

**Stenehjem, Carlene R - DKC-7**

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**From:** on behalf of BPA Public Involvement

**Subject:** FW: BPA Regional Dialogue on Post-2006 Power Sales Contracts

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**From:** Matt Leow [mailto:mleow@montpirg.org]

**Sent:** Tuesday, October 31, 2006 1:12 PM

**To:** BPA Public Involvement

**Subject:** BPA Regional Dialogue on Post-2006 Power Sales Contracts



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October 31, 2006

From: Matt Leow, MontPIRG mleow@montpirg.org

To: BPA Public Affairs Office comment@bpa.gov

The Montana Public Interest Research Group is pleased to participate in the BPA Regional Dialogue, and hereby submits its comments in response to the proposal. For twenty-five years, MontPIRG has filled a unique role in Montana as an advocate both for consumers as well as a clean and healthful environment. The mission of MontPIRG's energy program is to promote energy conservation, efficiency and renewable energy resources, to provide consumers with fair and affordable access to power, and to reduce harmful emissions from power plants and other energy polluters.

BPA's Regional Dialogue proposal for post-2006 power sales contracts is a drastic departure from BPA's historic role in the region's power system. BPA has been responsible for meeting load growth, first, through conservation and efficiency and, second, with renewable energy. This proposal would turn over that responsibility to 130 independent acting utilities that will be operating without a mandate to prioritize clean energy. We are concerned about what that may mean for future energy development in the region.

The Northwest is expected to experience considerable load growth in the next twenty years. The region's official power planning agency, the Northwest Power and Conservation Council says almost all of the region's load growth should be met with conservation and wind power. Certainly, much of the region's load growth can be met through low-cost efficiency and conservation as well as affordable renewable sources. BPA is in a unique position to realize that potential, and is better poised, through its experience with wind integration as well as the scale of its system, than the smaller utilities that would be inheriting the responsibility of new resource development under this proposal. 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.

On a positive note, we are happy to see that Bonneville has changed a provision that would have actually penalized utilities with aggressive energy efficiency programs. We also commend BPA for committing to meet its share of the growth in renewables - about 100 megawatts a year - identified in the 5th Power Plan and for assigning renewable energy costs to Tier 1. Additionally, we would like to commend BPA for its proposal to allow utilities to develop new renewable energy projects between July 2006 and 2010 without reducing the amount of federal power they receive. This provides an incentive to develop renewables in the near term. BPA has shown some commitment by allocating up to \$21 million a year to helping develop new renewables. The renewables allocation should be firmed up and made a minimum - not a cap.

MontPIRG appreciates the opportunity to participate in the Regional Dialogue, and looks forward to continuing

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to work with BPA to provide clean and affordable power to the region's customers.

Sincerely,

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*MontPIRG serves as an advocate for the public interest in support of a clean and healthful environment, a fair marketplace for consumers, and an open and responsive government.*