

September 15, 2006

Bonneville Power Administration
Public Affairs Office – DKC-7
PO Box 14428
Portland, Oregon 97293-4428

Re: Comments on Bonneville Power Administration’s “Regional Dialogue”

Two Whom It May Concern:

The Snake River Alliance is an Idaho-based grassroots group working through research, education, and community advocacy for peace and justice, the end to nuclear weapons, responsible solutions to nuclear waste and contamination, and sustainable alternatives to nuclear power. I submit these comments on behalf of our board of directors and dues-paying members.

Meeting future needs

- The 1980 Northwest Power Act makes Bonneville responsible for meeting regional load growth, and transferring that responsibility to individual utilities is a dangerous gamble. The region can end up with too many or too few resources - each outcome costing ratepayers dearly - and quite likely with the wrong resources.
- If BPA and its customer utilities go forward with the risky allocation scheme, utilities must commit to meeting additional needs the way Bonneville would be required to, first with energy efficiency and second with cost-competitive renewable energy. That commitment must be written into each utility's power-purchase contract with BPA as the quid pro quo for the great deal of 20 years of enough very low cost federal power to meet current needs.
- For those customers who choose to have Bonneville get the power they'll need to meet growing demands, BPA should offer only an all-conservation and renewables package of resources. The Regional Dialogue document provides no clear definition of this "Tier 2" product, but Bonneville must obey the Northwest Power Act by prioritizing renewables (after conservation) to meet regional load growth.

Energy efficiency

- The proposed allocation scheme means utilities will be paying market prices (instead of lower BPA prices) for power to meet their load growth. That makes energy efficiency gains all the more crucial for Northwest electricity consumers. BPA must build on what the agency correctly sees as a strong incentive to do lots of conservation.
- I commend Bonneville for pledging to get what it considers "its share" of the regional conservation goal set out in the Northwest Power and Conservation Council's 5th Power Plan. But to really help protect consumers and minimize the risks associated with the new allocation system, Bonneville should commit to helping its customer utilities acquire ALL the cost-effective energy savings in their communities.
- In addition to helping its customer utilities with conservation, BPA should exact a specific commitment from each utility that buys low-cost federal hydropower that they will meet the goal of achieving ALL the available cost-saving energy efficiency in its service territory.
- Bonneville is right about rolling conservation costs into Tier 1 rates. This is an important commitment and a significant improvement over the deep cuts to the efficiency program in the mid-1990s.
- I'm happy to see that Bonneville has changed a provision that would have actually penalized utilities with aggressive energy efficiency programs. Now, BPA proposes that public utilities keep half the power that they save through BPA-funded conservation efforts - and utilities will lose no federal power allocations due to efficiency efforts done on their own. This means that utilities actually have an incentive to do as much conservation as they can.
- BPA has shown great foresight in supporting the efforts of the Northwest Energy Efficiency Alliance. I'm glad to see that support continuing.

Renewable energy

- I commend BPA for committing to meet its share - about 100 megawatts a year - of the growth in renewables identified in the 5th Power Plan and for assigning renewable energy costs to Tier 1.
- By allowing utilities to develop new renewables projects between July 2006 and 2010 without reducing the amount of federal power they receive, BPA provides an incentive to develop renewables in the near term. I commend Bonneville for this proposal.

- BPA has shown some commitment by allocating up to \$21 million a year to helping develop new renewables, but that provision isn't firm. BPA says it will revisit its renewables allocation potentially disastrous for growing clean-energy businesses dependent on program and funding stability.
- While many utility customers agreed to a \$21 million minimum in new renewables spending, the Regional Dialogue makes that figure a cap and stresses its intent to minimize those expenditures. Out of a \$2.6 billion budget, BPA's commitment to renewables is very modest.
- Bonneville's renewables proposal also falls drastically short by providing no certainty about its long-term integration products for renewables. The agency still refuses to make such products available - at any price - for customers other than consumer-owned utilities. Bonneville must correct these serious flaws, which undermine its role in providing for Northwest power needs at affordable costs.
- Some BPA utility customers and public-interest advocates had agreed that Bonneville should acquire some renewable power prior to development of any Tier 2 product in order to secure the best sites for renewables generation. Sadly, BPA has opted to go with site banking instead. With this approach BPA is putting at risk its ability to provide a reasonable renewable product to its customers.

Salmon recovery

- Once again, Bonneville is attempting to drive a wedge between advocates of renewable energy and those trying to avert the extinction of wild Columbia Basin salmon and steelhead and the communities, cultures and economies that depend on the survival of the stocks now endangered by the federal hydropower system. Renewables development must not be held hostage to fish, or vice versa.
- Bonneville must stop suggesting it can't offer sufficient wind firming services because fish-survival programs limit the system's capacity. At a minimum BPA should state that there are many obligations on the hydrosystem that limit flexibility and no single component constrains the system. In fact, BPA is currently evaluating, along with many regional stakeholders, the capacity of the entire regional hydrosystem to help support wind-power development.
- If Bonneville is truly spilling too much water over dams to answer Northwest residents' needs for clean power AND abundant wild salmon stocks, it should advocate for real solutions to salmon restoration including removal of the four lower Snake River dams and replacing the power with cost-effective clean energy.

Nuclear Power

- We are pleased that BPA is not considering expanding nuclear power to meet future energy needs. Nuclear power has proven to be the more expensive option

for new energy generation, and the waste, safety, and proliferation concerns are arguably insurmountable. We encourage BPA to continue to look to renewable energy, efficiency, and conservation to meet the growing energy needs of the Northwest.

If you have questions or comments, please feel free to contact me at (208) 344-9161 or sra@snakeriveralliance.org.

Sincerely,

Jeremy M. Maxand
Executive Director