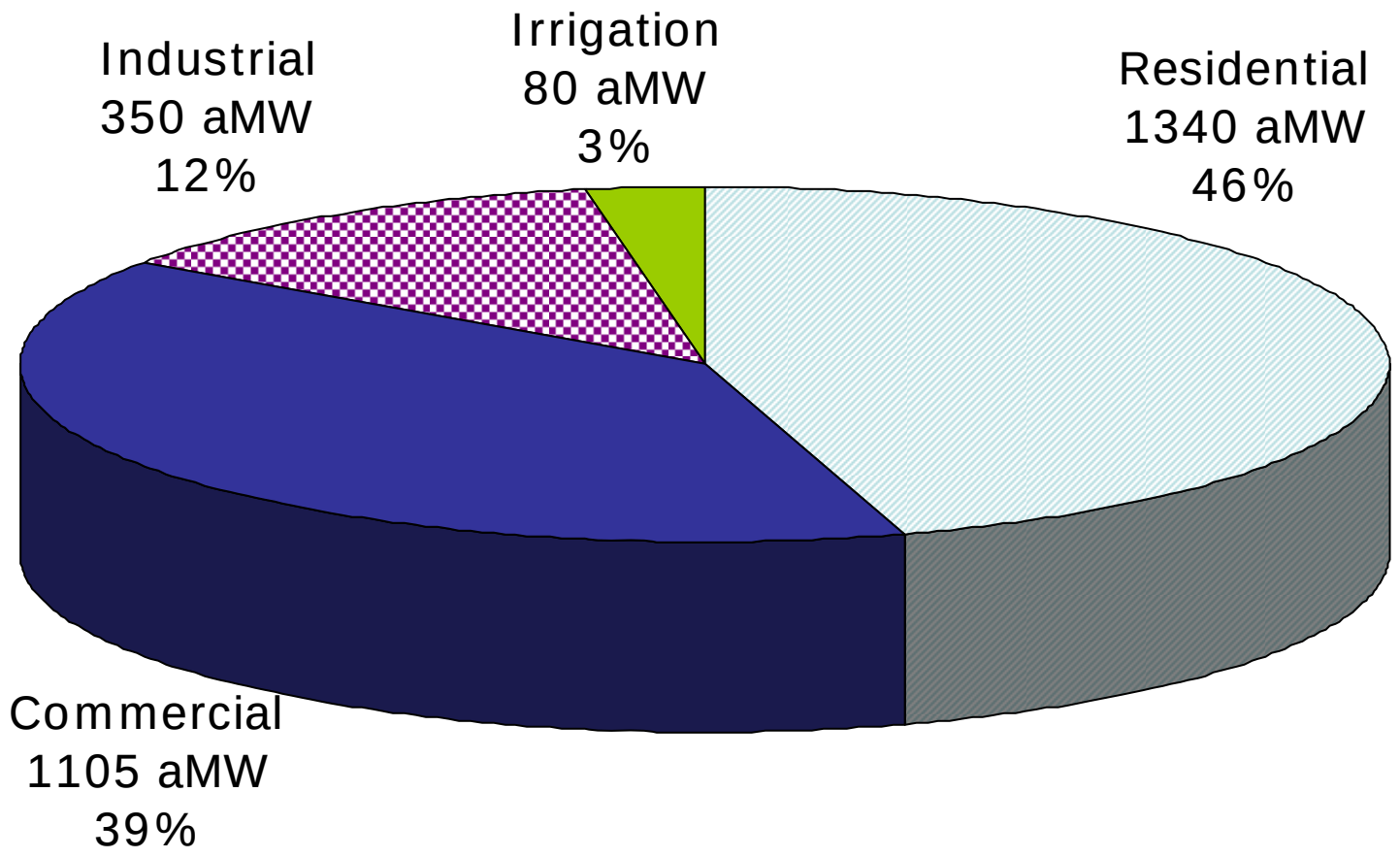


*Actual future conditions (gas prices, CO2 control, conservation accomplishments) will change resource development schedule and amounts.

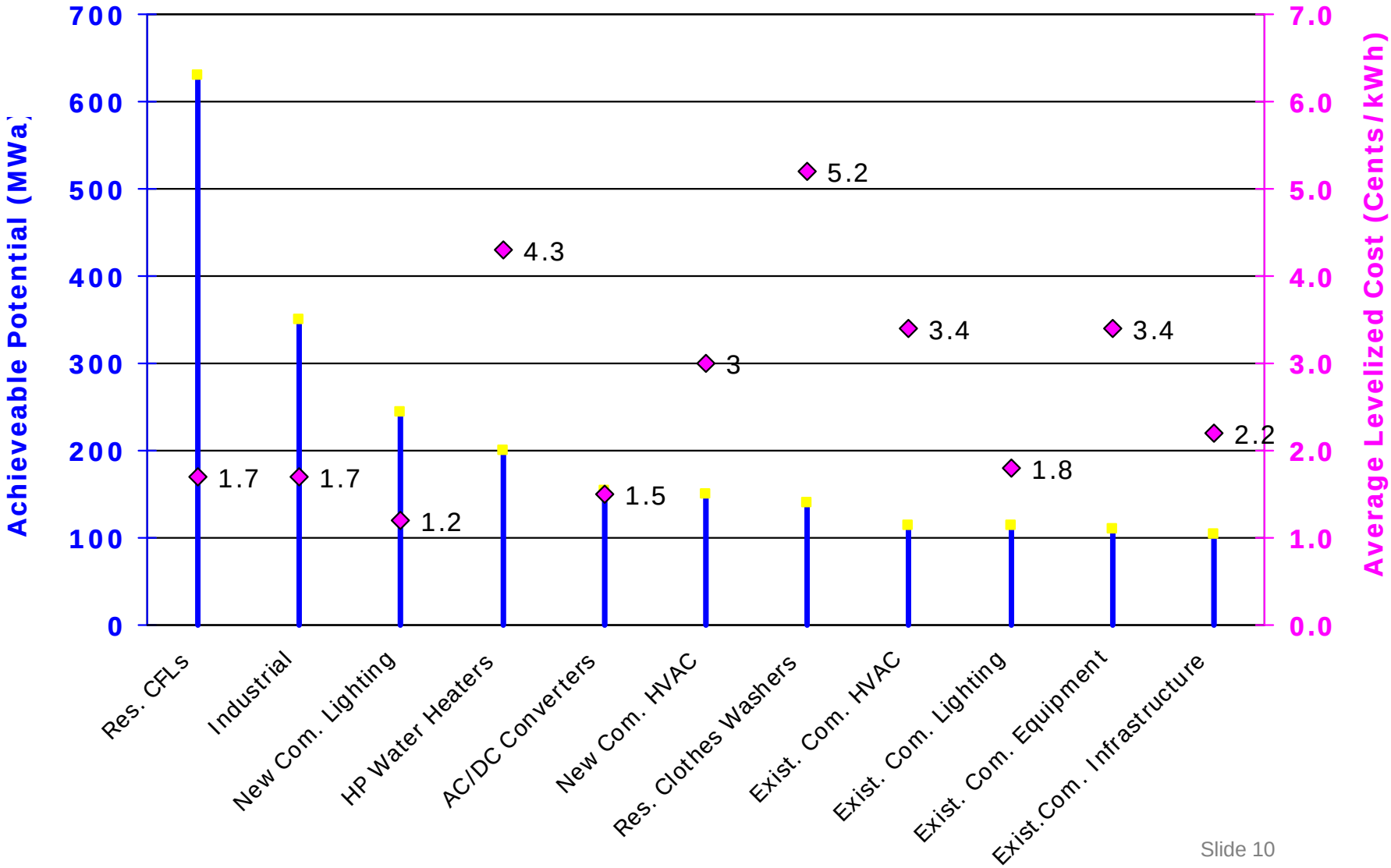
The 5th Plan
Calls for 700 aMW of Savings From 2005 - 2009



Cost-Effective Savings by Sector



Major Sources of Cost-Effective Efficiency Potential



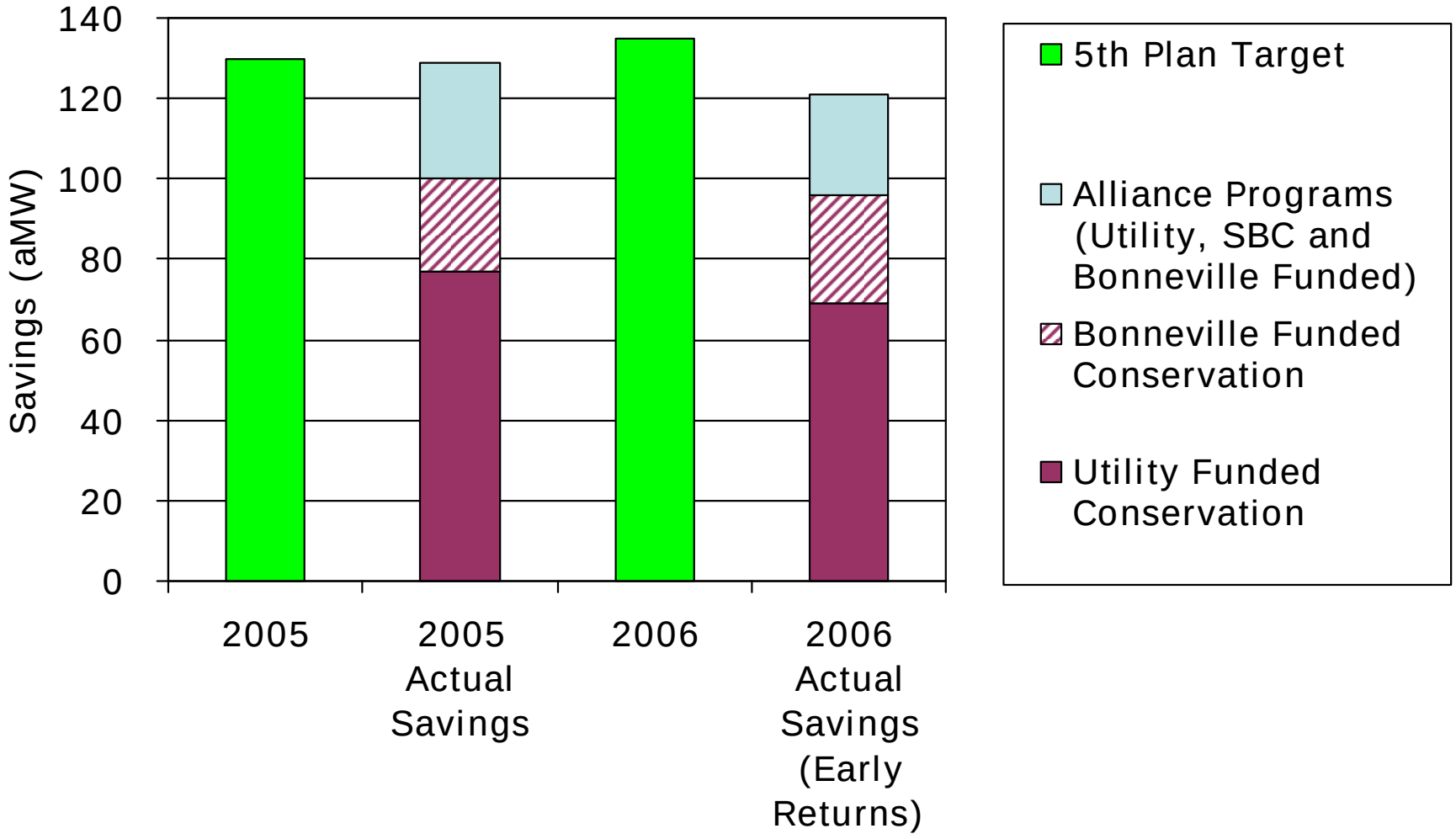
Are We Meeting The Plan's Targets?

We *Think* All Returns Have Been Counted

62 Utilities
88% of Regional Load

We Met the 2005 Target!

(and we'll probably meet the 2006 target)



The Road Ahead – PNW Utilities Are "Ramping Up"

PUGET SOUND ENERGY

Increasing its 2008 conservation goal by 40%

Developing a "green utility" strategy

AVISTA Utilities

Increasing its 2008 efficiency goal by 20%

Expanding efficiency target "company wide"

IDAHO POWER An IDACORP Company

Doubled its annual efficiency budget in 2007

Exceeded its 2007 goals by 20%

EnergyTrust of Oregon, Inc.™

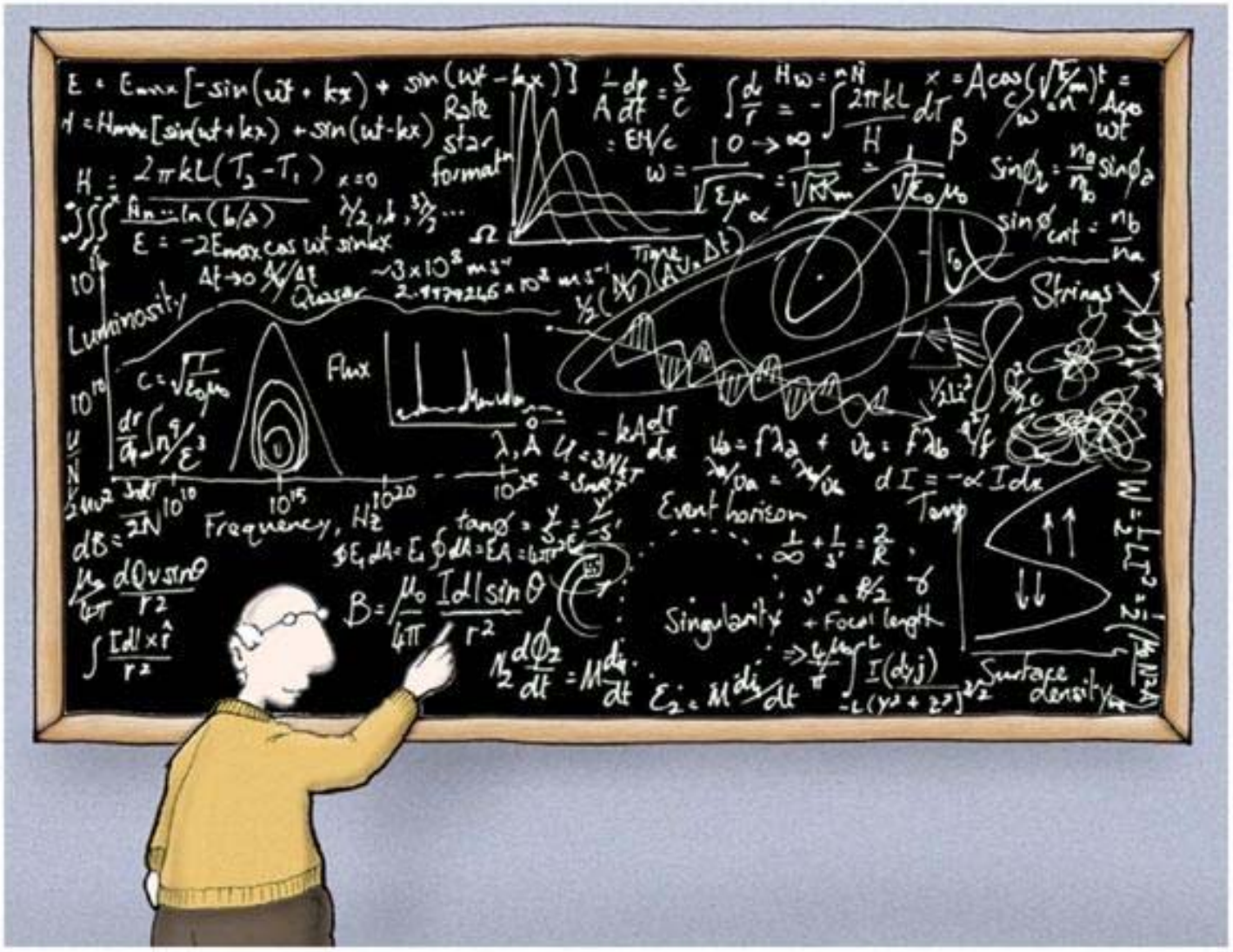
Funding extended through 2025

IOUs permitted to increase ETO energy efficiency funding over and above the 3% public purpose minimum

Washington public and private utilities with more that 25,000 customers will set 10-year conservation acquisition targets to achieve all cost-effective savings

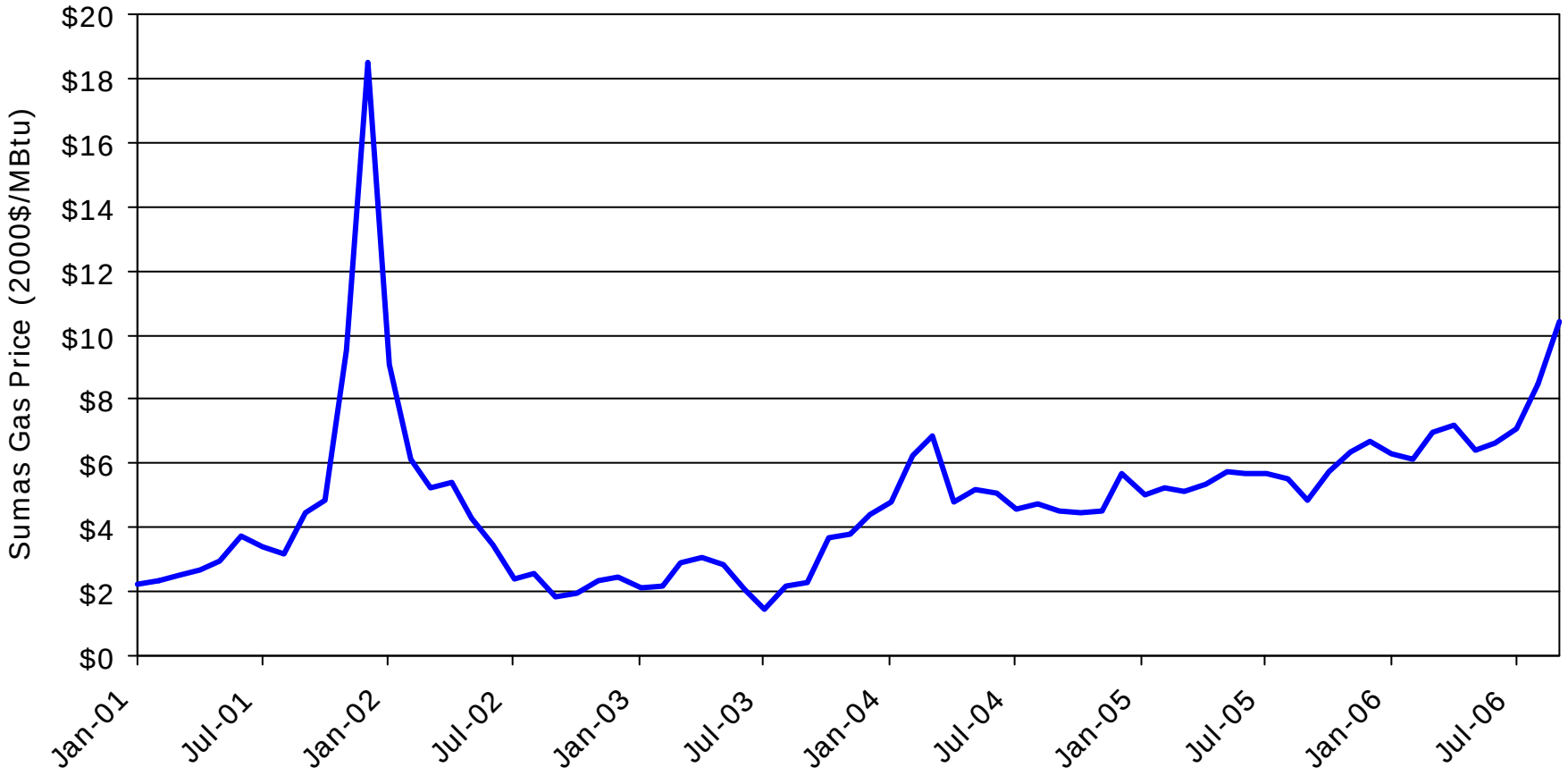
Regional Energy Efficiency Drivers

- Tiered Rates in Regional Dialogue will send clear signal of the value of Energy Efficiency.
- Development of state renewable and energy-efficiency standards will act as additional leverage for BPA.
- Expected demands on federal hydro system will result in capacity issues.
- The same aging of workforce BPA is experiencing will affect our customers.

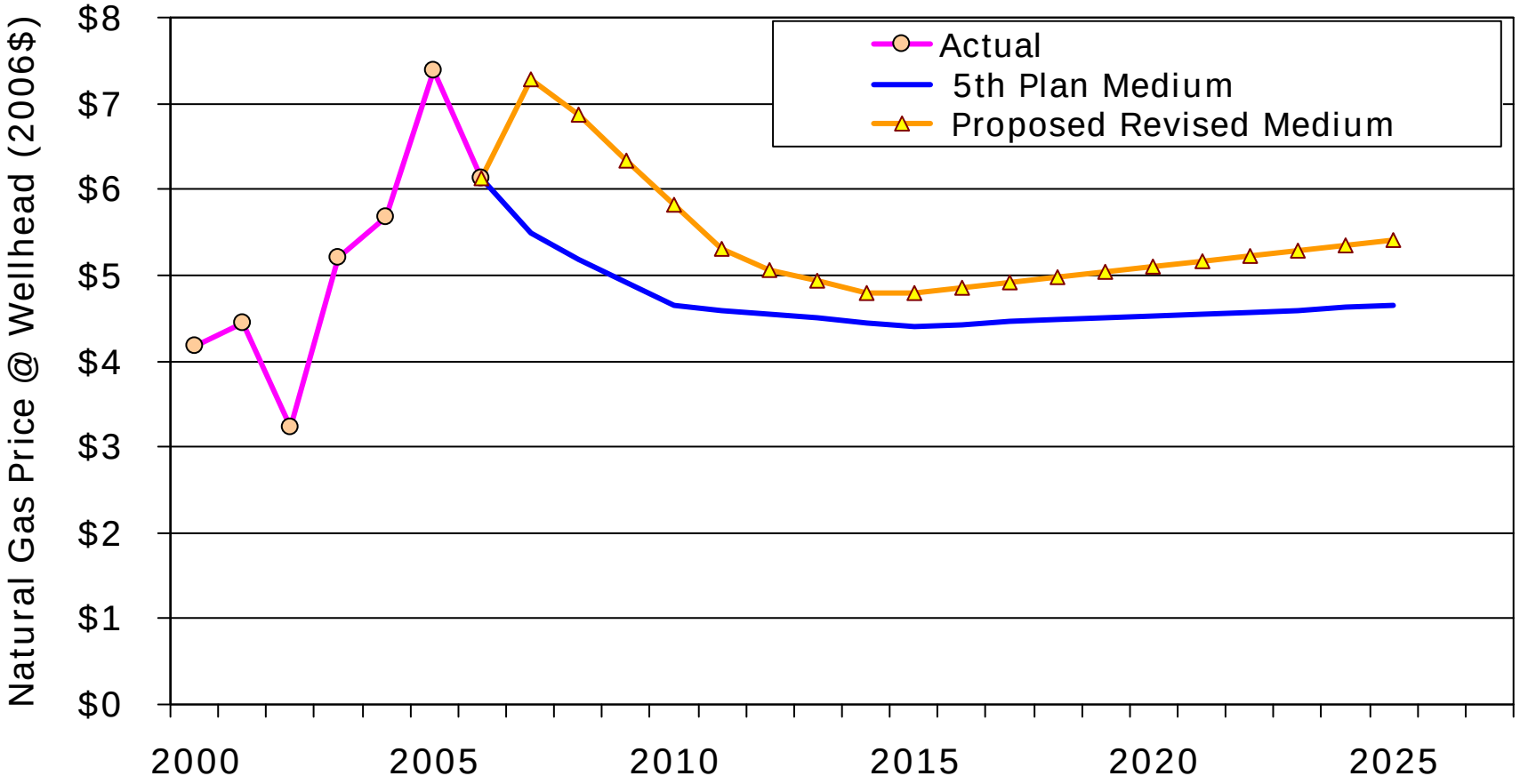


Other Factors

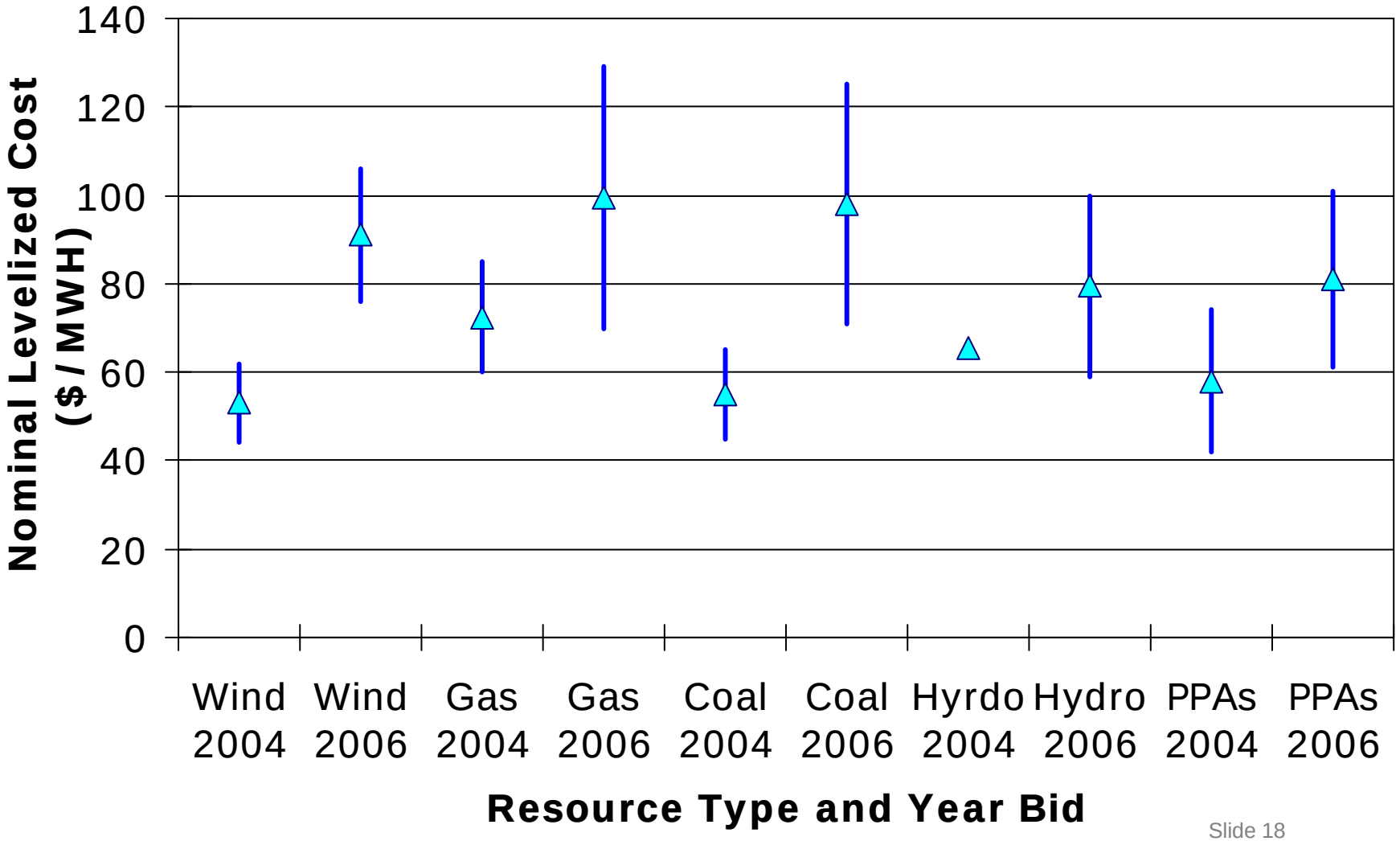
Natural Gas Prices Are Still High



And Are Forecast to Remain So



New Generating Resource Costs Are Higher



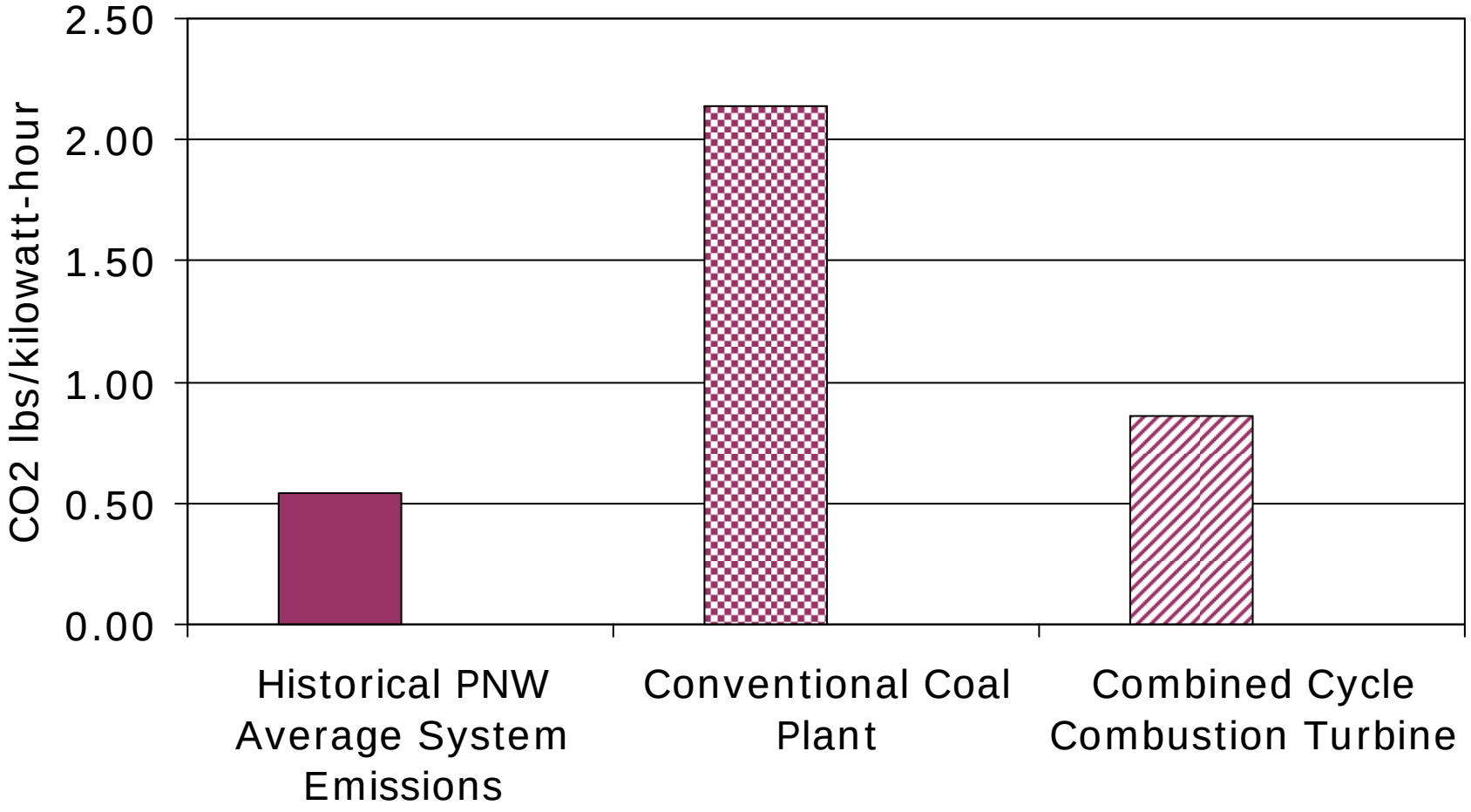
National Energy Efficiency Drivers

Reduce Your Carbon Footprint

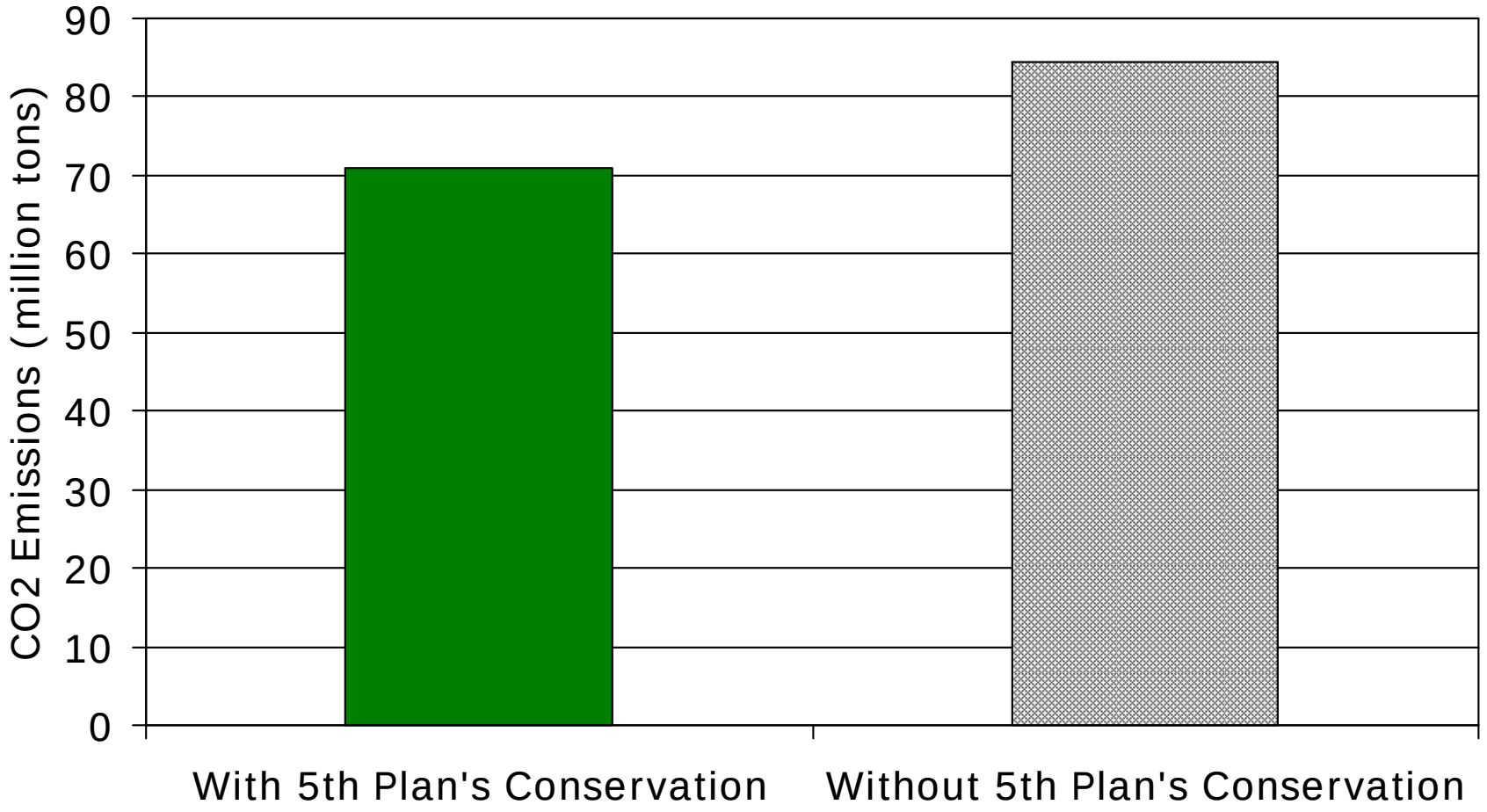
- Climate change awareness growing with state mandates/actions underway and national initiative expected.
- Challenges to new thermal power plant construction make energy efficiency a more attractive option.
- Emerging technologies, e.g. electric autos, could dramatically increase usage of electricity.

Future Resources Have Higher Carbon Emissions

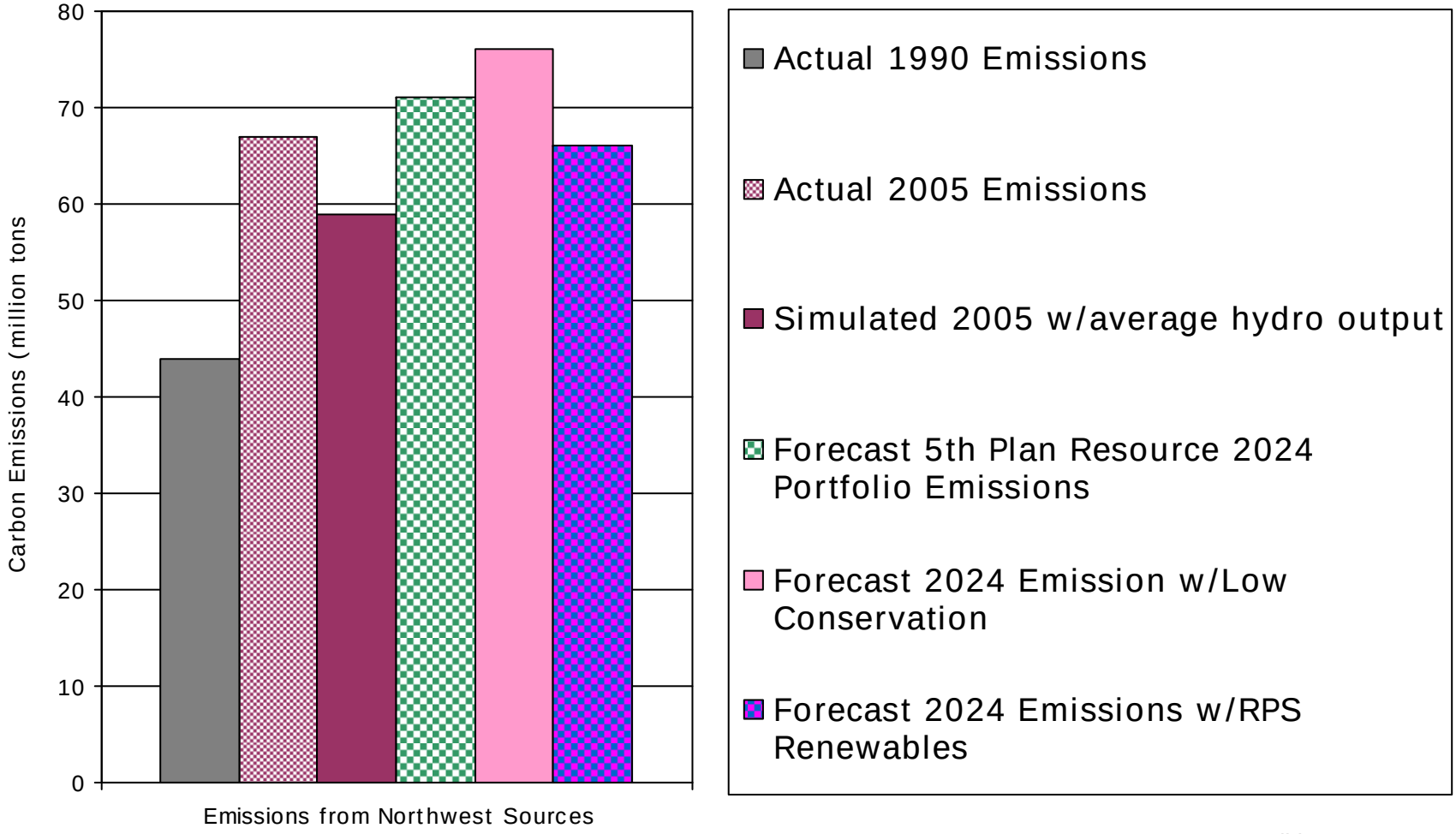
(Except Conservation, Renewable & Nuclear Resources)



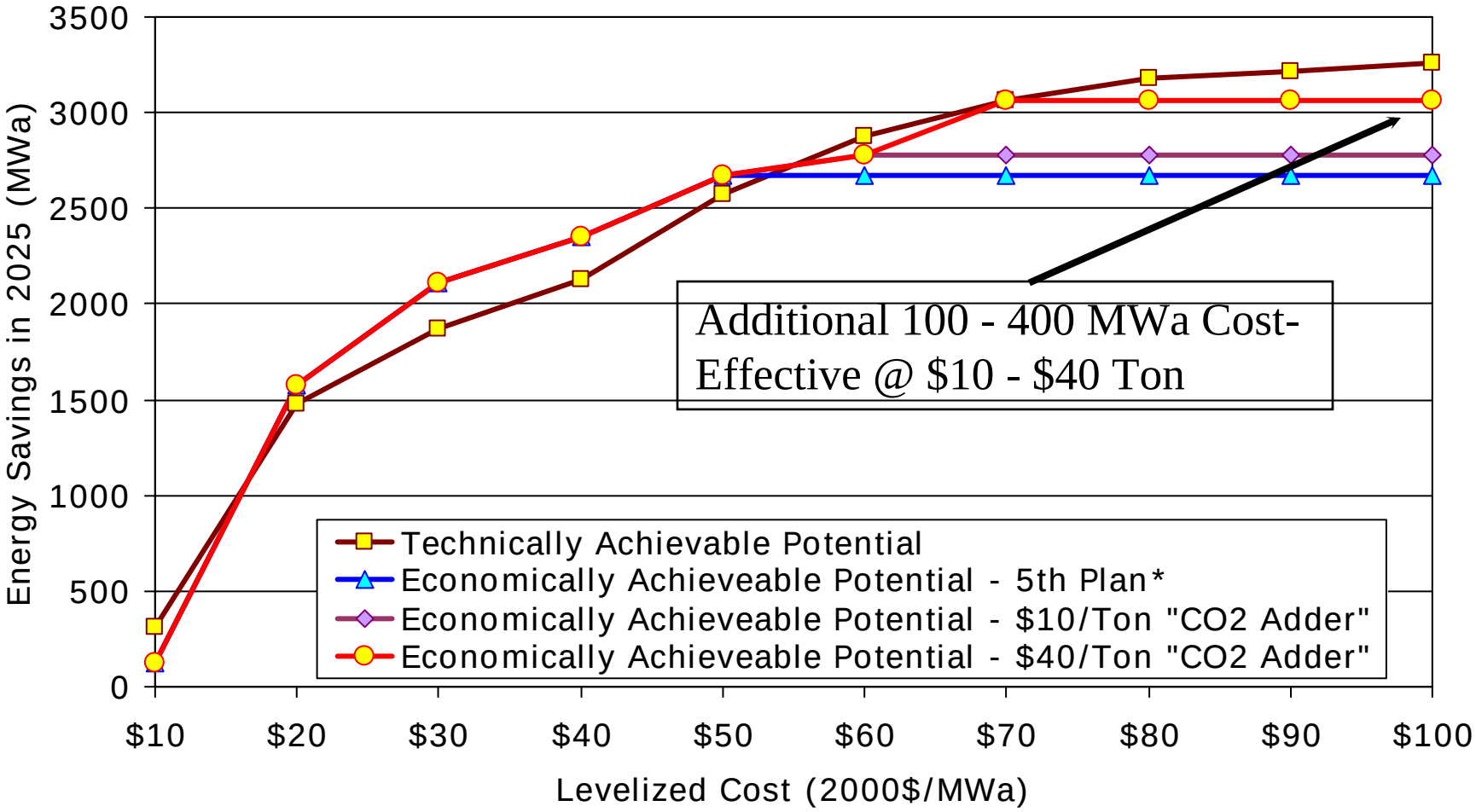
Meeting 5th Plan's Conservation Targets Reduces Forecast PNW Power System CO2 Emissions in 2024 by Nearly 20%



Alternative Future PNW Power System
Carbon Emissions
Resource Choice Tradeoffs

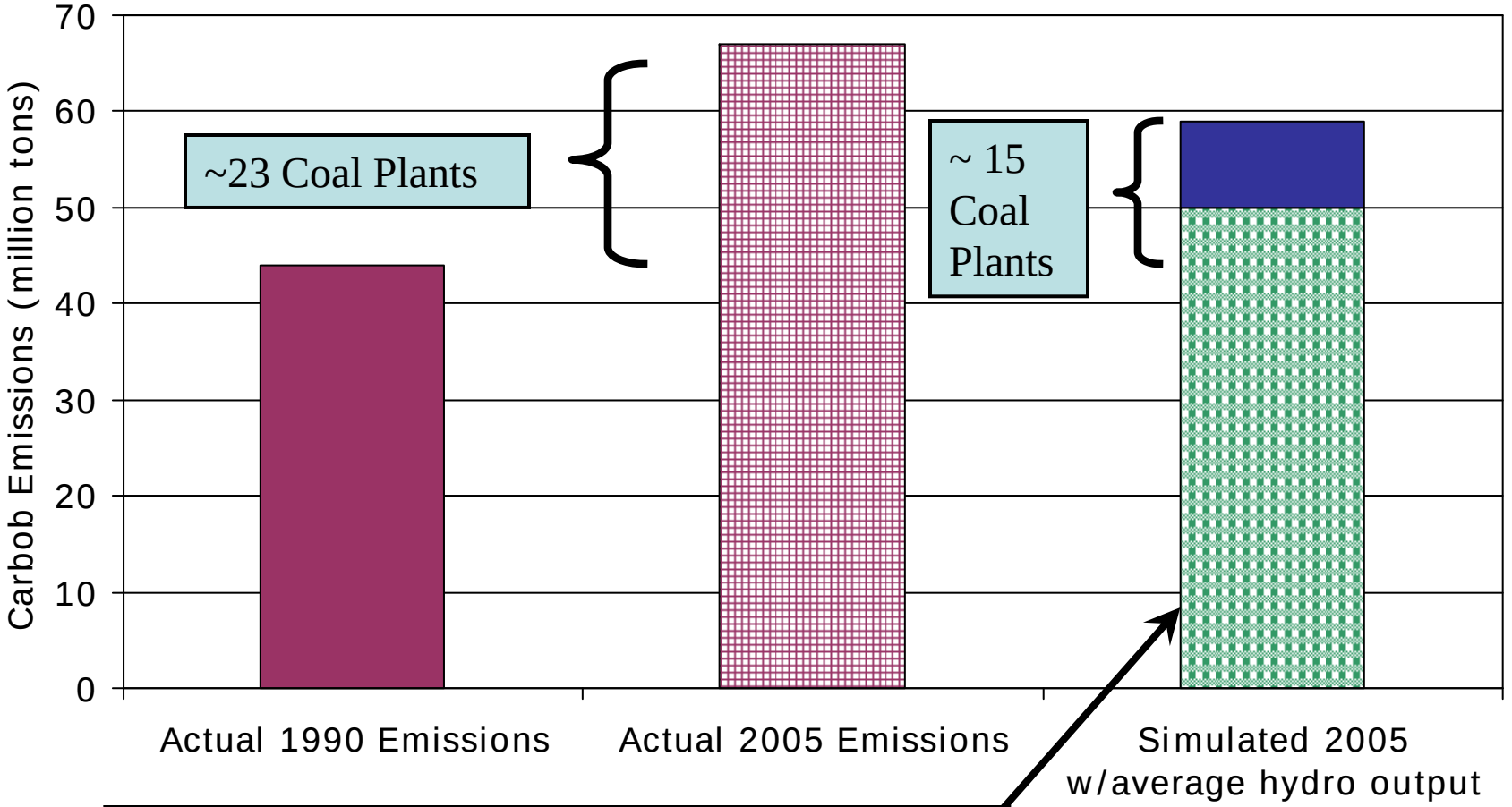


Carbon Control Might Make 4% to 15% More Conservation "Cost-Effective"



*Without "Certain" Carbon Control

Total PNW Power System Carbon Emissions Have Grown Significantly Since 1990



Emissions from Existing Coal Plants Produce 85% of Total PNW Power System CO2