

Stenehjem, Carlene R - DKC-7

From: on behalf of BPA Public Involvement

Subject: FW: Regional Dialogue Comments

From: Pat Judge [mailto:pljudge@meic.org]

Sent: Thursday, October 26, 2006 10:17 AM

To: BPA Public Involvement

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Date: October 26, 2006

From: Patrick Judge, Montana Environmental Information Center, pljudge@meic.org

To: Bonneville Power Administration Public Affairs Office

Delivered via email (comment@bpa.gov)

The Montana Environmental Information Center (MEIC) hereby submits the following comments in response to BPA's Regional Dialogue proposal. MEIC is a member-supported non-profit organization founded in 1974 to "protect and restore Montana's natural environment." For more than three decades, MEIC has played an active role in statewide and regional energy policy and has consistently advocated a vision of a clean, affordable, reliable, and efficient energy system.

Unfortunately, BPA's current plan falls far short of that standard. With this proposal, BPA is abdicating its traditional responsibility of supplying clean, affordable power to its publicly-owned utility customers. BPA is uniquely positioned to carry out the recommendations of the Fifth Northwest Electric Power and Conservation Plan (released by the Northwest Power and Conservation Council in 2005). This plan clearly states that the optimal path for the region -- both economically and environmentally -- is to meet projected load growth with a combination of cost-effective conservation and cost-competitive renewables. Coal-fired power is included at a minimal level only, and is supposed to take the form of advanced coal technologies like IGCC with carbon capture and sequestration. The likelihood that 130 separate entities will carry out the recommendations of the council's plan is vanishingly small.

One need look no further than Great Falls, Montana for a perfect example of this principle. The Southern Montana Electric Generation & Transmission Cooperative currently has an extraregional BPA contract that will be phased out between 2008 and 2011. In its place, SME has proposed a 250 MW coal-fired power plant that would release substantial quantities of pollution. On an annual basis, this plant would produce:

- 366 tons of particulate matter
- 443 tons of sulfur oxides
- 944 tons of nitrogen oxides
- 1777 tons of carbon monoxide
- and 3 million tons of greenhouse gases (CO₂e) -- the equivalent of 561,000 automobiles! The plant is not an advanced coal design, and there are no plans for carbon capture. In addition, the plant would consume 1.7 billion gallons of water each year, and would have significant mercury emissions.

More than just an environmental menace, the plant imposes significant economic costs and risks on its customers and investors (including U.S. taxpayers, should the Rural Utility Service agree to finance the project). The plant would comprise an overwhelming share of SME's portfolio -- in fact, the only other resources currently envisioned are a continuation of a 20 MW hydro contract with WAPA and 5 MW worth of wind. Obtaining upwards of 90% of total capacity from a single coal-fired generator is a reckless strategy that would needlessly expose SME's customers to carbon risk, fuel price spikes, and other variables.

In contrast, BPA has the tools and experience to perform the kind of sophisticated modeling that is necessary to optimize a resource mix for the lowest long-term cost and risk. It has unrivaled efficiencies of scale that allow it to deliver substantial benefits to customers and society. And it has the ability to take a proactive approach in meeting the future needs of its customers in the spirit of the Regional Act. It simply needs the determination to meet this challenge.

As a final point, MEIC wishes to emphasize the Administration's equally important legal and moral obligations to fish and wildlife, particularly the imperiled salmon and steelhead populations that are nearly synonymous with the Pacific Northwest. The survival interest of the fish and the communities that depend upon them should never be placed in competition with other demands -- it is not an "either / or" proposition, but rather a cultural imperative. We can and must have an efficient, affordable, and sustainable power

system that protects both ratepayers and the environment. But BPA needs to take a leadership role in that effort.

MEIC genuinely appreciates this opportunity to comment, and looks forward to a revised proposal.
Sincerely,

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