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27 October 2006

Bonneville Power Administration
Public Affairs Office – DKC-7
P.O. Box 14428
Portland, OR 97293

Re: Comments on Regional Dialogue Proposal

Folks:

Montana Trout Unlimited represents 3,500 conservation-minded anglers, many who live within the service areas of private utilities or power co-operatives served by the Bonneville Power Authority. We have long recognized that power generation and transmission can have a profound affect on Montana's significant native and wild trout fisheries. Therefore we're submitting these comments on the Regional Dialogue proposal.

First, we are nervous that the proposed allocation scheme provides too much freedom for the region's utilities to control the power market and the future direction of how new energy is produced. In Montana, we have plenty of reason to be suspicious of allocation schemes and policies that grant inordinate influence to private utilities over our power market. Legislation in 1997 that "deregulated" electric energy producers in this state has been an unmitigated disaster. It has resulted in significantly higher energy costs, no competition, and no real incentives for private companies to be more efficient or conservation oriented.

We are also increasingly nervous that fossil fuels, especially coal, are becoming the first choice for some utilities when they seek to increase their energy loads for the future. As residents of a state whose economy depends on reliable snowpack for irrigated agriculture, municipal uses, forest health, recreation and tourism, fisheries and, of course, hydroelectric production, we are alarmed that the nation's energy picture is becoming increasingly dependent on sources that produce greenhouse gasses and a subsequent warmer climate.

Therefore, we recommend that if BPA resorts to the new allocation scheme as proposed that it be balanced with requirements that its customer utilities maximize their investments in conservation and renewable energy sources before turning to fossil fuels. It thus makes sense that BPA require – and actively aid -- its customer utilities to

purchase as much conservation as possible in the communities they service. We are pleased to see, however, that this objective will more easily be met if BPA adopts its recommendation that utilities whose energy efficiency increases available power be rewarded by not losing access to an equal amount of low-cost federal power. We think this is a superb incentive to better ensure utilities increase their investments in conservation.

We also believe that BPA should invest more in developing additional renewable energy sources. It is entirely reasonable – given BPA’s annual budget of \$2.6 billion – that the federal power authority increase its commitment for developing renewable sources above the proposed \$21 million a year. We believe as the investment grows, efficiencies will increase and the return on each dollar will also rise.

Further, we believe BPA’s sometimes stated notion that investments in renewable energy are constrained by conservation programs aimed at protecting and restoring anadromous fish is short-sighted. The region can increase its commitment to salmon and steelhead while producing adequate power for customer utilities. Power production restraints resulting from drawdowns and spills at mainstem dams for salmon can be balanced with increased investments in conservation and renewable sources such as windpower.

We are convinced that there are many other constraints besides investments in fish conservation that affect BPA’s flexibility to produce power. For example, BPA along with the Bureau of Reclamation, Army Corps of Engineers and private utilities could improve their collective predictive capabilities for runoff from around the region and Canada. Moreover, the region’s hydro system could be operated more efficiently if dam operations and storage within the Columbia basin were better timed and coordinated. It appears that BPA and federal dam operators still run some hydroelectric units, at least seasonally, in isolation of others within the Columbia basin.

Finally, if BPA has concluded the region cannot afford spills and drawdowns on main stem Columbia dams for fish, then it could opt for a real conservation solution for restoring the region’s most imperiled populations of anadromous fish: Call for removal of the four dams on the lower Snake River, dams that represent a small part of the most critical portion of BPA’s overall load.

We look forward to BPA adopting power supply contracts with its customer utilities that respond to the public’s demand for more conservation, more renewable energy, less greenhouse gases and real recovery for imperiled fish.

Sincerely,

Bruce Farling
Executive Director

