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REG-048

Mr. Mark Gendron  
Vice President for Requirements Marketing  
Bonneville Power Administration  
Mail Stop PS-6  
P.O. Box 3621  
Portland, OR 97208

September 28, 2006

RE: Regional Dialogue

Dear Mr. Gendron:

I am writing on behalf of Horizon Wind Energy to offer input on the critical issues at stake in Bonneville Power Administration's Regional Dialogue. Horizon Wind Energy is a national wind energy development company with offices in the Pacific Northwest. We are currently developing projects that will generate over 450 megawatts of clean and affordable wind power to customers in the Northwest region in the next several years.

BPA's customers stand to benefit environmentally and economically from aggressive development in renewables, and specifically, wind power. To date, wind power has been the most economically competitive renewable energy alternative. Wind power is cost-competitive with conventional electricity generation, and prices remain steady and predictable over the life of the project because there are no fuel costs. Wind power generates no air emissions, requires no fuel or cooling water, and creates no water pollution and no wastes. Wind power helps prevent global warming by providing clean, CO2-free energy.

Given our own enthusiasm for environmentally-friendly energy, we appreciate BPA's commitment to facilitate the acquisition and integration of renewables—about 100 megawatts per year—as identified in the 5th Power Plan, and for assigning renewable energy costs to Tier 1. Development of renewable energy projects will provide an option to the increasing numbers of Northwest customers who want consistently-priced, clean energy. However, we strongly urge BPA to increase the amount of wind and other renewables it will integrate each year, based on strong regional demand for such services and BPA's unique ability to perform this important function.

Additionally, 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. We commend BPA for this proposal, as early development will secure the best possible sites for renewables generation.

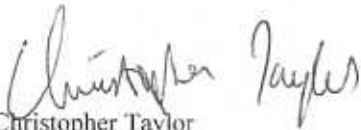
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In addition to these positive comments, we would like to recommend several vital modifications be made to BPA's proposal. For instance, BPA's planned allocation of up to \$21 million per year to help develop new renewables represents less than 1% of its \$2.6 billion budget. We strongly support an increase in this allocation, or an establishment of the \$21 million figure as a minimum rather than a cap. Given the exponential growth of renewable power projects in general, and wind power projects within BPA's service territory in particular, BPA must anticipate and accommodate more significant growth.

BPA's proposal also neglects to provide certainty about its long-term integration products for renewables. As a developer and marketer of wind energy, we know first-hand that utilities and other customers strongly desire long-term certainty for integration services. The lack of availability of long-term integration services is a real impediment to the future growth of wind power in the northwest. Furthermore, products must be available to investor-owned utilities, not just consumer-owned utilities. Implementing these changes would support BPA's goal of providing for Northwest power needs at affordable costs while honoring its expressed commitment to environmentally healthy power.

If you have any questions, please do not hesitate to contact me at 503-222-9400 x103 or [Chris.Taylor@horizonwind.com](mailto:Chris.Taylor@horizonwind.com). Thank you for taking the time to consider our recommendations.

Sincerely,



Christopher Taylor  
Director of Development

Cc: BPA Regional Dialogue Comments  
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