



Blue Skysm – Quantity Savings

A new renewable energy option for corporate customers

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PacifiCorp facts

- PacifiCorp – serves 1.6 million customers
- An investor owned electric utility – PacifiCorp operates as Pacific Power in California, Oregon, Washington and Wyoming; and Utah Power in Idaho and Utah
- Commercial and industrial customers account for 13% of the customer base and more than 50% of retail energy sales
- PacifiCorp offers renewable energy options to all customers through the Blue Sky program
- In early 2005 the U.S. DOE ranked PacifiCorp second in the nation for customer participation and third for sales in 2004



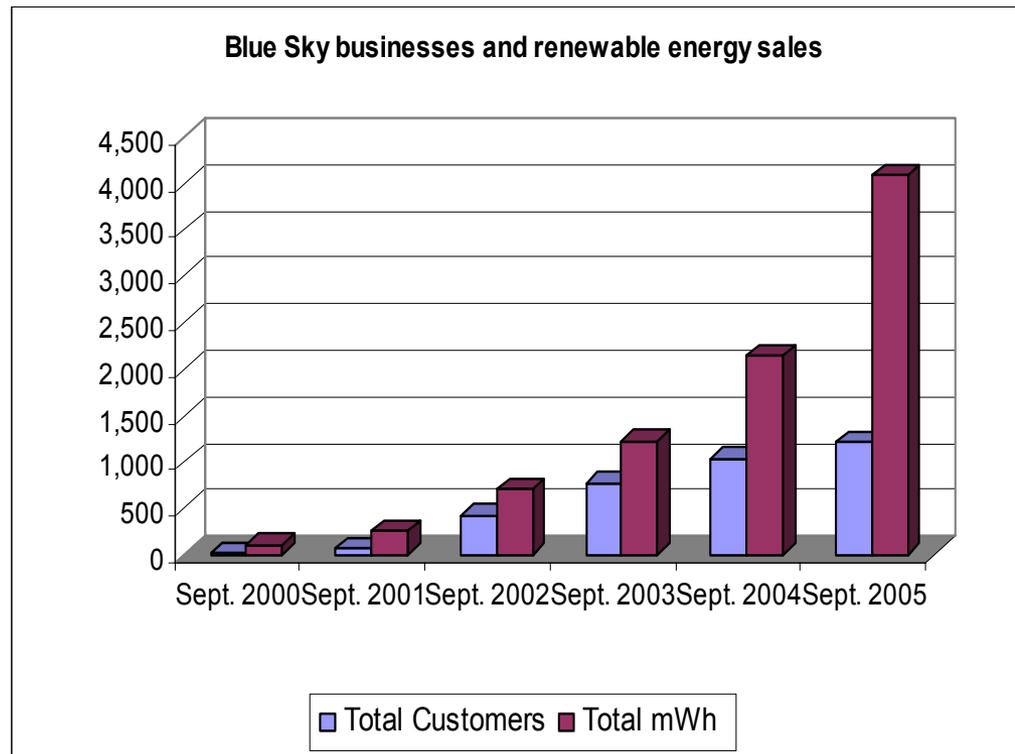


An evolving market

- Increased business interest
- Customer growth within this segment of two and half times
- Renewable energy sales growth of four times



A growing trend





Creating a value proposition for corporate customers

- Recognizing the growing trend and the fact that our standard product was not meeting the needs of commercial and industrial customers
- Set off on a product development path to create more value for our corporate customers
 - an option that could not only compete on price but also compete on ease of use and value added benefits
 - a product geared to large businesses





A new alternative business option

- Offers lower premiums
- Pricing based on a sliding scale
- A predictable fixed monthly cost
- Allows aggregation of sites within our service area
- Offers 100% new wind
- Requires a minimum annual purchase of 121.1 mwh (101 – 100 kWh blocks/month)
- Includes public recognition benefits
- Provides for easy enrollment



Summary of Block pricing options

Options	Description	Customer Segment	Extra Cost.
Blue Sky Standard Block	<ul style="list-style-type: none"> • 100% wind power in 100 kilowatt-hour increments (blocks) for a fixed price each month. • Customer chooses their level of participation – no minimum purchase or term requirements 	Available to all customers	Each block costs an additional \$1.95 per month.
Blue Sky Quantity Savings	<ul style="list-style-type: none"> • 100% wind power in 100 kilowatt-hour increments (blocks) for a fixed price each month. • <i>Customers must purchase a minimum of 101 blocks per month for a year.</i> • Business recognition program 	Available to non-residential customers.	<p>Extra cost is based on a sliding scale. \$\$.70 per 100 kWh plus a fixed monthly charge.</p> <p>For example --</p> <ul style="list-style-type: none"> 101 blocks/ \$1.94/block 200 - \$1.33/block 350 - \$1.06/block 500 - \$.95/block 750 - \$.87/block



Introducing the new option

We gradually introduced our customers to the QS option following Public Utility Commission approval.

- Utah – Summer 2004
- Oregon – Fall 2004
- Washington & Wyoming – January 2005
- Idaho – April 2005
- California – June 2005





The launch

- Implemented a strategy designed to -
 - encourage existing Blue Sky participants – purchasing at or above the minimum level to support more renewable energy for the same price
 - make targeted customers aware of the new offering
 - emphasize the ease of participation and value added benefits – reduced cost, one bill, no secondary credit requirement, public recognition benefits
- Provide customers decision making tools –
 - a simple pricing table – showing as an example of the cost structure and calculate the environmental benefits associated with their purchase
 - an on-line calculator allowing customers to determine the cost of Blue Sky QS
 - business focused printed material to answer commonly asked questions





Marketing strategies

- Media - press announcements/publicity/feature stories
- Direct sales – via our corporate account managers, regional community managers and outreach partners
- Special advisory emails
- Targeted direct mail
- Customer newsletters
- Newspaper ads

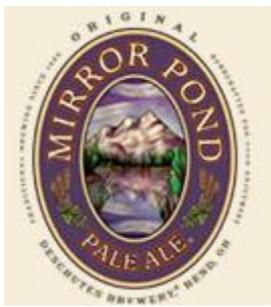




Customers taking the lead

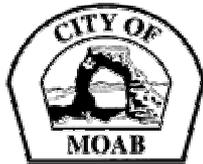


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Government leaders



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Moving more renewable energy

- Nearly all customers purchasing at or above the minimum threshold switched to the new QS option and increased their renewable energy purchase levels
- Upgrades have accounted for 1,453 mwh in additional monthly renewable energy sales





Moving more renewable energy

- Today 88 businesses locations in Oregon, Utah and Washington participate in the Blue Sky QS option
- Blue Sky QS customers represent 12% of the Block option businesses, 34% of Block renewable energy sales and 80% of Block sales linked to businesses





Blue Sky QS making a difference

- Choosing Blue Sky QS provides our customers with a simple solution to
 - achieve sustainability goals
 - further reduce their environmental footprint
 - increase the demand for renewable energy
 - set an example of leadership and commitment
- These customers are helping build a sustainable energy future
- Current Blue Sky QS customer purchases over a period of 12 months are equivalent to the average output of 7 – 1.5 mw wind turbines

