



"CUSTOMER-OWNED for CUSTOMER BENEFIT"

961 12TH AVENUE • PO Box 3007 • LONGVIEW, WASHINGTON 98632 • (360) 423-2210 FAX (360) 577-7559

Rdot-0001  
JUL 27 2004

Board of Commissioners:  
MERRITT H. (BUZ) KETCHAM EDWARD M. (NED) PIPER JOHN M. SEARING

General Manager:  
DENNIS P. ROBINSON

July 20, 2004

Mr. Stephen J. Wright  
Administrator  
Bonneville Power Administration  
P. O. Box 3621  
Portland, OR 97208 3621

Dear Steve:


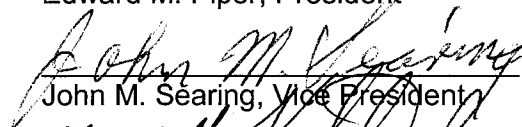
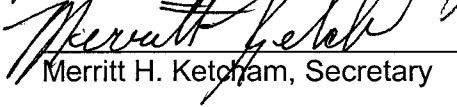
Thank you to you and your staff for the policy proposed on July 7, 2004, calling for the preservation of the value of the federal Columbia River Power System by limiting sales of low-cost power to the amount produced by the existing generating system.

We agree that BPA should only be responsible for the load equal to its available federal hydro resources, plus the Columbia Generating Station. We support this proposal and strongly believe that all BPA customers must be responsible to pursue the wholesale power resources necessary to satisfy their own growth, which exceeds the federal system, post 2011.

We appreciate you and your staff considering our input on this extremely important issue and we look forward to a continued dialogue as the process evolves over the coming months.

Sincerely,

Cowlitz County PUD  
Board of Commissioners

  
Edward M. Piper, President  
  
John M. Searing, Vice President  
  
Merritt H. Ketcham, Secretary

cc: U.S. Senator Patty Murray (via e-mail)  
U.S. Senator Maria Cantwell (via e-mail)  
Congressman Brian Baird (via e-mail)

Congress of the United States  
Washington, DC 20515

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| RECEIVED BY BPA<br>ADMINISTRATOR'S<br>OFC-LOG #: 04-0143 |
| RECEIPT DATE:<br>7.26.04                                 |
| DUE DATE:<br>8.9.04                                      |

July 22, 2004

RD04-002  
JUL 27 2004

Mr. Steve Wright  
Administrator  
Bonneville Power Administration  
905 N.E. 11th Avenue  
Portland, OR 97232

ASSIGN: DR-7C  
cc: FO3, DC/Wash, L-7, P-6, T/Ditt2,  
TM/Ditt2, TO/Ditt2, [REDACTED]

Dear Mr. Wright:

We have written you before expressing our support for your efforts on new, renewable energy in the Northwest. Indeed, BPA has been a leader in acquiring good renewable projects, developing helpful products and services for renewable resources, and in seeking changes to transmission system policies that reduce barriers to renewable resources. We know that but for Bonneville's participation, many of the current projects would not have come to fruition.

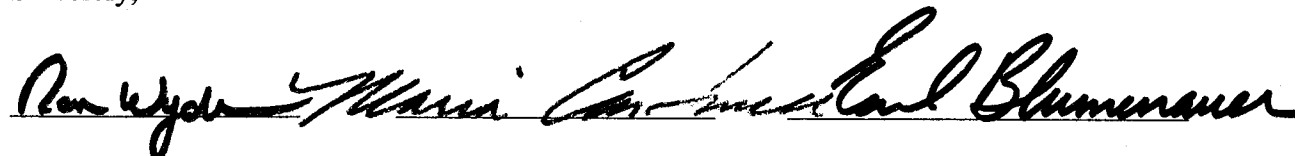
BPA's leadership in this regard is squarely aligned with the history of the region, as we collectively have worked through and with BPA to develop the Columbia River's hydropower capacity and the regional transmission system. These long-term investments were not easy calls at the time, but this core of power has served the region's economic and environmental goals well over time.

We also appreciate BPA's continuing commitment to supporting energy efficiency efforts around the region, not in lieu of, but as an essential complement to advancing renewable technologies and projects.

It is in this spirit that we commit our support to you in all of these activities that have served the region well to date. We are seeing wind begin to turn the corner in the Northwest, and now is the time to make the enormous capabilities of BPA and its system available to stimulate future growth of these resources. We commend also your efforts to allow both large and small utilities to benefit from the diversity, environmental and local economic development opportunities of renewables. Both the power and transmission side of the business must be engaged in a continuing effort to support renewable resources.

Please consider our comments as you prepare your proposal for the Regional Dialogue. Thank you for your consideration.

Sincerely,



Senator Ron Wyden

Senator Maria Cantwell

Congressman Earl Blumenauer

RD04-0003

JUL 30 2004

**Kuehn, Ginny - DM-7**

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**From:** Steve Boorman [sboorman@coldreams.com]  
**Sent:** Tuesday, July 27, 2004 2:47 PM  
**To:** BPA Public Involvement  
**Cc:** Beede, C T - PSE-BIG ARM  
**Subject:** Regional Dialogue: BPA's Policy Proposal for Power Supply Role for Fiscal Years 2007-2011, dtd 7 Jul 04

In regards to the Subject Policy Proposal I would like to offer a couple of comments. The proposal as written was good, however what concerned me was what was not said.

1. In Section L. the Subject Proposal identified the importance of controlling cost and having expenses be "best practices" and "transparent" to parties in the northwest. This is clearly a "right answer". What the proposal was silent on was setting the same standard of best practices and transparency for fish and wildlife cost. There is no reason that the fish and wildlife programs, funded by ratepayer dollars, should not meet those same standards of accountability.
2. In the Subject Proposal there was discussion of BPA risk and cost but the proposal was silent on the risk and cost to the end customer, the homeowners, businesses, farmers ... Parties that have very limited voice in the debates and issues facing the northwest power community. It is a tendency of all people and organization to focus on themselves and forget who they are providing a service/product for. It needs to be a priority for me as a utility manager and the employee's of the City to constantly remind ourselves that we are here to serve our customers. It is also incumbent upon BPA for you to not lose focus of your place in serving the end user of electricity. That the risk you evaluate need to include the impact on those end customers.

Sincerely,

Stephen Boorman, P.E.  
City Administrator  
City of Bonners Ferry

7/29/2004



Washington  
Public  
Utility  
Districts  
Association

1411 Fourth Ave.  
Suite 810  
Seattle, WA 98101  
206 682-3110  
Fax 206 682-3913

|   |
|---|
| RECEIVED BY BPA<br>ADMINISTRATOR'S<br>OFC-LOG #: <i>04 0147</i> |
| RECEIPT DATE:<br><i>7.29.04</i>                                 |
| DUE DATE:<br><i>Info Only</i>                                   |

*RD04-0004*

JUL 30 2004

July 22, 2004

Mr. Steve Wright  
Administrator  
Bonneville Power Administration  
905 NE 11th  
Portland, Oregon 97208-3621

**INFO ONLY: Steve Wright-A-7**  
**cc: FO2, DC/Wash, L-7, P-6, T/Ditt2,**  
**DM-7, PL-6, PG-5, Lebens-PSW-6,**  
**Forman-PSW-6, [REDACTED]**

Dear Steve,

I want to express my gratitude to you and your staff for your thoughtful decisions on two issues – Regional Dialogue and summer spill – which are consistent with the positions of the Washington PUD Association.

By undertaking the Regional Dialogue process, you have shown you are listening to your customers. This initiative will allow Bonneville to distill real public input into a long-range strategy for how it does business. By being willing to take an unflinching look at how it does business, Bonneville has set the stage for what promises to be an exciting future.

On summer spill, BPA has taken a stand for ratepayers in the face of special interest group opposition. The nearly \$28 million in savings made possible by the summer spill plan, curtailment with compensating measures more useful to salmon, is the type of cost-effective thinking that will lead to further savings down the road. While still at risk due to the pending court challenge, I know you personally worked very hard to bring about these cost savings.

You should be congratulated for your leadership and vision. I thank you.

Sincerely,

*Nancy Barnes*

Nancy Barnes, President  
Washington PUD Association

NB/hb

*we appreciate  
your vision and  
think we have made  
great progress. Thank  
Nancy*

**Oregon Rural Electric Cooperative Association  
Principles and Position  
July 22, 2004**

*R004-0005*  
AUG 11 2004

**Principles**

**We support:**

- Low cost<sup>1</sup> BPA resources preserved for their original purpose: the public agencies and cooperatives in the Pacific Northwest.
- Reliable, at-cost transmission and electric services.
- Postage stamp transmission (including GTA service) and electric rates.
- Low-density discount, based on legacy agreements committed to in the NW Power Act.
- Continued offering of the summer seasonal product.
- Continued offering of the full-requirements product.
- Continued availability of basic products, where there is no cross-subsidization between classes of product users in the cost of BPA offering the product. However the cost of BPA's current rate assistance or program expenses for LDD, GTAs, and Irrigation Mitigation are rolled into the overall Agency cost and not directly assigned to individual utilities or groups of customers.
- Keeping the dams.
- Least cost plans for conservation.
- A process to insure open lines of communication.
- BPA accountability for their actions.
- Stability – not volatility.

**Position on BPA's Future and Long Term Approach to Federal Power Resources**

- We support and will pursue long term (20 year) power supply contracts in a manner that stabilizes co-operatives' power supply costs.
- Long term contracts should:
  - Treat all public utilities in a fair and equitable manner.
  - Be broadly acceptable to public agencies and cooperatives.
  - Create no winners or losers.
  - Be transparent and understandable.
- The number of products should be kept to a minimum. Current offerings include slice, block, and full requirements and partial requirements products.
- We strongly oppose removal of any hydroelectric projects that are a part of the FBS.
- We oppose summer spill.
- Consistent with the 1980 NW Power Act, preference customers should receive the capabilities of the federal power system, and the benefits made available to IOU small farm and residential customers should be in the form of financial benefits only and not power deliveries, in accordance with the 1980 NW Power Act.
- We support establishment of new consumer-owned utilities in the region up to 75 aMW.
- Long-term contracts are necessary, and will provide stable rates over time.
- The effectiveness of long term contracts will best be realized if contracts are enforceable, and if customers are provided with a meaningful role in BPA cost control.
- With regard to a schedule for issue resolution regarding long term contracts, we support:
  - An aggressive schedule that accommodates issue resolution at least 12 months prior to contract offering.

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<sup>1</sup> "Low cost", defined as "sold at cost of generation".

RDay-0006  
AUG 18 2004

**Kuehn, Ginny - DM-7**

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**From:** tfis688534@aol.com  
**Sent:** Wednesday, August 18, 2004 12:18 AM  
**To:** Kuehn, Ginny - DM-7  
**Subject:** External Public Affairs information request

NOTE: A copy of what the sender submitted on the form was e-mailed back to them.

Submitter: Terry Fischer  
Their e-mail address: tfis688534@aol.com  
Date Submitted : 2004 August 18 US Pacific Time 12:18:02 AM  
Their address:  
Terry G. Fischer  
915 Sudden Valley  
Bellingham, WA. 98229  
Their telephone: 360-676-8210  
Their request or Comment:

Please help me keep my Aluminum job so that I can continue to support my family. We need to get back to the longer term contracts that used to be provided by BPA to their customers. My job is on a monthly basis now but I can't afford to quit it at this time. This has made our family life very tough. Please help Washington Industry. Also, I am a lifelong Washington resident and I think the environmental groups are getting a little crazy about a handful of fish. Keep up the creative thinking for the Spills and save our jobs. Thank you, the Fischer Family

This e-mail was generated from the general purpose information request page  
[http://www.bpa.gov/cgi-scripts/support/info\\_request.asp](http://www.bpa.gov/cgi-scripts/support/info_request.asp)

Technical web information on submitter.  
Page they were on before submitting form: <http://www.bpa.gov/corporate/contact/>  
The IP address user is at: 170.160.2.235  
The screen resolution of their browser (Width x Height): 800 600  
The type of browser used: Mozilla/4.0 (compatible; MSIE 6.0; Windows NT 5.0)



RD04-0007  
AUG 18 2004

LAWRENCE T MOLLOY  
Advisor, Corporate Planning

1.206.622.1120  
FAX 1.206.622.0935  
molloy@halcyon.com  
www.ebara.co.jp

Sirs/Madam -

Unfortunately I will not be able to testify  
@ a Hearing regarding your Regional Dialogues.

The lowest cost and best investment  
for BPA as a utility and as a  
steward are renewables, efficiencies, and  
Smart Grids/Power Technologies.

I urge you to follow  
that Path.

Thank You!  
L. T. Molloy

**WHATCOM COUNTY  
EXECUTIVE'S OFFICE**

County Courthouse  
311 Grand Avenue, Suite #108  
Bellingham, WA 98225-4082



**Pete Kremen**  
County Executive

R004-0008

AUG 19 2004

August 17, 2004

Stephen J. Wright  
Administrator and CEO  
Bonneville Power Administration  
PO Box 14428  
Portland, OR 97293-4428

Dear Mr. Wright:

I regret that I am unable to attend tonight's Regional Dialogue Policy hearing and am consequently asking that this letter be read into the record. As the Whatcom County Executive, I am in a unique position to understand the vital importance of a regional power policy that provides access to an adequate supply of affordable power for the aluminum industry.

Whatcom County is particularly concerned about your decisions as they affect future service to the Alcoa Intalco aluminum plant. The operation of this plant is essential to our community. Intalco provides hundreds of family wage jobs and their tax payments underwrite critical governmental functions. Additionally, Intalco has long been a highly responsible corporate citizen providing significant community service and working tirelessly to protect the environment.

You have proposed providing up to 500 average Megawatts of total service benefits to all of your Direct Service Industrial Customers including Alcoa. I understand that the current contract with Alcoa provides for 438 Megawatts of firm power, and even that amount is not enough to operate the Intalco plant at full production. While I understand your desire to limit BPA's service obligations, I do not believe it would be fair as a matter of policy to arbitrarily reduce power supplies to Alcoa below existing amounts while increasing supplies to other customers in the Northwest.

I urge you to extend current firm power sales to Alcoa so they can continue to provide jobs in our community while the region works together to formulate policies for a stable and economical, long-term BPA Power Supply Role in the Northwest.

Sincerely,

Pete Kremen  
County Executive

*received 8/17/04 Seattle Public Mtg.*





R004-0009

AUG 19 2004

August 17, 2004

Mr. Paul Norman  
Bonneville Power Administration  
PO Box 3621  
Portland, OR 97208-3621

Re: Comments on BPA Policy Proposal for post-2006

Dear Mr. Norman,

The draft BPA Policy Proposal of July 7<sup>th</sup> proposes a significant set of changes for the region's electric system after 2006. The Northwest Energy Efficiency Council (NEEC) is a regional trade association representing businesses that provide energy efficiency products and services to the region's residential, commercial, industrial, and agricultural customers. Our comments on the BPA draft will be confined here to the discussion of BPA's role in conservation resources.

NEEC appreciates the BPA statement in the draft document acknowledging the important role that conservation has played in this region in the past two decades delivering the equivalent of a large nuclear plant's generation output in the lowest cost and cleanest energy form available. The energy efficiency industry has valued the partnership with BPA and the multitude of retail utilities and regional organizations to install higher efficiency equipment, promote improved operations and maintenance of buildings, and design and construct buildings to the benefit of their occupants, owners, and the region. Without this partnership, the region would be faced with higher cost power, a less productive and efficient economy, and a less clean environment.

We support BPA's decision to commit itself to the conservation targets identified in the Northwest Power and Conservation Council's plan. Without a doubt, conservation resources identified as cost effective for the region must be acquired if the region is to achieve its best possible energy future. BPA must embrace this responsibility both as a matter of economic prudence and as a reflection of its environmental stewardship responsibilities in the region. Further, BPA must continue its financial support for low income weatherization so that those households most in need can directly benefit from the region's pursuit of energy efficiency.

NEEC agrees with BPA's notion that conservation should be pursued and acquired at the lowest possible cost and that regional experience in the various mechanisms and approaches for doing so must be examined carefully and with

A business association  
of the energy efficiency  
industry promoting  
continued energy  
efficiency policies,  
programs and  
technologies that create  
jobs and foster  
economic growth and  
environmental  
improvement

157 Yesler Way  
Suite 409  
Seattle, WA 98104-2527  
(206) 292-5592  
FAX: (206) 292-4125

received 8/17/04 Seattle Public Meeting

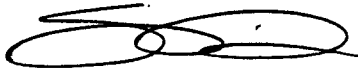
full opportunity for interested parties in the region to contribute to this discussion. The energy efficiency business community has had over two decades of experience in working with both local and regionally developed conservation programs and can offer a valuable perspective to this regional conversation.

BPA must be careful, however, in its desire to reduce the cost of conservation resources such that it inadvertently fails to achieve the acquisition targets established in the Council plan and determined to be cost effective for the region. Undoubtedly, the lowest possible average megawatt cost of conservation provides the lowest possible rate impacts. Just as clearly, failure to achieve cost effective conservation resources dooms the region to alternative investments that have an even higher impact on regional electricity rates.

NEEC also supports BPA's efforts to use conservation and demand side management strategies to contribute to solutions for transmission constraints in the region. These non-wires options can provide important alternatives and/or deferrals to expensive investments in new transmission construction.

NEEC appreciates the opportunity to provide comment to BPA on these issues. Our organization is very willing to participate in an on-going dialogue with BPA and other interested parties in the region to help insure the most economically attractive and environmentally sound energy future for the Northwest.

Sincerely,

A handwritten signature in black ink, appearing to read "Stan Price", with a stylized flourish at the end.

Stan Price  
Executive Director

RD04-0010

AUG 19 2004

**Presentation Notes for BPA Hearing August 17, 2004**  
**Alaska Distributors Co.**

Our Project:

240,000 Square Foot Distribution Center, 14,000 Square Foot Office Space  
Ceiling Height of 35 Feet, Coolers, Conveyors and Pick Lines  
Facility Operates from 5:00 AM Monday through 9:00 PM Friday  
Replace existing Sodium Lights with T-5 fluorescents in the DC  
Install Motion Sensors on all High Bay Fixtures  
Replace existing Lamps and Ballasts in Office Space  
Three year review of Feasibility, Effectiveness and Potential Savings  
Just Completed for a total Cost of \$ 185,301  
Power Consumption of 1,214,964 KWH/Year  
Goals: Increase Efficiency, Improve Light Quality and Foot Candles

Results:

Rebate of \$87,818  
Potential Savings of 404,628 KWH/Year  
Estimated Payback of 2.4 years  
10% to 15% Improvement in Light Levels  
Color of Light offering a significant improvement

Why Do Companies Need Your Continued Support:

This Project would Not Fly have Flown without your assistance  
This Project simply did not pencil without financial assistance  
BPA and SCL needs projects like this to accommodate growth

received 8/19/04 Seattle Public Meeting

*RD04-0011*

Alan Duncan    AUG 23 2004  
1540 Main St.  
Ferndale, WA 98248

August 18, 2004

Steven Wright, Administrator  
Bonneville Power Administration  
P.O. Box 3621  
Portland, OR 97208-3621

Dear Mr. Wright,

I am writing you today regarding regional power allocation planning for 2006 and beyond that the Bonneville Power Administration is currently involved in.

I work at the Alcoa Intalco Works aluminum smelter in Ferndale, WA. As you know, we are operating at a severely curtailed level in hopes of securing power at a reasonable enough quantity and rate to stay in business. I am asking your help to ensure that we do. I feel strongly that, done properly, heavy industry should be a component of our regional economy. The "family wage" jobs it creates and the ripple effect in the community for other jobs, tax base for schools and support for charities cannot be matched by service industry type employment. In order to achieve this our company needs a long-term power commitment for both supply and price that make it possible to operate the plant at a predictable, profitable level.

I believe it is time for us as a region to act decisively to preserve these jobs from going overseas. Our parent company has several "greenfield" and plant expansion projects around the world designed to lower their aluminum smelting costs. I hope we have the will to take the necessary governmental steps to preserve well paying American jobs. Your help in securing a steady, cost effective supply of energy is critical to accomplishing this. Other countries are making it very attractive to relocate there. We need to demonstrate that we too can compete globally for this work. Our local workforce has demonstrated the will to sacrificially adjust to these new economic conditions. We now need your help to provide the resources we need to keep going.

If I understand correctly, we need a "seat at the table" in planning for power allocation beyond 2006. The BPA and the aluminum industry have a long, cooperative history of building the Northwest economy together. Please help preserve this by including us in the future mix of power distribution. I'd like to hear your thoughts on this. Thank you very much for your time and consideration.

Sincerely,



PUBLIC COMMENT ON BPA DRAFT REGIONAL ENERGY PLAN  
August 19, 2004  
Eugene, OR

*R004-0012*  
AUG 23 2004

Good evening,

My name is Craig Satein. I supervise the Low income weatherization program for the Housing and Community Services Agency of Lane County. Our Agency enjoys long standing and productive partnerships with many of our local public electric utilities including EWEB, SUB, EPUD and Blachly.

I've worked in weatherization programs for more than 20 years and continue to find daily rewards helping our community achieve success through the wise use of energy.

This evening is no exception, as we entertain strategies to provide reliable, safe and affordable future energy supplies. Following, are a few brief comments regarding your "draft" regional proposal".

I commend BPA for pledging 21 million per year to help develop renewable energy. Without question, this is a wise and prudent strategy not only for the northwest, but also for our nation. Thank you for your bold endorsement of sustainable energy development.

In terms of regional energy efficiency, I concur with colleagues regarding the importance of clearly defining the roles and responsibilities of both BPA and the utilities to ensure that the full energy potential is realized. Based upon the success of past programs, I fully expect this issue will be addressed in a judicious manner.

Here in Lane County, home to some of the region's most progressive public electric utilities, we've enjoyed tremendous success delivering comprehensive weatherization services to more than 8,500 electrically heated low-income households.

The weatherization program has not only helped lighten the energy burden while improving comfort for participants, but it's also helped maintain the inventory of "affordable and safe" housing in our community. And, it's also helped many of our elderly citizens avoid the difficult choice between buying their medicine or paying their electric bill. To be clear, this success is due largely to the funding provided by BPA and administered through the states to local community action programs. These funds have provided an excellent basis for strengthening utility partnerships and expanding energy services in the community.

*comment received Public meeting Eugene 8/19/04*

While I certainly applaud BPA for past support and for endorsing the continuance of L-I weatherization programs, I am troubled that your Proposal does not offer a specific funding level for low-income weatherization. As a program coordinator, it's critical that I have solid budget numbers in order to effectively plan partnership opportunities with our local utilities.

After you've completed your regional dialogue and consider revisions to your draft proposal, I'm hopeful that you'll pull out the "abacus" and consider a very generous response towards "leveraged" funding, especially for Oregon, as Lane County consistently spends out early.

Lastly, I have mixed feelings about the wisdom of BPA turning over the responsibility of developing new electric supply resources to the utilities. While I'm confident that some of the regional utilities would shoulder this responsibility effectively, I am concerned about the detrimental impact on rates and wildlife in the absence of an integrated regional resource development plan.

Obviously, here in Lane County we have two excellent examples of utilities embracing this challenge by harvesting renewable energy. However, I fear many utilities may elect to forego long term investment strategies and turn towards more conventional "non renewable" resources in response to an energy crisis. My preference, is an integrated regional plan in terms of capacity, technology and the environment.

As a citizen of the northwest and as an advocate for low-income families, I wish to express my appreciation to BPA for hearing my concerns. May we be mindful of the legacy our choices have on the quality of life for our children and future generations.

Finally, to quote dear Albert. . . "not everything that can be counted, counts . . and not everything that counts, can be counted". . . Thank you. . . .

R004-0013  
AUG 23 2004

My name is Katherine Schacht , and I am the president of the Board of Directors for the Emerald People's utility district.

Emerald wishes to comment on two areas of the BPA Regional Dialogue paper. The conservation and renewables discount, and the preliminary decision not to allow Emerald to become a Slice Customer.

The issue regarding Slice for Emerald has been submitted to BPA in written form and I will limit my comments to the future of the Conservation and Renewables Discount with the exception of stating that the full EPUD Board supports Emerald's effort of obtaining Slice.

We, Emerald are very concerned about the future direction BPA may take for the Conservation and Renewables Discount. For the foreseeable future we recommend that BPA not lower the current funding level of conservation and renewables Discount which is already at a low level of only one-half a mill per KWH. BPA should also not change the program's targeted average cost-effectiveness threshold of about \$2.2 million per MW.

More specifically, Emerald would like to add the following comments:

1. We applaud BPA for committing to the new higher Council conservation target. This is truly a step in the right direction.
2. We are, however worried about how we achieve that higher target. We are concerned with the tendency within BPA to compare the costs of Conservation Augmentation with the costs of Conservation and renewables Discount, and wanting to lower Conservation and renewables discount. This is inappropriate because it is an apples to oranges comparison. Conservation augmentation is predominantly industrial conservation without administration costs added in, and the Conservation and renewables Discount is predominantly residential conservation with administration costs added in.
3. We are deeply concerned that a small utility like Emerald PUD with not much cheap industrial conservation, but substantial amounts of much more expensive residential conservation will be very hard

*We believe it would help bring us into the 21st Century*

*C&RD*

*Comment received Public meeting Eugene 8/29/04*

pressed to get the more expensive residential conservation without kicking in a whole bunch of local dollars.

4. Consideration should be given to raising the conservation and renewables discount rate to meet the Council targets. Emerald spends over 3% of gross revenue. Yet, the current BPA, half a mill Conservation and renewables discount rate is only at .7% of gross revenues.

We are really puzzled as to why the BPA would consider cutting the conservation and renewables Discount rate, since it is already a very cost effective resource, especially when compared to new power resource development and the market. Why is this occurring given that the real levelized cost of the conservation and renewables discount is already cheaper than new resource development or the market. How much more cost effective does it need to be?

5. In the end the outcome we should certainly avoid is one where we constrain the cost and acquisition of conservation so much that we end up not acquiring sufficient conservation and instead we buy more expensive market power or must develop more generation. That would be the wrong result.

Thank you for this opportunity to comment on these important issues. We hope that these comments are helpful as you consider BPA's role in the future.



R004-0014  
AUG 23 2004

Good Evening and Welcome to Eugene,

My name is Roger Ebbage. I am the director of Energy Programs at Lane Community College, which received start-up funding in the form of a grant by BPA in 1992. I am here as a rate payer and not as a representative of Lane Community College. That said, I would like to offer my opinion regarding the need for conservation and renewable energy in the BPA service area.

I have recently had the opportunity to travel both in the US and internationally. When speaking to groups at conferences or during trainings, I have been very proud to say, "the Northwest acquires more conservation than any other US region, to the tune of 2,600 aMW since 1980". When asked about the reason for this significant accomplishment, my answer is, "the progressive involvement in conservation and renewable energy by BPA and our public utilities like EWEB and, the northwest utility consumer typically has a higher environmental ethic than what is found in most US regions".

*Additional*  
I believe that it is true to say this conservation accomplishment and the hydroelectric system that northwest enjoys has kept the development of new generation sources, like natural gas fired, combined

*.5 mil  
kwh*

*comment received Public meeting Eugene 8/19/04*

cycle combustion turbines, to a minimum, which has many positive consequences that I'm sure you are all aware of.

Now is not the time for BPA to scale back its conservation and renewable energy efforts. On the contrary, now is the time to increase your efforts.

Rationale for my opinion is found in two unfolding arenas; that of "peak oil" and "global warming". Global Peak Oil, which refers to the peak in global oil production, is, and should be, gaining significant interest illustrated by recent articles in National Geographic and Time Magazine. Most scientists working on the subject speculate that we are within 2 to 10 years of peak oil, which translates into higher prices for oil extraction. Higher prices for oil extraction will increase the demand ~~of~~<sup>on</sup> other finite fossil fuel based energy sources like natural gas and coal which are both used as primary energy sources to heat and cool our buildings. The price volatility for natural gas is now well documented so the impact could mean declining economic opportunity for the region. Conservation and renewable energy is without question our hedge against higher energy prices resulting in a regional downward economic slide.

We have already begun to witness the impact of global warming on the northwest hydro-system with droughts and a lower snow pack. Congressman KEN CALVERT of California at the May 19, 2001 U.S. House of Representatives Subcommittee on Water and Power, ~~Committee on Resources, meeting in Tacoma~~ said, “The Northwest is suffering from the second-worst drought in its history. This drought affects all users of water, including businesses, residents, farmers, fish, (and) power users who depend on water for electricity”. If this were an isolated year we would have nothing about which to be concerned; but its not and we do. Again, alternatives to hydroelectricity are burning fossil fuels and buying expensive power from outside of our region as you well know. We may get average rainfall during the year but what will the snow pack that provides our hydroelectric resource during the summer look like. Conservation and Renewable Energy is our hedge against a persistent drought condition, which appears to be inevitable.

*meeting  
of  
the*

Continuing conservation and renewable energy programs at current or a higher level of investment by BPA will ensure that the northwest has an economic advantage as the cost of energy continues to climb.

As you can tell I have chosen to address issues that some would label hysterical. I don't think continuing your commitment to following what Amory Lovins in 1976 labeled the "Soft Path" would be submitting to hysteria.

Additionally, I am hoping that some will speak tonight about the benefit of conservation and renewable energy to the low income, the Northwest tribes, the residential, commercial, and industrial sectors and all that would be effected by an increase in BPA's conservation investment.

I would like to encourage you to continue to be an international leader and show case in conservation and renewable energy. It only makes sense.  
Thank you for your time.

AUGUST 19<sup>TH</sup>, 2004

R004-0015  
AUG 23 2004

MY NAME IS JOE SAVAGE AND I WORK FOR EMERALD PUD HERE IN EUGENE. I AM HERE TO SPEAK IN SUPPORT OF CONTINUED FUNDING FOR THE CONSERVATION AND RENEWABLES DISCOUNT PROGRAM. THE C & RD WAS DESIGNED BY BOTH BONNEVILLE STAFF AND REGIONAL PUBLIC UTILITIES 5 YEARS AGO. THE PURPOSE WAS TO REVIVE CONSERVATION PROGRAMS IN MANY UTILITIES THAT HAD DISCONTINUED PROGRAMS DUE TO LACK OF FUNDING AND TO HELP OTHER UTILITIES CONTINUE PROGRAMS WHICH THEY HAD BEEN SELF FUNDING FOR MUCH OF THE 1990'S. AS A PARTICIPANT IN THOSE DISCUSSIONS I WAS IMPRESSED BY THE EFFORT ON THE PART OF BPA TO DESIGN AND IMPLEMENT A PROGRAM, WHICH BENEFITED ALL UTILITIES, BOTH LARGE AND SMALL.

TODAY, I AM CONCERNED WITH THE POTENTIAL CHANGES TO THE C & RD. UNDER THE GUISE OF "COST-EFFECTIVE CONSERVATION", BPA'S MANTRA IN THE CURRENT DIALOGUE, THE WINNERS WILL BE LARGE UTILITIES WITH LARGE COMMERCIAL AND INDUSTRIAL LOADS. THE REASON BEING, THIS IS WHERE "COST-EFFECTIVE CONSERVATION" REALLY EXISTS.

IT'S MORE "COST EFFECTIVE" TO CHANGE OUT 5 THOUSAND FLOURESCENT LIGHTS IN AN OFFICE BUILDING IN PORTLAND OR SEATTLE THAN IT IS TO INSULATE HOMES IN RURAL AREAS IN THE REGION.

Comment Received Public meeting Eugene 8/19/04

IT'S MORE "COST-EFFECTIVE" TO CHANGE OUT OLD MOTORS IN MANUFACTURING PLANTS THAN TO PUT SOLAR WATER HEATERS ON INDIVIDUAL HOMES.

AND, IT'S MORE "COST-EFFECTIVE" TO GIVE AN INCENTIVE TO A LARGE BUSINESS RE-DOING ITS HVAC SYSTEM THAN IT IS TO ASSIST A SENIOR CITIZEN IN PUTTING IN A NEW HEAT PUMP TO HELP WITH HIGH SUMMER TEMPERATURES.

OBTAINING "COST-EFFECTIVE" CONSERVATION IS A GOOD IDEA, HOWEVER, I THINK IT'S IMPORTANT THAT ALL GROUPS OF CUSTOMERS CONTINUE TO BENEFIT FROM BPA CONSERVATION PROGRAMS. I URGE BPA TO CONTINUE FUNDING PROGRAMS THAT BENEFIT ITS RESIDENTIAL CUSTOMERS, ESPECIALLY THOSE IN ITS RURAL AREAS.



**MITHUN**

Pier 56, 1201 Alaskan Way, Ste. 200 Seattle, WA 98101 TEL 206 623.3344 FAX 206 623.7005

WWW.MITHUN.COM

August 20, 2004

R004-0016  
AUG 23 2004

Bonneville Power Administration  
PO Box 14428  
Portland, OR 97293-4428

RE: BPA's Regional Dialogue Policy Proposal for FY 2007-2011

Thank you for your stewardship of our economy and our environment.

Mithun is a multidisciplinary architecture, landscape architecture, and urban design firm, the 4<sup>th</sup> largest in Washington, with 70% of our client's projects in the Bonneville Power Service area.

We would like to voice strong support for **Energy Conservation Programs** as a cost effective and valuable method for demand side management, lowering carbon output, and reducing the need for new energy infrastructure.

- **Direct Incentives:** Facing tight budgets, and escalating construction costs, programs such as Seattle City Light's Built Smart initiative assists our clients in "getting over the hump" to achieve buildings with higher energy efficiency. Nordhiem Court, a project of Lorig Associates & the University of Washington with 140 units of student housing received \$89,000 of incentives for envelope and operations improvements.
- **Education, R&D, Expertise:** Programs of the Northwest Energy Efficiency Alliance such as Better Bricks Lighting Labs are critical resources for architects, owners, and building operators in your service area. We have been able to dramatically impact the quantity of day lit facilities with this resource. The educational programs of Better Bricks are top notch.

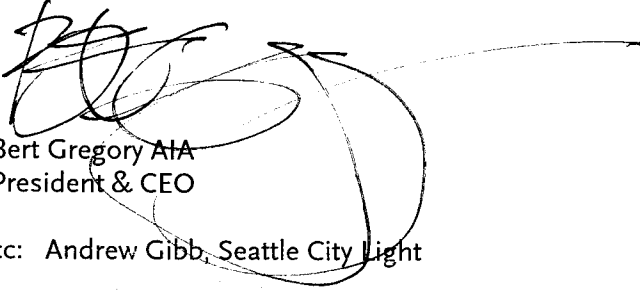
We would also like to voice strong support for aggressive **Renewable Energy** strategies, including wind, biomass, and photovoltaic, reducing carbon output and Global Warming.. Especially critical for your support is neighborhood based distributed systems, lowering transmission requirements, and gaining higher efficiencies through thermal loop or co-generation potential.

We would additionally voice strong support for your efforts in **Habitat Protection and Enhancement** of the Northwest Ecosystem, safeguarding both the physical and economic health of our region.

BPA  
Pg. 2  
8/20/04

We appreciate BPA's leadership of Conservation, Renewable Energy, and Habitat Protection & Enhancement, to help protect our regions quality of life and economic development opportunities, and strongly urge you to increase your efforts in these areas.

Best Regards,

A handwritten signature in black ink, appearing to read 'Bert Gregory', with a large, sweeping flourish extending to the right.

Bert Gregory AIA  
President & CEO

cc: Andrew Gibb, Seattle City Light



RD 04-0017  
AUG 25 2004

**Kuehn, Ginny - DM-7**

**From:** fev [fev@uoregon.edu]  
**Sent:** Wednesday, August 25, 2004 12:09 PM  
**To:** BPA Public Involvement  
**Subject:** Comments on the Regional Dialogue on the Future Role of the BPA - Renewables



BPA comment.doc

Comments on the Regional Dialogue on the Future Role of the BPA - Renewables

Long-term planning and perspective is needed in the energy field. Significant changes are in store resulting from the changing regional use pattern, the increasing demand on the world's finite oil and natural gas supplies, the need to import national gas to meet growing demands, and the doubling or more likely tripling of the green house gases in this century.

Efficient use of energy is crucial and fundamental part of the answer. However, new sources of electricity are also needed. The Pacific Northwest has more than enough renewable resources to supply the region's needs. But there are many issues that need to be addressed before this can happen. These issues range from transmission concerns and financing to the variability and capacity factors of renewably generated electricity.

Bonneville is already working to identify and address some of the barriers and should continue these efforts. Considering the financial situation caused by manipulation of the California energy market and recent low water years, Bonneville's efforts should be commended. But more will be needed in the future as the cost of fossil fuels increase and the effects of global climate change become more apparent.

The increase in oil prices and the restatement of oil reserves shows that changes in energy markets are eminent. Action is required now to meet the challenges that are coming.

Renewable energy sources are becoming important options and renewable electricity will become even more important in the future. As with hydroelectricity, planning, deployment, and operation of solar and wind generating facilities require knowledge of the resource availability and variability.

Approximately 1 MW of solar electricity capacity is installed in Oregon. This is just the beginning and 10s of MW of photovoltaic generation is installed in California. Plans are underway for a 50 MW solar thermal electric facility in Nevada similar to the 354 MW plants in southern California. It is just a matter of time before a significant amount of solar electric generating capacity is installed in the northwest and now is the time to prepare.

Considerable effort has gone into establishing a strong solar radiation and wind database for the region as part of the infrastructure needed for planning, deployment, operation, and integration of solar electric and wind facilities. These efforts should be continued, especially in evidence of changing climate in the region.

Frank Vignola  
Director University of Oregon Solar Monitoring Laboratory

Frank Vignola                      Ph: (541) 346-4745  
Dept. of Physics                      Fax: (541) 346-5861  
1274-University of Oregon          Email: fev@uoregon.edu  
Eugene, OR 97403-1274              Web: <http://solardata.uoregon.edu>

**Kuehn, Ginny - DM-7**

RD04-018  
AUG 27 2004

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**From:** terence\_e@yahoo.com  
**Sent:** Friday, August 27, 2004 12:31 AM  
**To:** BPA Public Involvement  
**Subject:** Comment on BPA's Regional Dialogue Policy Proposal for FY 2007-2011

**Comment on BPA's Regional Dialogue Policy Proposal for FY 2007-2011**  
View open comment periods on <http://www.bpa.gov/corporate/kc/home/comment.cfm>

Terry Easterwood  
Citizen, resident, worker  
terence\_e@yahoo.com  
(360) 392-8450  
2252 Lancaster Way  
Ferndale WA 98248

I support the proposal that Alcoa has brought to BPA for rates to directly served customers, particularly for the Intalco smelter in Ferndale, WA. Alcoa has proposed a reasonable option to BPA that supports the aluminum smelter in Ferndale, accounts for the value that interruptible industrial load supplies to the grid operations, and is fair to all ratepayers. The smelter supports the regional economy; this includes their suppliers and customers, as well as the people who are employed in the various entities that make up the supplier/customer relationships related to the aluminum industry that flourished when rates were more favorable. Intalco has been able to sustain itself because it is an efficient operation with motivated workers, active management, and satisfied customers. Their ability to sustain operations should not be impacted by a policy decision that presumes the aluminum industry deserves anything less than historical support.

**Bonneville Power Administration  
Regional Dialogue Public Meetings**

**Seattle, Washington  
August 17, 2004**

**Mountaineers Headquarters, 6 - 9 p.m.  
Approximate Attendance: 74**

**Opening Remarks**

**Senior vice president Paul Norman** (BPA) welcomed the audience to the first of six public meetings BPA is holding on its "Regional Dialogue FY 2007-2011 Policy Proposal." This proposal addresses the issues BPA has to decide in order to make decisions about rates and resources for the 2007-2011 period, he said. Norman noted that BPA is also proposing an important long-term permanent policy change: to limit BPA's future sales of firm power at the lowest cost-based rate to approximately the capacity of the existing Federal system. He said that a second phase of BPA's Regional Dialog decision making will occur next year, addressing additional long-term issues that must be decided so that new long-term contracts extending past 2011 can be put in place. **Helen Goodwin, BPA's Regional Dialogue project manager**, also welcomed the attendees and said since so many people had signed up to speak, she would forgo summarizing the proposal in favor of just listening to the comments from the audience.

**Jorge Carrasco, Superintendent of Seattle City Light**, said this is an important opportunity for City Light to recognize "the efforts of BPA to extend an arm to all of its customers." The way the Regional Dialogue is being developed is a positive reflection of the importance BPA puts on its customers, he stated. We want to underscore that we agree with the joint customer approach proposed for contracts beyond 2011, and that we think allocating BPA resources to customers is appropriate and the right thing to do, Carrasco said. I commend you on the decision to defer tiered rates and for your determination to continue your conservation programs, he stated. They are an excellent way to promote conservation, and through their use, we've been able to offer customers incentives, and we've had good results, Carrasco added. I encourage BPA to use conservation and renewable resources in meeting its future loads, he said.

In the past few years, BPA has made a concerted effort to control its costs and offered forums through which customers could review its cost initiatives, according to Carrasco. We applaud that approach and your intention to "elevate fish and wildlife restoration to mission-critical status," he said. Carrasco commended BPA's Senior Customer Account Executive Stuart Clarke, calling him "an excellent local representative and a good partner to Seattle City Light."

**Jack Speer of Alcoa** said his company has two plants in Washington, one in Ferndale (Intalco) that is completely dependent on BPA power, and one in Wenatchee that is partly dependent on power from BPA. BPA is currently changing directions, going from “an old vision” of mixing Federal hydro power with thermal costs and serving customers at a melded rate, to a “new vision” aimed at establishing tiered rates to serve a fixed amount of load at a low rate and load growth at an incremental rate; allocating low-cost resources; and meeting environmental obligations, he stated. Alcoa generally supports the new direction, Speer said. It will make BPA rates more stable, help customers, ensure Treasury repayment, and give BPA a stronger role in the Northwest, he stated.

Since you say it will take until 2008 for BPA to make these changes, and Alcoa’s contract with BPA expires in 2006, we will need a short-term contract so that we can continue to provide jobs and help the local economy, Speer said. Alcoa has been manufacturing in the Northwest using BPA power since 1940, and it would be unfair policy to stop serving Alcoa, he stated. It would be a tragedy to put Alcoa out of business, Speer said.

BPA should require a strong credit assurance from its customers, and we can provide that, he continued. In addition, Alcoa can help BPA by providing some amount of interruptible power from the existing Federal system and can help keep overall BPA rates down for all customers, according to Speer. BPA should offer Alcoa a short-term contract next year with power priced at an “equitable rate,” in accord with the provisions of the Northwest Power Act, he said. Some in the region will not agree with it, but BPA needs to make this tough decision, which will prevent “balkanizing” the Northwest and will keep us together so we can implement a long-term vision, Speer concluded.

**Toni Potter of the League of Women Voters (LWV)** said the LWV is committed to increasing renewable energy and energy efficiency because that will lower electricity costs, provide jobs, and improve the environment. We are pleased that in its proposal BPA commits \$21 million for renewables development, she stated. BPA must be the one to provide seed money for renewable projects, Potter said. She referred to the Northwest Power and Conservation Council’s power plan, which says there are 2,800 average megawatts (aMW) of cost-effective energy efficiency available in the region, and commended BPA for stating it will follow that plan’s recommendations in providing its share of energy efficiency. Potter recommended that BPA provide a backstop if utilities fall short of their conservation targets and that BPA’s proposal include funding for low-income weatherization. The LWV is concerned about global warming, she noted. In 2001, when the region was short on power, it had to buy power from fossil fuel facilities -- “let us never have to do that again,” Potter urged.

**Daren Krag of the International Association of Machinists and Aerospace Workers (IAMAW)**, who works at Alcoa’s Intalco plant in Ferndale, pointed out that once BPA served 10 smelters, but now it serves only two. Intalco employees are now working on a month-to-month basis, and they don’t know from month to month if they will be working, he said. We ask BPA to continue to make affordable power available to financially responsible Direct Service Industries (DSIs) like Intalco, Krag stated. While BPA and its customers are looking for a long-term solution for the region, we are seeking short-term and long-term

contracts to be provided to the DSIs, he said. Aluminum employees have paid a large price, and a lot of jobs have been lost, Krag stated. "They have given enough, and we ask BPA to make sure there's a place at the table for us," he said.

**Joel Hanson of the United Steelworkers of America** said, we applaud BPA's commitment to \$21 million of renewable resources because BPA has the economies of scale to get such projects done. We ask you to undertake these projects with union workers to help local economies, he stated.

**Ed Henderson of the Mountaineers** welcomed the audience to their facility and said the Mountaineers are pleased BPA is conducting the Regional Dialogue. It is our opinion that BPA is obligated to protect the environment and fish and wildlife, and this can be accomplished through developing renewable resources and energy efficiency, he said. They are environmentally sound and economically beneficial, Henderson added. There are many jobs in the renewables and energy efficiency sectors, he said. I hope the Intalco employees who have lost their jobs can find new jobs in renewable energy, Henderson stated.

**Dave Watkins of the Holiday Inn** in Seattle recounted how BPA and Seattle City Light programs have helped their hotel invest in new lighting, air conditioning improvements, and other energy-saving efforts. As a result, we've had a 6 percent increase in occupancy, he stated. We've had very good results, and we thank you and urge you to continue these kinds of energy-efficient projects, Watkins said, adding "it helps hotels and it helps the economy."

**Pat Flaherty of the IAMAW**, who works at Intalco, said that unfortunately, there aren't many family-wage jobs for 650 people in renewable energy. We have gone through tough times, and only one-third of our facility is still operating, he pointed out. We have got to save rural jobs in small communities, Flaherty said. If we lose more jobs, it will be devastating to our local community, he added. With the BPA buyout we received, we were able to give \$1.2 million back to the community, according to Flaherty. Employees contributed \$300,000 to community organizations, such as the United Way, he said. We are seeking an extension of the contract we have now at the same amount of power, and we are hoping to get a piece of interruptible power too, Flaherty stated. We've given a lot for fish recovery, \$200 million over the last 20 years through the purchase of BPA electricity, and we're good neighbors, he said.

**Lee Miley of Seattle University** said the university makes energy conservation part of its overall mission. With Seattle City Light and BPA as partners, Seattle University has been able to improve mechanical and electrical systems in its buildings, improve lighting, and install energy-savings sensors for various systems, he reported. Now we find students showing up on time or early in order to be the ones who activate the occupancy sensors that turn lights on, Miley said. We now have better energy management control and better customer comfort, he noted. As a result of incentive programs that we've used over the past two years, we've reduced our energy consumption and are now saving \$46,000 annually, and it wouldn't have been possible without City Light and BPA, Miley said. BPA funding is "the pivot point" that convinces administrators to put dollars into energy conservation programs, he added.

**Bert Gregory of Mithun Partners**, an architecture firm, thanked BPA for being a good steward of the economy and the environment. He voiced strong support for BPA's energy conservation programs and described architecture projects that his firm has been involved in that used energy incentives through BPA and City Light programs. Gregory praised programs offered by the Northwest Energy Efficiency Alliance and said that the Seattle Lighting Lab is a great resource. He expressed strong support for aggressive renewables development with neighborhood-based distribution and for BPA's environmental efforts, especially to restore fish habitat and combat global warming. I appreciate your leadership -- what you are doing is important for the 21<sup>st</sup> century, Gregory concluded.

**Vicki Henley of the IAMAW** pointed out that the aluminum industry worldwide is "up and rising," but due to power prices, it is going away from America. Our lives have all changed, and we are here to beg for affordable power, she said. We need to have power so we can run our plant -- we need affordable power so we can "stay in the race," Henley stated.

**Rich Feldman of the King County Labor Council** said he is concerned about jobs and the impact of BPA decisions on jobs. Stable rates are the way that we can maintain a competitive Northwest economy, he stated. If new load growth is met mostly by natural gas, we will be subject to prices set by the Chicago Board of Trade and will be "jerked up and down," Feldman said. The alternative is having new load growth met by renewables and energy efficiency, and BPA needs to do that by providing a sustained and centralized focus on renewables and energy efficiency, he stated.

Feldman advocated a sustained focus on clean renewable energy, pointing out that by having that, Europe is dominating in the renewable energy and energy efficiency sectors in terms of job growth and worldwide sales. BPA could make the Northwest the center for the development of these energy sources of the future, but it requires a continued, sustained focus, he said. I support keeping the jobs at the Intalco smelter -- they are worth keeping and are important to the local economies, Feldman concluded.

**Joelle Robinson of Climate Solutions** referred to a *New York Times* article that "presents an alarming view of climate change in California." The article reports on a new study that predicts there will be a sevenfold increase in heat-related deaths in California and that climate change will imperil the wine and dairy industries, she said. Robinson said that BPA's mission "has to be more than just presiding over regional food fights over power issues." BPA should be presiding over the transition from fossil fuels to renewables, she stated.

Robinson said that University of Washington scientists project a decline in the region's snowpack of 60 to 70 percent by 2050. BPA is the source of talent in the region to help find a way to cope with these impending problems, she stated. Robinson advocated launching a new "Apollo project," espoused by Washington Congressman Jay Inslee, to accelerate the transition to clean energy in the region. We applaud BPA's "tentative commitments" to energy efficiency and renewables in the Regional Dialogue proposal, she said. We hope you will more aggressively position the agency as the leader in this field and take advantage of

the opportunity to make a difference on the issue of global warming so future generations can benefit from your decisions, Robinson concluded.

**Dale Brandland, Senator from Washington's 42<sup>nd</sup> District**, which includes Ferndale, reminded the audience that the issue with the Intalco plant is not just the 460 jobs the plant provides, but that those jobs represent 460 families. Intalco employees give back money to the community, and Intalco is "one of the best corporate citizens we have," he said. There are a lot of things to consider about the "human side" of the decision, Brandland pointed out. For example, if the jobs are lost, the school district, now rated one of the best in the country, would go to one of the worst, he said. Management and the union at the plant are standing side by side, and both have had to make concessions, Brandland stated. There's room for a balance between industry and the environment, and I hope you will give them a fair shake, he said.

**Doug Erickson, State Representative from Washington's 42<sup>nd</sup> District**, said it is important to remember that energy is an industry that is important to rural communities. We as legislators are working to put Washington back to work and to make Washington's transportation system work, he stated. If the state's transportation system is going to work, I can't have all the jobs in downtown Seattle, Erickson said. I need a diversified economic base and to have rural industries operating throughout the state, he indicated. I need to have jobs in Ferndale to support schools and the local economy, Erickson stated. Rural industry drives a major part of our communities and our state, he said.

**Chuck Eberdt of The Energy Project** said low-income households have difficulty affording power and that BPA has been a good partner in providing energy conservation programs to these households across the region. He urged BPA to be more explicit in its level of commitment to these activities in its proposal. There was little or no public utility support of low-income weatherization programs until BPA stepped up, Eberdt said. Through BPA, we've established a good standard for investment in low-income energy efficiency programs in the region, he noted. Our energy future is a regional issue, not a matter for individual utilities to decide, according to Eberdt. If BPA yields resource acquisition responsibility to utilities, their obligation to perform must be made a part of their contractual access to power, he stated. BPA is key to seeing that the provisions of the Northwest Power Act are upheld, Eberdt concluded.

**Jim Edwards of Graybar Electric** said that without BPA support and funding, his company "wouldn't be where it is today." He described how Graybar worked with the Holiday Inn on its energy-efficiency improvements, and how tourists have noticed what's been done and are motivated to come back to the hotel for subsequent visits. Energy efficiency creates jobs, Edwards said. The Lighting Design Lab is "a very big tool" and has helped us -- it allows us to take customers to just one location and show them a whole range of the types of lighting that can be done, he pointed out. Edwards encouraged BPA to expand its energy efficiency program and "keep going as long as you can."

**Ash Awad of McKinstry Company**, a construction company, said what BPA and Seattle City Light have done in conservation has had a positive impact on the company and its

customers. There is a need for consistency in your message on energy efficiency and renewables, he said. There needs to be a clear statement about the programs and consistency from year to year, Awad stated. The recession has hit the construction industry hard, but we've been able to keep 50 engineers employed year after year, he noted. This is "real work and real jobs," and we've delivered \$30 million of conservation projects and employed 200-300 tradespeople as pipefitters, plumbers, and the like, Awad said. We've worked with school districts and with small PUDs that get assistance from BPA, he noted. Conservation and renewables are important for the environment, but they also deliver jobs, Awad stated.

**Don Andre of Northwest Sustainable Energy for Economic Development** expressed support for continued BPA investment in renewable energy. You've had a creative and steadfast approach, he said. Andre pointed out that large-scale wind projects are competitive now, and he commended BPA for providing integration services for wind projects and for its work on non-wires solutions. Hold steady and stay on the clean energy path, he urged. You have strong and deep support around the region for what you are doing, Andre said.

**Hugh Diehl of IAMAW** said that the workers at Intalco need to be part of the short-term and the long-term solution. How do I educate my children if I don't have a job? What do our schools and communities do? he asked. We want to be able to support our schools and our community, Diehl said. He pointed out that Intalco and its employees donated over \$82,000 to the Whatcom County United Way in years past, but this year, that number was about \$8,000. We are ashamed of that, Diehl said. Let's work together to find a solution for the Pacific Northwest, he urged.

**Bill Arthur, speaking as a private citizen,** said BPA has to maintain its role as the acquirer of renewable resources. I've no confidence in the individual utilities in the region, he stated. The utilities vacillate between building too many plants when they aren't needed to "flaccidness" when it comes to investing in conservation, according to Arthur. Except for Seattle City Light and the Eugene Water and Electric Board, the utilities have left the field and haven't done enough conservation, he said. Too often, the region has balanced its power books on the backs of the salmon, Arthur stated. BPA has to be an active participant in the market to buy renewables and achieve energy efficiency and to make sure that if utilities don't do it, that BPA does it for them, he said. Investments in low-income weatherization are vital, Arthur added.

BPA has to build more commitment to environmental protection into its activities, especially the obligation to protect, mitigate, and enhance salmon, he said. The latter is an area where BPA doesn't have a good track record and has had to be taken to court, Arthur stated. Salmon recovery needs to be a vital part of what you do, just as your investments in energy efficiency and renewables are, he said.

**Al Foss of the Seattle Department of Parks and Recreation** encouraged BPA to continue its energy conservation program. He described "what we do in the trenches" when they get funding from Seattle City Light to do energy-saving projects. For example, City Light gave us \$96,000 to change lighting fixtures at a tennis center, and as a result, we are saving over 700,000 KWh every year, Foss pointed out. And we hope to do more, he added.



**Loren Baker of Power Resource Managers** said while he appreciates BPA's emphasis on short-term problems, there's a greater need to look at the long-term issues. The Northwest Power and Conservation Council, the joint customers, and others, like the Washington PUD Association, agree there's a need to focus on the long term in order to make the short-term arrangements work, he stated. The good news is that there is a lot of consensus on the issue of allocation, and customers will tell you more about that at a meeting next week, Baker said. We agree with BPA's proposal on excluding tiered rates in the 2007-2011 period, having a three-year rate period, and service to new publics that request service by June 30, 2005, he continued. We would like to have an additional collaborative forum to talk about budgets prior to the rate case, Baker said. We think the \$15 million you propose as an annual cost for renewables should be for current projects, not future projects, he stated. Baker pointed out that public utilities have funded renewable projects, such as the Nine Canyon wind project.

We need to work hard to bring rates down, he stated. It would be best to decide what we want to do as a long-term strategy and then decide if a change in the law is needed, Baker said. We think that customers whose contracts expire in 2006 should be able to choose whatever product they want. We also think BPA should allow existing Slice customers to modestly increase their Slice percentages and reduce their block, Baker said. The result would be neutral to BPA. Baker also said in conclusion that BPA should take a positive look at the KEMA report, possibly reorganize and look at its management structure.

**Dennis Heller of the Northwest Energy Efficiency Council (NEEC)** said his group appreciates the support for energy efficiency that has come from BPA. BPA has delivered the equivalent of a nuclear plant in clean energy to the region, he stated. We support BPA's decision to commit to the targets for cost-effective conservation in the Northwest Power and Conservation's Council's energy plan, Heller said. BPA must continue financial support for low-income weatherization, he added.

Conservation must be pursued and acquired at the lowest possible cost, and the energy-efficiency business community can offer valuable perspective to this conversation, Heller said. He endorsed BPA's efforts to find non-wires solutions and expressed a willingness to participate in an ongoing dialogue with BPA.

**Matt Younger of Keen Engineering** commended BPA on its efforts and incentives for energy conservation. We've taken advantage of them, and they have helped our Seattle office grow, he said. We've helped building owners take advantage of rebates, and we've been able to study new and innovative ways to save energy, for example, the use of photovoltaic panels, Younger noted. He urged BPA to keep on supporting Seattle City Light, which he said is "also doing a great job."

**Eric Hausman of the University of Washington** explained that the university has been working with Seattle City Light on energy conservation projects since the 1990s and that the focus has intensified since the energy crisis. Since the 1990s, the university has invested in conservation measures, such as retrofitting and HVAC improvements, and as a result, the university is now saving 54 million KWh and about \$3 million per year, he said. Without

your support, we couldn't do these kinds of projects, Hausman stated. We hope that BPA will continue to allocate resources to conservation, he added.

**Bob Cowan of Fred Hutchinson Cancer Research Center**, who manages their energy conservation programs, said a small investment by BPA can be leveraged in a way that creates jobs, keeps rates low, and puts money back into consumers' pockets. "Everyone wins," he said. Without your support, many energy conservation projects won't get done, Cowan stated. The biotech industry uses a lot of energy, he noted. The Puget Sound, with its temperate climate and some of the lowest rates in the country, attracts such industries, Cowan said. But with those low rates, our payback is higher than in other parts of the country like Southern California, he stated. Our energy conservation projects won't get off the drawing board without your continued support, according to Cowan. This is a golden era for energy conservation, and we hope you will increase your leadership in this field, he concluded.

**Jim Walker of Fred Hutchinson Cancer Research Center** explained the kinds of energy conservation projects the center has done. As a result, we are saving 15 million KWh per year and our power costs are \$1 million lower, he said. That's money we can use to fight cancer, Walker stated. He thanked BPA and urged the agency to continue its support of the energy conservation program.

**Tom DeBoer of Puget Sound Energy** said his utility looks forward to commenting on the Regional Dialogue proposal in writing. We also look forward to participating with you in developing a long-term solution to power supply issues, he added.

**David Kerlick, a retired physicist**, said there is a need for consistent, focused investment in conservation. "That's a no-brainer," he said. Renewables need attention too, and BPA has a unique role in allowing small-scale wind projects to come on line, Kerlick said. I'd like to see BPA go "from lip service to line items" in its proposal, he added. Kerlick urged BPA not to cut spill because doing so would cut jobs in the fishing industries. As a nation, we could rely on renewables for 20 percent of our energy, he said.

**Larry Dittloff of the Washington Convention and Trade Center** said the convention center was built in 1988, and that since then, they have done four energy conservation projects, including making lighting improvements. Not only does our facility look better, we have saved \$182,000 annually, and we've used those savings to keep our rates down for our clients, he noted. As a result, our occupancy rates have gone up 20 percent, and that is due in large part to our ability to keep our rates competitive, Dittloff said. Without this program, none of that would have happened -- your program is working, he stated.

**Jeremy Smithson of Puget Sound Solar** said when it comes to renewables, the lowest cost is not always the best deal. Solar energy is the only energy with an unlimited future and the only truly distributed energy, he stated. Germany gets 20 percent of its power from renewables, he noted. Japan has installed 500 MW of solar and is aiming to install 4,800 MW by 2015, Smithson stated. They have done it in less than two decades -- what are we

waiting for? he said. In the absence of any national leadership on the renewables issue, BPA and its partners must step in and put renewables and conservation first, Smithson stated.

**Sara Patton of the Northwest Energy Coalition** said BPA plays a critical role in the Northwest, and she commended BPA for its commitment to meet the energy efficiency and renewables targets in the Northwest Power and Conservation Council's plan. This week *Fortune* magazine is calling for Renewable Portfolio Standards to be adopted by the 37 states that don't have them, she noted, adding, "investing in clean energy has become mainstream" and even "capitalist." Clean energy takes the pressure off the power system, Patton pointed out.

I'm happy that BPA has left the door open to wider acquisitions of renewables because BPA has the advantage of economies of scale over smaller utilities, she said. BPA has addressed some transmission barriers to new renewables, but there is much more that needs to be done, Patton stated. I'm happy to see the commitment to energy efficiency, but I would like to see the details of what you propose, she said. BPA should define its share of regional conservation and BPA should include all the loads of all the publics in its share, according to Patton. BPA should leverage its influence through the power sales contracts to make sure utilities do their share, she said.

The Coalition recommends that if a utility uses less energy as a result of investments in energy efficiency, that it should be allowed to sell the surplus power on the market, Patton stated. We also recommend that you ensure that the public interest community, such as the Northwest Energy Efficiency Alliance, is included when you develop the details of your program, she said. Patton recommended putting in a definite number to define efforts for low-income weatherization. You should set a goal of doing 5 percent of eligible dwellings a year, she urged.

We support collaborative forums for the discussion of budgets and suggest they be more frequent and more transparent, Patton stated. We've been impressed with the strides BPA has made in this area in recent years, she added.

Transferring load growth responsibility to utilities may lead to over and underinvestment in resources, Patton warned. Turning over load growth responsibility to over 100 utilities jeopardizes the region's ability to meet clean energy goals, she stated. I fear we will have boom-and-bust cycles, Patton added. The power contracts must contain adequacy standards that stipulate that adequate resources must be acquired, including conservation and renewables, she concluded.

**Hamilton Hazlehurst of Vulcan, Inc.** said that BPA funding allows Seattle City Light to pursue aggressive energy conservation. Vulcan owns 60 acres on South Lake Union and is committed to building a sustainable community that includes green buildings, he stated. Hazlehurst explained some of the energy-saving innovations and strategies Vulcan is exploring, the projects they are doing, and the energy savings they have achieved with Seattle City Light incentives. Vulcan shared in the costs of the projects, making the effort a partnership, and the energy savings have benefited the tenants of our buildings, he noted.

We support continued funding of energy conservation programs because they encourage developers to pursue energy-saving strategies, Hazlehurst said. They are encouraging Vulcan to take energy conservation to the next level, he concluded.

**Vanessa Brower of Olympic Community Action Programs** said that her agency's weatherization services are extremely dependent on BPA funding. Low-income services and support such as this program provides are critical to our citizens, she said.

**Andy Silber of the Sierra Club** said BPA must fulfill its responsibilities for salmon recovery and protect the environment of the Northwest, as the Northwest Power Act requires. We support conservation programs, and we need to make sure that the Intalco smelter employees get the power they need to keep their jobs, he stated. BPA should guarantee that the region will grab every possible conservation opportunity that's cost-effective, Silber said. We laud BPA for trying to make renewables more accessible and easier to adopt, he continued. As wind becomes a bigger part of the region's resources, we recommend BPA help small utilities with its adoption and integration, he said. With respect to climate change, we say that as a region, we need no new CO2-emitting power facilities, Silber concluded.

**Jake Fey of Tacoma** said he has been involved in energy efficiency and conservation work over the past 30 years. BPA and the utilities have made both good, and less than satisfactory, decisions, he stated. Local utilities wouldn't earn as good a grade on energy efficiency as BPA does -- utility performance has been "spotty," according to Fey. He said the allocation of BPA power has to come with contract conditions that use a starting point higher than the current conservation and renewables discount. Fey encouraged BPA to continue the Regional Dialogue discussions and to make sure they are open to participation by all groups.

**Gary Anicich of Alaska Distributors** described an energy conservation project his company did at a large distribution center in Seattle, which reduced energy use by 33 percent and improved the quality of life for their employees. We couldn't have done it without you because it wouldn't have penciled out, he said. Because we won't be seeing new power plants in the region, we need programs like this, Anicich stated.

**Jim DiPeso of Republicans for Environmental Protection** called BPA's proposal "a good start." Global warming is getting so much attention, "it's become a celebrity," he stated, adding that BPA is in a unique position to solve global warming. DiPeso urged BPA to be the backstop to make sure that all the cost-effective conservation called for in the Northwest Power and Conservation Council's plan is acquired. We need steady and consistent support, he added. BPA should use its assets and the river system to help develop renewables, DiPeso stated. You should be an anchor and a partner so we can get these projects going, he said. "It's a big job, but you guys are up to it," DiPeso concluded.

**Tom Brandt** recommended the use of more solar energy. He also advocated using more public transportation as a way to conserve energy.

**Andrew Lofton of the Seattle Housing Authority** expressed support for BPA funding conservation programs at or above existing levels. Conservation is important to the Housing Authority's residents, and it helps them control rising energy costs, he stated. We have used Seattle City Light programs since 1997, and as a result, we've reduced our maintenance and operating costs, and the savings enable us to use the money for housing, Lofton noted. He urged BPA to expand funding for low-income weatherization.

**Tony Orange of the Central Area Motivation Program (CAMP)** in Seattle's central district explained CAMP's services in combating poverty and hunger, sheltering the homeless, training the unemployed, and helping families keep from going without heat. In the 2003-2004 program year, over 6,000 households received subsidies for utility bills, he noted. I support meeting all future growth with energy efficiency and renewables, Orange stated. That approach provides rural economic development and protects the environment, he said. BPA's Regional Dialogue proposal is a positive step forward, but there is still room for improvement, according to Orange. The proposal is too vague and lacks specific commitments to ensure adequate support for low-income weatherization, he said. Orange pointed out that programs that help low-income consumers pay their utility bills save utilities and other ratepayers money.

**Barbara Zepeda** said conservation programs are the result of citizens who fought the business establishment to get them. She said the costs of the Washington Public Power Supply System (WPPSS) are "still on the backs of the ratepayers of Seattle." Big business walked away and left the PUDs with the WPPSS debt, Zepeda stated. The aluminum companies "got sweet deals and ripped the public off," she said. Zepeda asked how the \$21 million for renewables acquisition fits into the BPA budget, and Norman replied that it is less than 1 percent. That's not enough, Zepeda responded.

**Mike Ruby, an economist**, said that when people say, "give consideration to my interest," what they are asking for is subsidies. We need to plan for the future and keep in mind that the whole Northwest hydro system is based on the snowpack, he stated. I've heard there are different prices for electricity in rural areas versus urban areas, Ruby said. If that is so, you should be transparent and spell that out, he stated. The public needs to know the numbers -- don't hide it in "some strange rate structure," Ruby said. BPA should continue its infrastructure role in the Northwest, and BPA needs to take on responsibility for meeting new growth, he stated. We can do a lot using conservation and renewables, Ruby said. If you rule out natural gas, nuclear energy is all there is, he stated. BPA should cost out the price of another nuclear plant, including the disposal of the waste, and when the region sees how much that costs, it will know how good renewable energy development looks, Ruby said.

**Mike Rousseau, manager of Alcoa's Intalco plant**, said the company is a partner with the local community and that it wants to be a partner with BPA. We are not asking for more power, just the same amount we have been getting, he said. I ask BPA to consider the Alcoa proposal -- please allow us to continue to be responsible partners, Rousseau concluded.

## **Closing**

Norman thanked all the participants and speakers. He said that the comments made in this meeting would be discussed extensively in the internal BPA decision meetings on regional dialog issues. He noted that the deadline for written comments on the Regional Dialogue proposal is September 22. The meeting adjourned at 9 p.m.