

## Comments from Oregon Interfaith Global Warming Campaign on BPA's Long-Term Regional Dialogue Policy Proposal:

The Oregon Interfaith Global Warming Campaign is pleased to offer comments on Bonneville Power Administration's Long-Term Dialogue Policy Proposal. The Interfaith Campaign is coordinated by the Ecumenical Ministries of Oregon's Interfaith Network for Concerns, in collaboration with other faith-based organizations.

### **Background**

The Ecumenical Ministries of Oregon (EMO) is an association of 17 Christian denominations including Protestant, Catholic and Orthodox bodies across the state of Oregon. We work with congregations, ecumenical and interfaith organizations, and other people of faith in the collective task of building a just and compassionate world for all people. Part of our mission is to challenge and encourage men and women of faith to be effective stewards of the natural resources entrusted to their care. In 1992, EMO established the Interfaith Network for Earth Concerns. Over 200 congregations from throughout the state participated in INEC programs in 2006. Our programs focus on earth stewardship, theological education and dialogue, public policy advocacy, and concrete steps to support the "greening" of our congregations.

Energy and global warming are priorities. Many of us in the faith community view global warming as the overarching threat to Creation in our time. Through our Oregon Interfaith Power and Light (OIPL) project, participating congregations, synagogues and other faith communities "practice what they preach" by investing in energy efficiency, purchasing power from clean and renewable energy sources, and following other green practices that reduce their "environmental footprint." OIPL offers educational and consulting services on energy efficiency and clean energy for faith communities that complement and enhance those services offered by the Energy Trust of Oregon and local utilities. Last month, over 175 congregations, synagogues, and other faith communities throughout the state sponsored presentations and discussions of the documentary on global warming, *An Inconvenient Truth*. Our Oregon Interfaith Global Warming Campaign educates and mobilizes the faith community on global warming and facilitates policy advocacy. EMO staff and Campaign members have previously served or currently serve on several of the global warming advisory groups and task forces established by Governor Ted Kulongoski.

As our faith communities become more educated and active in making decisions about their energy future, we have also become more aware of the many significant state, regional, and national policy decisions that can affect our energy future. In addition to working within our own faith communities, we also realized the importance of encouraging our state, the region, and the nation as a whole to incorporate values-based perspectives when making energy policy decisions. Several years ago, we decided that one way to support this transition was to join with other faith-based organizations in the region as members of the NW Energy Coalition.

### **Specific Comments**

In September of 2004, we provided comments to BPA on an earlier version of your proposal. Since we understand that it is not possible to reenter these comments in the public record, we will summarize the most relevant portions. In addition, we will both

offer compliments and raise specific issues and concerns about BPA's latest policy proposal.

1. We have been very impressed with BPA's commitment to an open public involvement process, and its skillful efforts to work with the region's many stakeholders on various iterations of this proposal over the past five years. It has taken time and patience, but the region's stakeholders have achieved consensus on many important principles and issues reflected in your latest proposal. Bonneville staff deserves considerable praise for their tactful guidance through this process.

2. If BPA is going to continue as a positive and viable institution through the 21<sup>st</sup> Century, it must never forget that its mission extends far beyond that of simply being a federal agency that markets power and transmission services. Congress and the tribal treaties have set a very high standard for Bonneville to meet in fulfilling its public responsibilities. For example, Congress has entrusted Bonneville with the awesome responsibility of being a public steward of the Federal Columbia River Power System. This means that Bonneville must meet moral and ethical responsibilities to its customers and other Northwest stakeholders, to the American public in general, to a healthy Columbia River now and in the future, and to the salmon who used the Columbia River and its tributaries as their habitat long before any of us began to consider the possibility of reengineering the river for our own purposes. It also means that BPA has a special obligation to the Columbia Basin tribes with whom BPA and its partner federal agencies have a most vital federal trust responsibility and government-to-government relationship.

The best way for BPA and the region to thwart the efforts of groups like the Northeast-Midwest Institute to force BPA and the other power marketing administrations to charge much higher market-based rates is for BPA to provide sustained and convincing evidence that it is not a federal PMA "dinosaur" that has outlived its mission. Surely, providing the region with low-cost power must remain a central objective. However, we know that BPA does much more than provide and transmit low-cost power. BPA and the region continually need to document and demonstrate this to the rest of the nation. If Bonneville ever stops providing "added value" to the region and the nation as a whole by failing to meet its public responsibilities, it will lose its greatest justification for its continued existence in the 21<sup>st</sup> century.

3. BPA proposes a long-term fixed allocation of federal power to its utility customers; the utilities would thus become responsible for acquiring additional power from the competitive market to meet their future load growth. Rather than plan for and serve the load growth of its public utility customers as established under the Northwest Power and Conservation Act, BPA would transfer that role to the utilities themselves.

This strategy offers many potential benefits. For example, BPA argues that it will bring greater clarity to its approach for supporting conservation and renewable resource development, and greater certainty to its ability to fund its fish and wildlife recovery obligations.

However, we must not forget that under the Northwest Power and Conservation Act, BPA has a legal mandate to serve the region's electricity needs in a manner that is consistent with the Northwest Power and Conservation Council's Power Plan. The Act also requires that the Council and BPA develop and implement what is now referred to as a "least-cost/least-risk plan" that gives top priority to the acquisition of cost-effective

energy conservation and second priority to cost-effective renewables before considering other resource options such as fossil-fuel or nuclear fired power plants.

If BPA decides to hand off its obligation for meeting load growth to its utility customers, it is vital that it also find a way to monitor and enforce the requirement that the utilities continue to follow the principles of least-cost/least-risk planning and to give top priority to conservation and renewable resource options. In other words, BPA cannot and should not transfer these legal obligations from the Northwest Power and Conservation Act without establishing a clear way to support, monitor, and enforce the implementation of these obligations.

4. Why do we feel so strongly about this point? The Northwest is expected to need 25 percent more electricity by 2024 – an additional 5,000 average megawatts, or enough to power nearly five Seattle-sized cities. The Northwest Power and Conservation Council's most recent Power Plan, released just last year, developed a strategy for meeting that growth almost entirely with cost-effective energy efficiency and renewable energy.

Under BPA's proposal, many of the region's 130 utilities will be making independent power-acquisition decisions, and the region will likely end up with both periods of too many and too few new power resources; in addition, it is likely that at least some utilities will select the wrong kind of resources. Any of these outcomes will cost power consumers and the environment dearly. As utilities get swept up in the business cycles that are characteristic of competitive commodity markets, we will almost certainly see both over-building and under-building of new power plants. Over-building will waste the region's money, while under-building will reduce reliability, increase rates, and place additional pressures on the operators of the hydro-system to "run the river" in a manner that increases power generation at the expense of salmon survival.

We are particularly concerned about the kinds of power resources the utilities will pursue if BPA does not find an acceptable way to hand off and enforce its legal mandate to give top priority to energy efficiency and clean-energy options. Competitive markets are effective at setting prices, but they have a notorious blind spot for greenhouse gas emissions and other environmental harm. If the immediate costs of power from a coal plant appear less expensive than investments in energy efficiency, wind power, or other "green" options, the coal plant is likely to be built first, regardless of the hidden environmental costs. As far as the market is concerned, pollution or the destruction of salmon runs is someone else's problem.

These are not just "theoretical" concerns. We have all observed what happened in the mid and late 1990's when Northwest utilities asked BPA to transfer to them most of its conservation responsibilities. A few "star" utilities continued to perform admirably, but the vast majority walked away from their commitments. We have all seen what happens when the region does not have enough power to meet its needs. BPA finds itself under enormous pressure to run the river in a way that sacrifices salmon recovery when it believes its only alternatives are serious power shortages or emergency purchases of extremely expensive power on the open market. And we are now witnessing what happens when natural gas prices rise and pulverized coal plants suddenly appear to be the cheapest traditional power resource. An alarming number of Northwest utilities have begun to pursue coal options as if the world had no reason to be concerned about the implications for global warming. Many of the new plants on the drawing-board are not

even integrated gasification combined cycle plants (IGCC) with carbon capture and storage.

We are also concerned that this move will severely threaten the Northwest's power system's long-standing "one utility concept." These important regional norms of cooperation and coordination first emerged during World War II, were reinforced through the development and operation of the region's hydro-electric system, and were instituted into federal law with the passage of the Northwest Power Planning and Conservation Act of 1980. They have served us well and need to be strengthened rather than weakened.

5. For these reasons, we endorse the recent comments and recommendations offered by the NW Energy Coalition. If BPA decides to proceed with its proposal, it should require in its new 20-year power resource contracts that any utility accepting the low-cost Tier 1 allocation will commit to acquiring new resources in a way that is consistent with the principles of the Northwest Power and Conservation Act and the Northwest Power and Conservation Council's Power Plan. In addition, there must be a clear and reasonable way to monitor and enforce the implementation of the utility's commitments. If utilities are unwilling to accept reasonable provisions that ensure environmentally and socially responsible least-cost/least-risk planning and priority for cost-effective conservation and clean-energy options, BPA and the region should not proceed with this proposal.

Thank you for this opportunity to comment on this important proposal.

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