

R004-0043
SEP 18 2004

Kuehn, Ginny

From: Rob Sirvaitis [rsirvaitis@prmlp.com]
Sent: Friday, September 17, 2004 5:00 PM
To: BPA Public Involvement
Cc: 'Jim Sanders (E-mail)'; 'Rick Lovely'; 'Loren Baker'; 'Jean Ryckman'; greggr@bentonpud.org; 'Don McMaster'; 'Doug Smith'; 'Gil Gallegos'; 'Edmond Mount'; 'Jeff Fuller'; 'Jonah Tsui'; 'Marty Parsons'; 'Ray Johnson'
Subject: PRM Comments in Response to BPA's Regional Dialogue Policy Proposals for BPA's Power Supply Role

Attached are the comments of Power Resource Managers, LLP in response to BPA's Regional Dialogue Policy Proposals for BPA's Power Supply Role for Fiscal Years 2007- 2011.

Please contact me or Loren Baker if there are any questions. Thank you.

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September 17, 2004

R004-0043
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Stephen J. Wright
Administrator
Bonneville Power Administration
P.O. Box 14428
Portland, OR 97239

**Re: Comments in response to BPA's Regional Dialogue Policy Proposals
for BPA's Power Supply Role for Fiscal Years 2007-2011**

Dear Mr. Wright:

Thank you for the opportunity to comment on BPA's Regional Dialogue Policy Proposals for BPA's Power Supply Role. Most of this BPA document addresses issues identified by BPA for fiscal years 2007 - 2011. Long-term issues, which we believe are very important, are only addressed by BPA in a few pages near the end of the document and primarily address a proposed schedule and process. Our comments are enumerated below:

1. While there is a need to address current issues identified by BPA for FY 2007- 2011, we believe there is a greater need to focus on long-term issues now, such as the need to implement an allocation of the federal power system through long term, enforceable contracts.

BPA needs to address long-term allocation now. BPA's proposed schedule delays the start of an important process that needs to begin now.

The NWPPC, Joint Customers, WPUA, PNGC, PRM and many public utilities have recently stated the importance of BPA to start now and specifically address the long term role of BPA. Since April 2002, BPA has conducted two public processes on this critical topic. In July 2004, BPA initiated a third process with publication of the Regional Dialogue Policy Proposals for BPA's Power Supply Role for Fiscal Years 2007-2011. However, long-term issues have once again been delayed until July 2005, when BPA has proposed to publish a Long-Term Regional Dialogue Proposal for public review and comment. It is time for BPA to directly address issues concerning the long term role of BPA without further delay.

BPA's PBL website describes the history of previous processes:

In April 2002, a joint customer group, representing public and investor-owned utility customers, presented a proposal to BPA for how the benefits of the FCRPS should be shared in the region. Since that time, BPA has worked closely with this joint customer group and sponsored two public processes, along with the Northwest Power and

Conservation Council (Council), to discuss the issues with customers and other stakeholders.

In February 2003, BPA announced that it would proceed with a rate-setting process for the Safety Net Cost Recovery Adjustment Clause (SN CRAC) and that the Regional Dialogue discussions would take on a slower, more deliberate pace until the rate case was complete. Discussions continued regarding the level of benefits for the residential and small-farm customers of the region's investor-owned utilities (IOUs).

In a letter dated June 5, 2003, the governors of the four Northwest states encouraged BPA and the Council to jointly restart the Regional Dialogue process. In the fall of 2003, BPA and the Council again hosted a series of meetings with interested parties. The Council released for public comment a set of principles and an issue paper entitled "Proposed Council Principles for the Future Role of Bonneville in Power Supply". Following the close of comment on this paper in December 2003, the Council held several workgroup meetings. The Council submitted its final recommendations for BPA's consideration in May 2004.

In summary, PRM and many utilities recommend that BPA specifically address the long term role of BPA and the final recommendations of the NWPCCC dated May 13, 2004. Rather than attempting to resolve questions that BPA has raised for the last five years under the current contracts from FY 2007 -2011, PRM agrees with the NWPCCC that BPA should focus on long-term issues and a fundamental change in how BPA carries out its role in power supply and avoid managing from crisis to crisis.

We believe that there must be a fundamental change in the contractual relationship among BPA and its customers if there is to be any hope of a future that avoids the rate increases and uncertainties the region has recently experienced. The good news is there seems to be a great deal of consensus around this most important change: the allocation of the existing BPA system power resources to its public power customers.

This reform has been endorsed by the Northwest Power and Conservation Council (Council) at its May 13, 2004 meeting "Recommendations for the Future Roles of the Bonneville Power Administration in Power Supply." The Council recommends that:

Bonneville would sell electricity from the existing Federal Columbia River Power System to eligible customers at its cost. Customers that request more power than Bonneville can provide from the existing federal system would pay the additional cost of providing that service.

Only long-term contracts will provide the certainty, continuity, and durability that customers need to make long-term resource commitments; the stability that Bonneville needs to be able to ensure Treasury repayment; and the protection the region needs

for one of its most significant assets. Bonneville should offer such contracts no later than October of 2007.

Fundamental to implementing changes in Bonneville's role in power supply is allocating the power from the existing federal system among eligible customers.

PRM believes these comments are also supportive of the objective stated in your letter to Senators Gordon Smith and Maria Cantwell dated May 17, 2004 where you said:

In this environment, we must avoid moving from crisis to crisis, and instead lay a solid groundwork of direction and analytic capability that will ensure good decisions and long-term policy.

At its June 3, 2004 meeting, the Public Power Council's Executive Committee unanimously agreed to support the concept of allocating the Federal Base System (FBS). A specific allocation methodology has been developed and was recently presented to BPA. We encourage BPA to accept, without change, this equitable allocation methodology and the percentage allocations of the FBS output to preference customer groups and individual public utilities that have been developed, agreed upon and adopted by BPA's public utility customers. We encourage BPA to work with public power to implement this allocation of the FBS.

PRM and many utilities are committed to working with Bonneville, other customers, states, regulatory commissions and other regional organizations to implement an allocation of the federal power system through long term, enforceable contracts.

2. We support many aspects of BPA's proposed long-term policy as described beginning on page 24 of BPA's Regional Dialogue Policy Proposals for BPA's Power Supply Role, except for the proposed schedule.

With regard to BPA's proposed long term policy, we support BPA's proposal to:

1. Limit sales of firm power to firm requirements' load at embedded cost rates to the firm capability of the FBS.
2. Price sales beyond the FBS capability at a higher rate to reflect the incremental cost of purchasing power to meet those additional loads.
3. Implement these principles through new, long-term, durable 20 year contracts.

In summary, this means that sales of power at embedded cost of the FBS are limited to each utility's percentage allocation of the actual FBS output. Any

power purchases or sales required to meet the utility's load are the responsibility of the utility, who may request such services through a contract with BPA or another entity.

We support BPA's desire for long-term 20 year contracts and agree with BPA that it is more risky to delay necessary decisions. New contracts and rates are needed to create clarity for utilities about resource development obligations. We agree with BPA that necessary steps in this process include:

1. Need to discuss and resolve the commitments and decisions to be contained in contracts vs rates.
2. Need to discuss and resolve the long-term rate methodology to accompany the contracts.
3. Need to discuss and resolve when to execute long-term contracts and when service under the contracts should begin.

We agree with BPA that it is important to create a policy blueprint as soon as possible to guide development of contracts and rates. A timeline needs to be established and adhered to in order to meet critical milestones and resolve major policy issues. The schedule proposed by BPA represents a starting point. However, work needs to begin now, not in July 2005, and critical milestones need to be added to this schedule for possible legislation and rates decisions.

Here is PRM's proposed schedule. This schedule advances dates by about six months and results in an earliest contract effective date that is one year earlier than proposed by BPA. Critical milestones need to be added for possible legislation and rates decisions.

PRM's Proposed Schedule for Achieving Long-Term Contracts and Rates

Milestone:	Date:
BPA Administrator Issues Long-Term Regional Dialogue Proposal for Public Review and Comment	January 2005
BPA Administrator Signs Long-Term Regional Dialogue Policy	July 2005
New Contracts Offered	June 2006
Contract Signature Deadline	October 2006
Earliest Contract Effective Date	October 2007

3. We support the following aspects of BPA's Regional Dialogue Policy Proposals for BPA's Power Supply Role for FY 2007- 2011.

- We support BPA's proposal to exclude tiered rates in its FY 2007 initial rate proposal in order to implement an integrated long-term contract and

rate solution that would implement the long-term policy of limiting BPA sales at embedded cost for Pacific NW firm requirements loads.

- We support a two year rate period over a three year rate period in order to lower rates and reduce the need for rate adjustment mechanisms due to reduced uncertainty. A two year rate period would minimize various risks imposed on BPA (hydro generation, secondary sales, power market prices, financial performance and Treasury repayment), would reduce BPA's need for planned net revenues at risk and would focus BPA's efforts on cost control and cost reductions during the two year rate period.
- We agree with BPA's proposal that new publics must request service from BPA by June 30, 2005 for service at the PF rate. New publics that request service from BPA after June 30, 2005 will receive service from BPA, but must compensate BPA for the costs of additional resources acquired to serve the new publics.
- We agree with BPA that it is important to design structures and mechanisms to allow customer and stakeholder input on long-term cost control and revenue requirements, especially before starting the FY 2007 rate case.
- We support initiation of additional Customer Collaborative Forums in Fall 2004 to provide a regional discussion of PBL program budgets prior to the PBL rate case. An open examination of BPA's costs, budgets and major cost drivers over the next seven years is critical. We encourage BPA to structure these Customer Collaborative Forums based on input from customers in order to make these forums more useful to the customers and to BPA.
- We support retention of the current Conservation and Renewables Discount Program to acquire the most amount of participation in cost effective conservation investment possible.
- We support continuation of renewable program funding up to a net cost of \$15 million per year for current renewable energy projects. However, these funds should not be applied towards acquisition of any future renewable energy. This position is consistent with BPA's proposal to limit sales of firm power to firm requirements' load at embedded cost rates to the existing firm capability of the FBS and the Council's recommendation for allocating the power from the existing federal system among eligible customers. When necessary, public utilities have directly funded renewable energy projects such as the Nine Canyon Wind Project.

We would also like to take this opportunity to remind BPA of their strategic direction as set forth in their recent documents. The first directive described by BPA is that its costs and rates must be lowered..

4. We do not support the following aspects of BPA's Regional Dialogue Policy Proposals for BPA's Power Supply Role for FY 2007- 2011.

- We do not support BPA's legal criteria for these policy proposals. We believe that approaches or policy options should consider legislative changes, if necessary, while minimizing legal risk.
- We disagree with BPA's proposal that there should be no additional Slice customers. If their existing contracts expire in 2006, the opportunity to select the existing Slice product should be available to customers. We strongly agree with BPA that it is important to move promptly to develop long-term contracts. However, in the interim period while allocation of the FBS is being implemented and long term contracts are being developed, such choices should be allowed and we believe are not a disincentive to development of long-term contracts.
- We disagree with BPA's proposal not to allow small increases in Slice percentages with corresponding decreases in block purchases for existing Slice customers. We believe that allowing these small changes are revenue neutral to BPA, and allow BPA's Slice customers to avoid some non-Federal power purchases.

5. The management observations in the KEMA report dated July 13, 2004 should be considered and the recommendations should be implemented by BPA in order to effectively implement BPA's Power Supply Role as described in the Regional Dialogue Policy Proposals and these comments.

The BPA Process Improvement and Benchmarking Prioritization prepared by KEMA, at BPA's request, dated July 13, 2004, included the following management observations for areas for improvement:

- Observations show a culture reluctant to change.
- Manage by fire drills vs. resolve underlying process gaps.
- Unclear roles and responsibilities have resulted in complex decision making and accountability and unnecessary inclusiveness. Higher costs and less efficiency are the by-products.

The KEMA report also contains 23 recommendations across three broad categories of (1) Organizational impacts, (2) Tactical and (3) More difficult or of lower value.

Stephen J. Wright
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These recommendations in the KEMA report present an ideal opportunity for BPA to improve its organization design, governance, performance and process management and other functions in order to effectively implement BPA's Power Supply Role as described in the Regional Dialogue Policy Proposals and these comments

Thank you for the opportunity to comment. We will be participating in discussions of important issues concerning the future role of Bonneville in power supply and in many other aspects of BPA's business relationship with its customers. Please contact me if there are any questions.

Sincerely,

POWER RESOURCE MANAGERS, LLP

A handwritten signature in black ink, appearing to read "Loren Baker", written in a cursive style.

Loren Baker
President / CEO

RD 04-0044
SEP 18 2004

Kuehn, Ginny

From: Eldon L Ball [eldonball@juno.com]
Sent: Saturday, September 18, 2004 5:52 PM
To: BPA Public Involvement
Subject: Bonneville Power Administration's Regional Dialogue

BPA needs to make more concrete commitments to renewable energy, energy efficiency and consumer protection. All but the Neanderthals know that global warming is real! So hydro won't be as dependable as in the past. Wind, solar & tidal wave can help fill the gap without contributing to global warming. Energy efficiency will reduce the need for new power sources & reduce global warming. After the market manipulation of 2000 - 01, consumers need to have their marketer (BPA) sign non firm power contracts at reasonable rates. Thanks.

Sincerely,
Eldon Ball, 3022 NE 140th St., #121, Seattle, WA 98125

R004-0045

SEP 20 2004

Kuehn, Ginny

From: brucem@ptpc.com
Sent: Monday, September 20, 2004 10:34 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 2007-2011View open comment periods on <http://www.bpa.gov/corporate/kc/home/comment.cfm>

Bruce McComas
Port Townsend Paper Corporation
brucem@ptpc.com
(360) 379-2158
100 Paper Mill Road
Port Townsend WA 98368

September 20, 2004 Steven J. Wright Administrator Bonneville Power Administration P.O. Box 3621 Portland, OR 97208 Re: Comments regarding Policy Proposal for Power Supply Dear Mr. Wright: As a small non-aluminum DSI Port Townsend is quit disappointed in the Proposed Policy for BPA's Power Supply Role for Fiscal Years 2007-2011. Our survival depends on being able to purchase electricity at reasonable rates, rates that our competitors can buy from their local PUD. We have been able to do this under current IP rates. In the Proposal, service to the DSIs is not clearly defined. Port Townsend Paper cannot support any proposal that does not include some service to the DSIs. The Port Townsend Paper mill was built in 1928 and is still the largest employer in Jefferson County. It is a small non-smelter DSI (less than 20 MW total) who has purchased all of its electricity from BPA from the time the DSIs were formed. It has been a beneficial relationship for both BPA and PTPC. We continued to purchase all our requirements from BPA during the late 1990s, even though other power marketers were offering power at cheaper rates, because we believed that long term BPA would be the low cost provider. Then in 2001, when BPA prices were in fact lower than market, we were offered a contract that would supply only 75 % of our historical needs. Meanwhile IOUs and Publics, who had purchased cheaper power from other marketers and less from BPA under their 1996 contracts, were allowed to put greater loads back on BPA. We were also notified that if we switched load to our local Public Utility we probably would be charged the much higher NR rate, even though the amount of service we needed above our DSI contract was less than the 10 average megawatts that BPA policy says triggers the NR rate. This penalizes PTPC for ever having been a DSI compared to some of our competitors who buy from PUDs at rates much lower than the NR rate. BPA's proposal shows that it will meet future growth not by building or obtaining new resources but by taking power away from the DSIs and IOUs. We think this is a mistake that will eventually affect the supply to public preference customers as well. We believe that BPA should extend the contracts with the DSIs just like they are proposing to do with their public customers that have 5 year contracts. We believe that the DSI's should pay a rate that is cost based, not marked up, but not subsidized either. At a minimum, BPA needs to change the language in the Proposal concerning providing up to 500 aMW worth of service to DSIs on page 15. The last sentence in the 1st paragraph infers that this power would only be made available for aluminum production. It needs to include non-aluminum DSIs as well, where Pacific Northwest jobs would be maintained. One possible way for BPA to serve the DSIs at a known or capped value would be to financially hedge the rates and include the cost of the hedge in the IP rate. We appreciate the opportunity to comment on BPA's Proposal and hope our comments will be reflected in the Final Decision. Sincerely, Bruce McComas VP & General Manager Port Townsend Paper Corporation

9/20/2004



The Cooperative Way!

RD04-0046
SEP 20 2004

BENTON RURAL ELECTRIC ASSOCIATION

402 7TH Street * P.O. BOX 1150 * PROSSER, WASHINGTON 99350 * 509/786-2913 * Fax: 509/786-0291

September 16, 2004

Paul E. Norman
Senior Vice President Power Business Line
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

Dear Paul:

Benton Rural Electric Association (Benton REA) appreciates this opportunity to comment on BPA's Regional Dialogue proposal of July 7th 2003. Benton REA is currently a full requirements customer of BPA and intends to remain so through 2011.

Our response below addresses the issues raised by BPA and provides Benton REA's response in the same general sequence as they are listed in the agency's proposal.

BENTON REA'S RESPONSES TO KEY ISSUES IN THE BPA JULY 7TH PROPOSAL

Issues for 2007 - 2011

1. **Tiered Rates** BPA proposes not to implement tiered rates in 2007. Benton REA does not support Tiered Rates being applied to any output from the current FBS system. Benton REA's contract has the lowest PF contract language that prohibits BPA assessing a tier 2 rate for any portion of Benton REA's load. BPA is making the correct contract interpretation here. In addition, BPA does not project a major power supply deficit during 2007 - 2011, therefore tiered rates are not necessary.
2. **Five Year Contracts** For those utilities that have five year contracts, BPA should offer to extend the term of these contracts though 2011 at the lowest PF rate. In determining how much power to sell these utilities, BPA should perform a net requirements determination consistent with sections 5(b) and 9(c) of the Northwest Power Act to ensure that these utilities have a right to this power. As BPA notes, performing a net requirements determination should reduce the need for BPA to acquire power to serve firm load obligations. The commitment to take power by these customers needs to be completed by June 30, 2005 in order to be incorporated in the 2007 rate proposal.

3. **Rate Period** Benton REA would like to suggest as food for thought that the term of the rate period is unimportant as long as the agency controls cost and focuses on stable wholesale rates. We disagree with a proposal to shorten the rate period from five years if the reason is simply to reduce BPA's risk exposure, and provide more frequent rate increases to pass the uncontrolled costs on to northwest ratepayers. Benton REA would support a shorter rate period only if BPA commits to **reduce** their rates, which are currently 40 – 50% higher than they have been historically. Given BPA's historical inability to control their own expenditures, Benton REA has concluded that it would be better to lock in the level of wholesale rates without CRAC adjustment for 5 years. At least this would provide a stable rate to BPA's customers.
4. **New Public Power Loads** Benton REA agrees that, in order to be served at the lowest PF rate during 2007 to 2011, these utilities would have to meet the standards for service and request and commit to receive firm power from BPA by June 30, 2005. Any power sales to new publics formed after this date should be at the TAC (Targeted Adjustment Clause) rate until the end of the next rate period.
5. **IOU Annexed Loads** We agree with the statement in the document that "BPA will continue to treat such annexed load as it does today under existing contract terms and conditions with its customers." Thus BPA will continue to charge the PF TAC rate to utilities that annex load. Benton REA believes that there should be no transfer of any exchange benefits to a preference utility as a result of acquiring IOU service territory. To the extent a publicly owned utility annexes load from an IOU service territory the financial benefits that the IOU received for this load, pursuant to the residential exchange or subsequent settlement agreements, should **not** transfer to the publicly owned utility. It escapes all logic why the IOU benefits from BPA that are mandated, pursuant to the Regional Act or subsequent settlement agreements, would transfer to any preference utility that might acquire the IOU service area.
6. **Transfer of Allocation Between Preference Utilities as a Result of Annexation or Acquisition** - Benton REA does not agree with any transfer of BPA allocation between utilities as a result of annexation or acquisition unless the allocation lost by the utility that loses service area or load is replaced with additional BPA allocation that can be utilized for future load growth.

In the past, if one BPA “full requirements” customer annexed an area or acquired the service area of another BPA “full requirements” customer, the power deliveries from BPA, under the “full requirements contracts”, simply adjusted to accommodate. In other words, the BPA deliveries under the “full requirements contracts” of the utility receiving the area increased as necessary to cover the increased load and the deliveries under the “full requirements contracts” for the other utility losing the load simply reduced. These changes in power supply were all at the lowest PF rate from BPA and both utilities could expect that their future load growth following the acquisition or annexation would be covered by BPA at the lowest cost PF rate under their respective “full requirements contracts”. To automatically increase the allocation of the annexing utility and decrease the allocation of the utility which had the load annexed encourages and promotes BPA preference customers to engage in annexation or acquisition of other preference customers of BPA. If BPA or the region decides that the allocation of the BPA FBS resources are to be transferred with acquired or annexed load, then cannibalization of neighboring BPA preference customers becomes a most lucrative load growth opportunity. This should not be an acceptable consequence of allocation, nor is it a fair and equitable outcome of allocation. As a possible solution, an equivalent amount of BPA FBS low cost power could be provided to the utility acquiring or annexing the area of another BPA customer from the 75 aMW that are being set aside to cover the formation of new publics during the term of the contract period. In the event that such power has already been committed prior to the time of annexation or acquisition, only half of the BPA FBS allocation associated with the annexation or acquisition would be transferred, with half remaining with the original utility losing the load.

7. **Product Availability and Product Switching**

BPA should not increase the amount of Slice sales until the end of the current power sales contracts. Allowing migration to or away from the Slice product could result in shifts of costs to other customers. In addition, we concur with BPA’s approach to conduct an overall review of the Slice product to determine if the product has achieved its objectives without shifting costs to other customers. Sales under Slice should not be increased until such an analysis has been completed.

8. **DSI Service** While the Direct Service Industries have a history of BPA service, the contracts for service to these customers expire in 2006. BPA has no statutory obligation to serve the DSIs. To provide power to serve the DSIs would only add to BPA's projected supply/load deficit in FY 2007 - 2011. Benton REA does not support any continued service to the DSI loads. Our customers have already paid hundreds of millions of dollars extra in their power rates to cover the costs of concessions made in an attempt to assist financially strapped DSI's. We believe that the current contract benefits that BPA has provided to the DSI's from the pockets of northwest ratepayers should have been adequate to provide a financial transition for the workers and plant personnel for retraining and relocation.

9. **New Large Single Loads** The proposal to continue to enforce the current new large single load policy (NLSL), but to permit the DSIs an exception for 9.9 aMW of utility service at the PF rate if the rest of the DSI load is served with a renewable or cogeneration resource makes little sense. Benton REA does not support any continued service to the DSIs, nor does it support this *rationalized interpretation* of the NLSL policy. The Policy was implemented to protect current preference customers of BPA from the financial impact of serving large single loads, and it was certainly not the intent of the Policy to allow transition of DSI service to local utilities by selectively setting the amount of load transfer slightly under the 10 aMW constraint.

10. **IOU Benefits** Benton REA takes exception to the Subscription contracts that were entered into with the investor-owned utilities as a result of the 1998 Power Subscription Strategy, and we are involved in litigation challenging the implementation of this strategy. Pending the outcome of that litigation, in the interim Benton REA agrees with the concept of only providing financial benefits to IOUs. It is important for BPA power supply planning purposes that the IOUs and public power both agree that the IOUs will not receive physical power from the FCRPS in the future, and not just the 2007 to 2011 period.

Benton REA disagrees with the financial benefit calculation in the current amended IOU contracts, with the \$100 million benefit floor and \$300 million benefit cap, as the benefit should be calculated based upon average system cost methodology as provided for in the Regional Act.

11. **Conservation** Benton REA is in accord with BPA's principle that "The bulk of the conservation to be achieved is best pursued and achieved at the local level." However, Benton REA would prefer that the one-half mill credit simply be used to reduce the cost of power overall. We recognize the politics involved in conservation and realize that this cannot be done, and agree that it is better that Benton REA control these funds than BPA.

12. **Renewables** BPA indicates that it intends to move away from large scale renewables acquisition and towards an “active and creative facilitation role with respect to renewable resource development.” Benton REA believes that BPA should only pursue those renewable projects that are economically competitive to other resources, provided the costs are borne by all of BPA’s customers. This approach towards renewables is consistent with the overall goal of limiting BPA’s sales “of firm power to its Pacific Northwest Customers at its embedded cost rates to approximately the firm capability of the Federal system.”
13. **Cost Control** The Proposal recites recent BPA initiatives in the area of cost control and transparency, in particular the Cost Collaborative, the Sounding Board and the quarterly financial reports, and proposes to continue these processes in the next rate period. These efforts on the part of BPA have been positive steps, but much remains to be done both for the next rate period, and even more importantly in the context of the long-term allocation discussion.

In the near term, the effectiveness of the Cost Collaborative is hampered by the lack of utility staff support and the veil of secrecy that has been imposed on its activities. It is difficult for customers to have confidence that the proper issues are being addressed, and that adequate information is available, given the closed nature of its proceedings. Such an approach is insufficient, both now and under a long-term allocation, to convince the customers who pay all of BPA’s bills that thoughtful decisions on budgets and spending are being made. More openness regarding the issues discussed and the recommendations made, as well as utility staff support for these efforts, are needed now.

An even more fundamental issue is the apparent focus of the Cost Collaborative and the quarterly financial report. It seems that the primary focus of these efforts is on the consequences of decisions already made. Neither of these activities appears to place the customers in a position to provide input on budget and spending decisions before they are made, which are at the heart of cost control. It must be an absolute priority to place customers in a position to have a meaningful voice on budget and spending decisions before they are made, rather than to deal with the consequences of decisions already taken by BPA.

The Proposal also suggests that BPA will commence a process similar to the Programs In Review recently conducted by the TBL for the entire agency. The region has been down this road before. When BPA removed the issue of its revenue requirement from the section 7(i) rate proceeding, it instituted the Programs in Perspective process to provide an alternative forum for customer comment on revenue requirement issues. Programs in

Perspective was never an adequate replacement for the critical examination that BPA's revenue requirement received in the section 7(i) rate proceeding. And the Programs in Review process has been an equally unsatisfactory replacement.

Benton REA does not object to having a regional process to discuss program levels as an interim step. However, it should be coupled with a return to the prior practice of including the revenue requirement as part of both the TBL and PBL rate proceedings. BPA is the only major power supplier in the region who takes the position that its revenue requirement has nothing to do with the level of its rates, and that the revenue requirement is off limits in its rate proceeding. As a first step towards budget and spending accountability for the long-term, the TBL and PBL revenue requirements should be included as an issue in the rate proceedings for these business lines.

14. **Maintain Current Contracts** Benton REA's contract runs through 2011. Benton REA will most likely stay with this contract, even if a successor long term contract is available to sign prior to 2011. BPA's proposed schedule allows for this and as such is acceptable.

Longer term issues

15. **BPA's Long Term Power Supply Role** BPA is proposing two broad goals for the period after 2011: (1) BPA should limit its firm sales to Pacific Northwest customers at embedded cost rates at approximately the firm output of the existing Federal system, and (2) sales beyond the firm output of the Federal system would be provided at a tiered rate that would reflect the incremental cost of meeting that load.

For the longer term, when an allocation of the Federal system is in place, the three inter-related issues of cost control, governance and contract enforceability must be squarely confronted and addressed. In order to convince customers that signing a long-term power supply contract with BPA is in the interests of their customers, it will not be sufficient to say that there is a tiered rate that will be separately charged for incremental resource costs incurred by BPA to serve load growth. Benton REA cannot take on faith the notion that the cost of the Federal base system power will remain low as a consequence. This is exactly the paradigm that is contained in the Regional Act with the PF and New Resources (NR) rates. Under that contract, the PF rate was to be based on the low cost Federal base system power, and the costs of incremental resources was supposed to be collected through the NR rate, thereby producing a low PF rate. This approach has been a dismal failure because of BPA's unwillingness to follow the provisions of the ACT.

For a long-term allocation to be successful, and for utilities to be persuaded that it is in the interests of their customers to sign up, four structural changes are necessary:

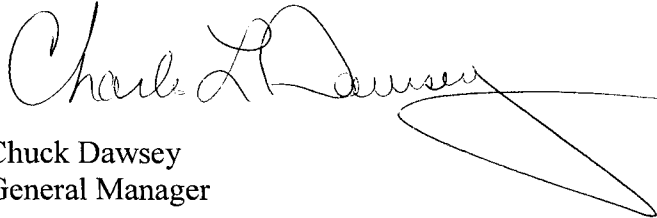
- 1) the segregation of new and embedded resource costs must be memorialized in the power sales contract;
- 2) the cost segregation provisions in the power sales contract must be enforceable by the customer;
- 3) governance changes must be implemented that give the customers who pay BPA's bills a meaningful voice in budget and spending decisions *before* they are made, rather than dealing with the consequences of these decisions after the fact; and
- 4) ways must be found to provide BPA incentives to control costs over the long-term.

These changes are fundamental and will be difficult to implement, but they are an absolute prerequisite to a successful long-term allocation of the Federal base system. Simply stated, yet another public process (such as PIR) will not get the job done.

16. **Quantity of Power at Embedded cost Rates** In order to accomplish the broad goals expressed above during the 2007-2011 period, and under current contract provisions, customers will need to know how much power they will receive from BPA at the embedded cost rate and how much power they will need to obtain from other sources. In determining how much power customers will be able to buy at embedded cost rates, it is essential that BPA perform a periodic net requirements determination for all of BPA's customers as is required by contract.
17. **Non BPA Resources and Pooling** In order to fulfill their total power supply needs in an allocated world, BPA's customers, if they so choose, will need to be able to access other power supply sources. These other sources could include bi-lateral purchases or pooled purchases from BPA at a tier 2 rate, or a non BPA resource. In order to access other power providers, several major issues must be resolved:
 - 1) GTA served customers need economic passage over non BPA owned transmission lines for the delivery of non-federal power.
 - 2) Contract provisions must be in place to protect low cost BPA allocation from decrements typically resulting from utility non-federal diversification.
 - 3) In addition, pooling of power among BPA's customers must be allowed consistent with the Joint Operating Entity legislation of January 2000. Currently the ability to pool purchases from BPA under that legislation is restricted to entities formed prior to January 1, 1999.

We hope you find these comments useful both in terms of offering an analytical framework for the Agency's future role, and a general assessment of what approaches may be broadly acceptable to a large segment of your customer base. If you have any questions, I am available to meet with you or your staff and any other customer representatives to discuss these points.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Dawsey". The signature is written in black ink and features a large, sweeping flourish at the end of the name.

Chuck Dawsey
General Manager

COLUMBIA RESEARCH CORPORATION

209 W. Evergreen Blvd., Suite 605 • Vancouver, Washington 98660 • Phone (360) 695-7422 • Fax (360) 695-7426

September 16, 2004

R004-0047
SEP 20 2004

Mr. Paul Norman, Senior Vice President
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208

SUBJECT: Regional Dialogue policy proposal

Dear Mr. Norman:

My client, the Canby Utility Board (“Canby”), has asked me to respond to BPA’s “Regional Dialogue” policy proposal dated July 7, 2004.

In general, Canby is pleased with the policy initiatives and tone of the document. In particular, we support BPA’s decision to create parity among all public agency customers by placing utilities with five-year contracts (i.e., Canby) on an “equal footing” with those public agency customers that signed ten-year agreements. As a result, BPA would extend the five-year contracts until September 30, 2011, and would guarantee these utilities the lowest Priority Firm (“PF”) rate.

BPA also proposes to create a window in spring 2005 to accept BPA’s contract amendment offer. The window would close no later than June 30, 2005. That date is realistic -- with one caveat. For utilities, like Canby, which serve the city and annexed areas, it would be helpful to have BPA specify a precise date by which the utilities would need to complete their annexation (or possibly face a Targeted Adjustment Charge or successor). If the deadline is the date the contract amendment is signed, please say so explicitly so that Canby has enough time to deal with pending annexations.

Please call if you wish additional information.

Sincerely,
Dan Seligman
Dan Seligman
Attorney at Law

cc: Mr. Chuck Forman, BPA account executive



FLATHEAD ELECTRIC COOPERATIVE, INC.

R004-0048
SEP 20 2004

September 16, 2004

Paul E. Norman, Senior Vice President
Power Business Line
Bonneville Power Administration
P.O. Box 14428
Portland, OR 97293-4428

OPTIONAL FORM 90 (7-90)

FAX TRANSMITTAL # of pages **2**

To: *HEZUN B... Administration* From: *C.T. Beede*

Dept./Agency: _____ Phone #: _____

Fax #: _____

NSN 7540-01-317-7360 5099 101 GENERAL SERVICES ADMINISTRATION

Re: Bonneville Power Administration's Regional Dialogue Proposal

Dear Paul:

In reviewing Bonneville's "Policy Proposal for Power Supply Role for Fiscal Years 2007-2011" issued on July 7, 2004, Flathead Electric Cooperative (FEC) is very encouraged by most of the policies Bonneville is proposing. We find a great deal of commonality between our view of Bonneville's role in this period and the Bonneville proposal. Our comments therefore are limited to issues involving utilities with five year contracts, conservation and renewable resources, and service to Direct Service Industries during the period from 2007 to 2011.

Five Year Contracts. Flathead Electric Cooperative agrees with the proposal that customers with five year contracts, and those customers with off-ramps or on-ramps in their 10-year contracts would be eligible for the lowest cost PF rate guarantee through 2011. We understand from our Account Executive that Flathead Electric Cooperative is included in this group of utilities and agree that a new net requirements calculation is appropriate. We understand the proposed requirement that requires customers to make commitments by June 30, 2005 and look forward to again being a full partner of BPA out here at the upper end of the federal system. We agree with Bonneville's proposal to place public customers with five-year purchase commitments that do not contain the lowest PF rates guarantee on equal footing with the 10-year customers from a rates perspective. Such alignment will facilitate BPA's move toward developing and offering new long-term contracts.

Service to Direct Service Industries (DSIs). We agree with the Regional Power Council's recommendation to provide a limited amount of power under specified terms and conditions to the DSIs who are creditworthy and have fully met their obligations under their Subscription contracts post 2006. We also agree with Bonneville's assertion that the DSIs have been an important part of the Pacific Northwest economy for decades, including the Columbia Falls Aluminum Company plant in our service area. We would like to work with BPA in exploring DSI service that would result in a known, or capped, cost to other Federal power customers.

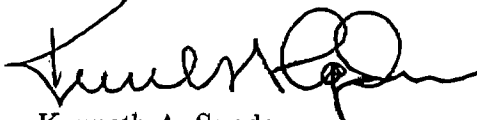
Paul E. Norman, Senior Vice President
Bonneville Power Administration
Page 2

Our first preference would be to work out a way to provide power to the DSIs by transitioning them to the local publicly owned utility. This would ultimately eliminate the DSI customer class. Lacking the ability to do that, we agree with Bonneville's preferred approach of offering eligible DSI loads a defined and limited (based on up to 500 MW divided amongst the remaining DSIs) financial incentive to operate so long as the cost impact on BPA's other customers would be no greater than if BPA had exercised its discretion to serve the DSI customers directly. If these methods can't be worked out, then continuing to provide Industrial Power (IP) Service with a link to the PF rate would be our next preference.

Conservation and Renewable Resources. FEC agrees with Bonneville that "The bulk of the conservation to be achieved is best pursued and achieved at the local level." We also agree with the statement that "BPA funding for local administrative support to plan and implement conservation programs has been essential." The Conservation and Renewable Discount (C&RD) program is very popular and achieves the two principles stated above. We expect the cost of this program to be reduced as we gain more experience. The Regional Technical Forum is essential in helping make the C&RD program more efficient.

We also agree with BPA's intention to move away from large scale renewables acquisition and towards an "active and creative facilitation role with respect to renewable resource development." This approach is consistent with the overall goal of limiting BPA's sales "of firm power to its Pacific Northwest Customers at its embedded cost rates to approximately the firm capability of the Federal System."

Very truly yours,



Kenneth A. Sugden
General Manager

Re: 9-20-04
SEP 21 2004

Kuehn, Ginny

From: ptarmigin@msn.com
Sent: Monday, September 20, 2004 9:04 PM
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>

Tom Brady

ptarmigin@msn.com
509-328-1495
5714 W Houston
Spokane WA 99208

Thank you for the opportunity to comment. I attended your public meeting in Spokane on August 26, 2004. I listened to many speakers in support of Alcoa and three things came to mind. First BPA can not provide power to Alcoa like they did to Kaiser and allow Kaiser to turn around and sell it. Second, the reason for the demise of the U.S. aluminum industry was a series of factors and BPA can not sell power to Alcoa, at below market rates, to counter act all those economic factors. Finally, I would like to see BPA work with heavy energy use industries, like Alcoa, to reduce energy consumption for the good of the entire region; (i.e. BPA own engineers assigned to work with customers to outline upgrades and improvements). I really am concerned about BPA's commitment to fish and salmon habitat. It is very disappointing to read that BPA is only working to save fish and salmon because they are ordered to by a federal judge. This lack of awareness of BPA's environmental stewardship must stop. Where is the agency's plan for stewardship of the resources they manage? The agency must develop both a short term and long term solution as they are trying to do with contract management because both power consumption and salmon rescue are linked.

9/21/2004

R004-0050
SEP 21 2004

Kuehn, Ginny

From: Last Mile Electric [lastmileelectric@msn.com]
Sent: Tuesday, September 21, 2004 8:57 AM
To: BPA Public Involvement
Subject: Last Mile Electric Cooperative comments on Regional Dialogue Policy

The Last Mile Electric Cooperative is pleased to submit the attached comments on the Regional Dialogue Policy Proposal. A signed letter is being sent today to the Administrator.

September 21, 2004

Mr. Steven J. Wright
Administrator and Chief Executive Officer
Bonneville Power Administration
905 NE 11th Avenue
P.O. Box 3621
Portland, OR 97208-3621

Dear Mr. Wright,

The Last Mile Electric Cooperative is pleased to submit comments on the Bonneville Power Administration's Policy Proposal for Power Supply Role for Fiscal Years 2007-2011 (Policy Proposal). We wish to offer comments to that part of the Policy Proposal addressing BPA's role in renewable resource development. Our comments here are independent of any comments members may offer separately, or as members of an industry association.

The Last Mile Electric Cooperative was formed in 2001. Our mission is "to provide affordable, cost-based electricity to rural and urban consumers through self-help efforts using the nonprofit cooperative business model." Last Mile has eleven members, including nine publicly owned utilities and two nonprofit associations. We understand and acknowledge that changes in the structure of the electricity industry will require adaptation by BPA, as it will for us. We further acknowledge the uncertainty associated with BPA's ability to supply all requirements that customers may wish to place on the agency indefinitely. We agree that BPA's customers will be taking on more risk in meeting loads, whether through BPA or directly. We believe we can directly shoulder an increasing share of that risk.

We also acknowledge the value of new wind and other renewable resources in diversifying the region's resource portfolio and so counteracting some of that risk. With all these considerations in mind members of Last Mile are developing the White Creek project, a 300 MW wind farm to be developed on a site east of Goldendale, Washington.

We believe BPA needs to support and facilitate the efforts we and other customers are making to assume more resource risk and responsibility. The options discussed in the Policy Proposal are all proposals we can support and may wish to employ in developing our project. We encourage BPA to pursue these and other proposals.

Specifically:

9/21/2004

- Resolve transmission issues. Last Mile agrees with Bonneville's proposal to "participat[e] in regional efforts to construct strategic transmission lines ... as well as finding ways to make more efficient use of existing transmission infrastructure." (Policy Proposal page 21) More efficient transmission is easy to support: it's good for all resources and customers, not just wind. Adding transmission capacity for an intermittent resource such as wind presents greater challenges that BPA which must be overcome (but if we can handle intermittent *loads*, we should be able to manage the mirror image on the resource side). We support development of new transmission capacity, provided that there is an equitable allocation of costs among beneficiaries (which include the developers, customers, and the region to the extent system flexibility is enhanced).

- As noted elsewhere in the Policy Proposal, building new transmission lines is not necessarily the only tool for solving transmission issues. We encourage BPA to work with creativity and diligence to identify non-construction solutions to transmission issues. These could include, for example:
 - Exploring tariffs and business practices to identify ways to use the existing system more efficiently during non-constrained hours;

 - Ensuring that NT and GTA customers are fairly treated in pricing transmission interconnection for new non-Bonneville generation;

 - Creating an analytic basis for valuing the system benefits of distributed generation development and integration (many distributed generation systems are expected to be renewable).

- Integration Services: We applaud BPA for developing its current integration products, the availability of which was a material consideration in our decision to move our wind project forward. We urge BPA to continue investing in research and analysis that will allow these products to be refined and expanded as we better understand and can predict the timing and quantity of wind generation from dispersed facilities. This will not only make for a more useful resource for system planning and management needs, but should also reduce BPA's risk in taking in larger amounts of wind. In order to provide an incentive for BPA customers to diversify their portfolios and become less dependent on BPA, we urge BPA to identify means to ensure that these products are reasonably priced and preferentially available to BPA's public utility customers who are acquiring renewable resources.

- Rate Discount: We support continuation of the Conservation and Renewable Discount, with respect to incentives for renewable resource development.
- Limited Acquisition Role: We agree that this tool should be available to BPA and its customers, subject to the “rigorous financial and risk tests” referenced in the report. Higher system risk of a limited and temporary BPA acquisition can be balanced against reduced system risk in consequence of customers developing their own resources and carrying the largest share of that resource risk. We would encourage BPA to adopt, as one of its tests prior to acquisition, a preference for supporting new customer renewables where its role is small but pivotal, and where the acquisition is conditioned on the customer(s) taking back the output and risk as its load grows into the resource.
- New Large Single Load. We agree with the proposal that customers be allowed to serve reassigned DSI load at preference provided that load over 9.9 aMW be served with renewables. We would support an expansion of this concept in two ways. First, the policy should apply to *all* new large single load, not just reassigned DSI load. Second, the policy be limited to situations where a *significant* share of the new load is met through renewables. For example, if a new 10.0 aMW load is met with 9.9 aMW of preference power and .01 aMW of new renewable resource, the renewable share would be perfunctory rather than significant, and would not constitute a meaningful incentive for the customer to develop and acquire new renewable resources. What percentage of the load is deemed “significant” can be a topic for further discussion.
- Preservation of PF Allocation. We propose that BPA agree to continue, and expand if need be, its current policy that a customer utility developing a new renewable resource will not see its PF allocation rights permanently decremented. The current policy protecting such PF rights is a small but useful incentive for customers to develop their own resources. Abandoning or excessively limiting the scope of the policy would produce an active *disincentive* to such customer action, since the cost barrier of foregoing the PF entitlement would be added to the first-cost barrier of the renewable resource.

We encourage BPA to instead adopt a policy that allows the customer to grow back into the amount of PF that is temporarily displaced by the new resource. The option of reclaiming the foregone PF power gives the customer an offset against future load growth risk.

In return for taking the risk that a customer will wish to reclaim some or all of the foregone PF in the future, BPA sees an offsetting reduction in risk because the customer has developed an additional resource, further diversifying and expanding the regional power -- and in some instances, transmission -- systems. Risk is shared. The overall system gains in diversity and other values, to the advantage of BPA and other customers.

We encourage BPA to incorporate this policy into the Policy Proposal, and to adopt this full range of renewable resource facilitation tools.

- Finally, we encourage BPA to engage in dialogue with neighboring transmission systems to find ways to mitigate constraints. For example, with a strong statewide commitment to renewables acquisition, and even stronger local support in some locations, California utilities are eager to

purchase the output of wind projects located in the Northwest. However, transmission access has proved to be an almost insurmountable obstacle to importing Northwest renewables. Redressing this constraint would spur Northwest renewable development in the short run, and provide lasting benefits to our region in the long-run. Ways to remove or mitigate transmission constraints could include: opening up dialogues with transmission operators in California to reduce the impact of pancaking, identifying unconstrained paths, and potentially identifying tools to enable more energy swaps between the regions.

We appreciate this opportunity to comment and hope that these comments have been useful.

Sincerely,

Robin Rego
President, Last Mile Electric Cooperative

On behalf of:

Members of Last Mile:
Tanner Electric Cooperative
Grant County Public Utility District
Douglas County Public Utility District
Mason County PUD #3
Lakeview Light and Power
Plumas-Sierra Rural Electric Cooperative
Klickitat County PUD
Northwest Cooperative Development Center
Kittitas County PUD
Cowlitz County PUD
Bonneville Environmental Foundation

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RDe4-0051
SEP 21 2004

September 16, 2004

Steven Wright
Administrator
PO Box 3621
Portland, OR 97208

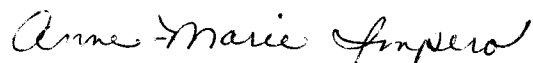
Dear Mr. Wright:

The proposals by the aluminum industry for long-term BPA contracts are vital to the economy of rural communities and I encourage you to accept them. My job and thousands of others depend on these good, family-wage jobs.

As a life-long resident in Whatcom county, I see the devastation of the loss of family-wage jobs. My own children have had to look outside our community for livable-wage employment. Our economy and the people who live here have suffered enough.

Please take action to save the industries that remain in this state. These jobs are very important and the future of many people rests in your hands.

Sincerely,



Anne Marie Impero
4050 Mt. View Rd.,
Ferndale, WA 98248

AM:cl

Kuehn, Ginny

From: Watts, Kirsten
Sent: Tuesday, September 21, 2004 10:50 AM
To: BPA Public Involvement
Cc: Wyla Wood (E-mail); Dick Wilson (E-mail); Norman, Paul E; Smith, Alexandra B; Lebens, John P; Goodwin, Helen A; Burbank, Nita M; Polenske, Judy
Subject: Comments Gathered at 8/27/04 meeting with Mason 1 and Mason 3

Hello. I finally received clearance from both Public Utility Districts No. 1 and No. 3 of Mason County to submit the attached comments for inclusion in the public record for the Regional Dialogue process. Please let me know if you have any questions. Thanks >>Kirsten Watts



RD Comments from
Meeting with ...

Comments Gathered at Regional Dialogue Meeting
August 27, 2004, 10 AM
Hosted by Public Utility District No. 3 of Mason County, Shelton, Washington

Attendees (Complete list to be provided by Mason 3): 15

Mason PUD No. 3 Commissioners Linda Gott, Bruce Jorgensen, John Whalen,

Mason PUD No 3 GM Wyla Wood

Mason PUD No 3 staff

Mason PUD No. 1 Commissioners Ron Gold, Jack Janda

Mason PUD No. 1 GM Dick Wilson

Mason PUD No. 1 staff

Paul Norman, Senior VP, PBL

R. Kirsten Watts, PBL AE to Mason No. 1 and 3

Paul Norman, the senior vice president of BPA's Power Business Line presented information on BPA's proposed rate direction for FY 2005. He followed his rates presentation with an overview of the major short-term and long-term Regional Dialogue issues. Below are the comments provided during the entire meeting. The comments are listed in the order they were made.

Comments Following Rates Presentation

Calculating DSI Benefits

John Whalen: Factoring in average system costs, aren't there hard, fast lines for paying the IOUs? BPA needs to play by the rules when it comes to calculating the benefits for the IOUs. And IOUs should not get away with not playing by standard accounting rules when ASCs are calculated.

Secondary Sales

Bruce Jorgensen: BPA is being conservative with regards to the impact the cost of natural gas will have on its future predictions of secondary sales. That is, BPA is not being over-optimistic on gas prices

Proposed TBL Rate Increase and Cost Impacts

Jack Janda: The transmission rate increase will offset the proposed power rate decrease. The focus needs to be on reducing Transmission's costs. Four hundred personnel in Transmission is too many; they need to make some cuts.

Comments Following Regional Dialogue Presentation

Post 2006 Service to DSIs

Jack Janda: I understand BPA sells excess power to California. However, I am concerned about excess sales being made to the DSIs. I can't support BPA selling excess power to the DSIs. Maybe if DSIs shared their profits with the public utilities, I could support selling power to them. [Jack Janda noted that his last statement was made in humor.]

Bruce Jorgenson: BPA has to look at the acquisition costs to serve the DSIs. If they are viable and paying their bills, go ahead and serve them.

Dick Wilson: Why is BPA contemplating serving the DSIs when it has no obligation to do so? Maybe the DSIs think they have some type of preference. The DSIs need to buckle up and look after themselves after 2007.

Wyla Wood: I understand the arguments the DSIs are making on their own behalf. But, given the failing economy in Shelton and other areas in the region and the fact that the timber industry was not salvaged, the DSIs need to change with the times. They need to retrain their workers and let them go.

20-year Contracts

Wyla Wood: Twenty-year contracts are attractive but customers won't sign without incorporating meaningful dispute resolution. We want to see an independent, neutral third party utilized instead of the Ninth Circuit where we always lose. The contracts also have to be accompanied by meaningful cost control, and the cost control mechanism has to reflect that BPA was truly listening to customers. We can't have a committee tell BPA how to run its business, but we need a mechanism for determining how best to manage costs.

Insuring Treasury Payment

John Whalen: Much of BPA's debt is in the form of bonds. Mason 3 is mixed up with Energy Northwest bond situation, too. It seems like Energy Northwest and BPA are trying to control costs. Maybe the Treasury would let BPA skip a payment if its pockets are too tight.

Ron Gold: Shouldn't Treasury have to pay for some the losses associated with Summer Spill since another Federal agency caused the increased spill? Shouldn't that count against BPA's Treasury payment?

Allocation

Jack Janda: Mason 1 supports allocation. Publics are willing to take risks associated with providing for the electric infrastructure.

Conservation

Wyla Wood: Mason 3 doesn't want BPA to go back to the old conservation program. It wasn't locally focused. It is the utilities' money and they have the right to spend it as they see fit.

Jack Janda: Mason 1 agrees with that [Wyla's statements].

Other Comments

Grid West

Jack Janda: We appreciate Allen Burn's visit on August 6 although his visit didn't change our position on Grid West. We still don't support it and would rather see BPA not support another bureaucracy. Look to the TIG proposal for solutions.

Bonneville Power Administration Regional Dialogue Public Meetings

**Portland, Oregon
September 9, 2004**

**East Portland Community Center – 6-8 p.m.
Approximate Attendance: 40**

Opening Remarks

Paul Norman (BPA) welcomed people to the meeting and introduced himself and **Helen Goodwin (BPA)**. He added that detailed notes of the meeting would become part of the official record in the Regional Dialogue.

The Regional Dialogue is a process that will lead to extremely important decisions about how power from the federal hydro system is sold in the region, Norman explained. As a result of the regional dialogue, BPA will determine “to whom and how much” with regard to the disposition of federal power, he said. Creating clarity about who gets how much is essential to getting needed infrastructure accomplished in the region – our decision will bring clarity to the question of who will build resources, Norman said.

Our decision in the Regional Dialogue will also be a guide as we continue our cost control efforts to keep rates low, and it will clarify our commitment to conservation and renewables, he continued. We are addressing the 2007 to 2011 in this first phase of the dialogue, and we will deal with the longer-term issues later on, Norman said.

He asked speakers to limit their comments to about five minutes. We won’t engage in a back-and-forth dialogue at this meeting – our intention is to listen to you, Norman added.

Five minutes isn’t long enough for people to make all of their comments, a member of the audience asserted. Let’s keep the first round of comments to five minutes per speaker, and if people need more time, Helen and I will stay to take another round, Norman responded.

Goodwin gave a brief summary of the key elements in BPA’s Regional Dialogue proposal. She pointed out that BPA proposes to: defer consideration of tiered rates; limit the next rate period to two or three years; define terms for providing service to new publics; implement the settlement that was reached regarding IOU exchange benefits; and exclude product switching. She said BPA has made four proposals regarding service to the Direct Service Industries (DSIs) and would like public comment on them. The Regional Dialogue proposal also includes principles to guide development of conservation consistent with the Council’s plan and for establishing an advisory group to work on details of BPA’s conservation program, Goodwin said. The proposal spells out a facilitation role for BPA in development of renewables, which we see as the best use of

limited funds, she said, and we propose to continue to consult with stakeholders and build on the progress we've made with cost-control initiatives, including the Customer Collaborative and the Sounding Board. We would like your ideas and thoughts about our proposal and whether there is anything missing here, Goodwin concluded.

Public Comments

Geoff Carr of Northwest Requirements Utilities described his organization, noting it represents 48 full requirements customers of BPA. "BPA is at a crossroads," he said. Carr said he had seen BPA approach tiered rates a number of times, and every time "the wrong answer" had led to higher rates for preference customers. The publics are coming to the view that BPA ought to serve its preference customers with the existing resources now in the existing system, Carr said. Those resources are just about equal to the preference load, he pointed out.

We agree with 95 percent of your proposal, Carr stated. We like the two-to-three-year rate period – it reduces risk, we appreciate that you are not going to explore tiered rates at this time and that you propose to renew the expiring five-year contracts for publics until 2011, he said, adding that a new net-requirements determination should be made as part of the renewal. We agree with your position on serving new publics, Carr continued. With regard to the proposal for product availability, we would like to see flexibility for customers to bring in new resources, he said. We agree with your proposal on IOU benefits, and we support the proposal on conservation and like the idea of the forum, Carr continued. As for the renewables proposal, "we do not want to be the risk sump for renewables," he stated. Your continued efforts on cost control are needed, Carr said.

He pointed out one area where NRU disagrees with the proposal, DSI service. BPA is close to load-resource balance, and when we look at whether you should serve the DSIs, who have "no legal right to BPA power," we object if those sales have an adverse impact on the publics, Carr stated. If sales to the DSIs do not increase the rates and risks for the publics, we can discuss it, he wrapped up.

Jim Abrahamson, Community Action Directors of Oregon, said he represents a statewide organization that provides direct services and promotes self-sufficiency for low-income people. We commend your pledge of \$21 million to renewables – BPA is positioned to be a natural leader in the development of clean energy, he said. Abrahamson urged BPA "to set and enforce real renewable targets" in the region. We encourage BPA to be more specific about its commitment to energy efficiency and "to be the backstop" if others fall short of their goals, he said.

I cannot stress enough the importance of continuing support for low-income weatherization, Abrahamson continued. There is much that remains to be done – there's a substantial need in the state, he said. Abrahamson asked BPA to establish a specific level of funding for low-income weatherization to assist agencies that provide services to plan and budget.

With regard to turning new resource development over to the utilities, there could be cost benefits, he said, but BPA needs to set targets for renewables and energy efficiency and along with the Northwest Power and Conservation Council, monitor their development. We must assure a balanced portfolio of supply and demand-side resources, adequate energy supply and the continued protection of fish and wildlife, Abrahamson summed up.

Wayne Hill, Ecumenical Ministries of Oregon, Interfaith Network for Earth Concerns, said his organization has an 80-year history in the state and works for justice and equity issues. The network encourages people to be “effective earth stewards,” and he indicated that over 130 congregations in the state participate in its programs. Hill said a priority effort of the network is the Oregon Interfaith Global Warming Campaign. We view global warming as “an overarching threat to civilization,” he stated. We hold workshops to educate people and encourage them to invest in energy efficiency, renewable energy and green practices, he said. In this process, we have become aware of policy decisions made outside of our communities that affect the issues important to us, and we’ve joined the Northwest Energy Coalition (NWECC), Hill said.

BPA must adopt sound business principles and maintain adequate financial reserves, he said. But in addition, BPA is more than just another utility and is a steward of the federal Columbia River system, Hill said. BPA “has moral and ethical responsibilities” to keep the river system healthy and to protect salmon, he continued. BPA also has a special obligation to Northwest Indian tribes that it must fulfill, Hill said.

BPA is more than just a low-cost provider of power – it must add value to its product by carrying out its public responsibilities, he said. Hill referred to the threat from the Northeast/Midwest coalition and indicated that BPA’s must continue to demonstrate that its public responsibilities are a great value to the region and to the rest of the nation or it could lose its reason to exist.

We are concerned about BPA’s proposal to turn new resource development over to the region’s utilities, he went on. We hope the utilities are right about their ability to acquire new resources, but if they are not, the region and BPA must find a way to provide a backstop so we are assured of an adequate energy supply, Hill said. He urged BPA to continue its support for low-income weatherization, and said his group is encouraged by the \$21 million commitment to new renewables.

We are pleased with the idea of BPA forming a conservation work group and hope the group includes strong advocates for energy efficiency programs, Hill said. The region was caught in a bad situation in 2001, when utilities had to purchase power from fossil fuel sources, and strong support for energy efficiency and renewables is needed so we do not find ourselves in that position again, he stated. Hill concluded by saying that his organization endorses the NWECC Energy Matters resolution and would continue to mobilize faith congregations to take an interest in the issues.

Peter Kremen, Whatcom County Executive, said BPA’s decision about who gets power at what price is very important to Whatcom County – it’s very important that

Alcoa Intalco have access to affordable power. We saw what happened during the energy crisis, when plants closed and the economy faltered, he said. We can't afford more plant closures, Kremen told BPA. The operation of the Alcoa Intalco plant is vital to the Ferndale community – the plant provides family-wage jobs that pay an average of \$68,520 annually, 1.7 times the average in Washington, he stated. The multiplier affect of these jobs in the rest of the economy is about 2.9, so thousands of other jobs rely on the operation, too, Kremen indicated. Alcoa Intalco pays taxes that fund services such as police and infrastructure such as roads, he added.

Alcoa Intalco has a long history of being a good corporate citizen, Kremen continued. He said BPA's proposal to allot 500 megawatts (MW) of power to all of the DSIs is inadequate since Intalco is currently using 438 MW and is not operating at full capacity. It is not fair to reduce the supply to the DSIs even more, he said. The Alcoa Intalco plant is one of the most efficient aluminum plants in the world, and the workforce is one of the best, Kremen said. We would ask that you extend the current firm sales to the plant so the jobs will continue, he urged. The economic consequences of your decision are significant to Whatcom County, he concluded.

Our job is to train people to start their careers and to retrain workers for new careers, when that is needed, according to **Gerald Pumphrey, Bellingham Technical College**. There are limits to what we can do, particularly with the funding cuts we have experienced in recent years, he said. The college does not have funding or space to serve the existing needs and does not have the capacity to handle any more laid off workers, Pumphrey explained, adding that 850 people are on waiting lists for programs that are currently full.

The wage recovery for laid-off Alcoa workers placed in new jobs is 73 percent of what they were previously earning, he went on. There are no equivalent jobs to replace the ones that have been lost, Pumphrey said. The decisions BPA will make about providing power to Alcoa Intalco have "a human face," he pointed out. Let's be honest about the fact that the safety net for retraining these workers "has holes," and "it will not hold another 400 people" if there are more layoffs from Alcoa Intalco, Pumphrey stated.

Carol Opatrny representing Powerex said the subsidiary of BC Hydro is an active player in the Northwest energy market and has long-term contracts with customers in the region. BPA has significant challenges in balancing how it will serve customers, and a solution that provides greater rate stability is needed, she said, adding that establishing clear-cut rules about who will supply resources and how to treat load growth is a good move. Opatrny pointed out that transferring the responsibility for acquiring new resources brings up the "tough issue" of allocating the federal system. But allocation is not "a novel idea," and has been done elsewhere, she said, pointing to "the heritage contracts" between customers and utilities in British Columbia and Quebec.

We support an independent transmission entity, Opatrny stated. We support development of a regional transmission organization, and urge BPA to accompany its Regional Dialogue proposal with "a seamless" transmission system that will support customers'

access to wholesale power supplies, she said. We generally endorse your proposal, but believe it needs to be accompanied by a proposal for a seamless transmission grid, Opatrny concluded.

Angus Duncan, Bonneville Environmental Foundation, said BPA has “succeeded admirably in putting meat on the bones” of the Northwest Power and Conservation Council’s renewables confirmation agenda and “jumpstarted” the development of renewable resources in the region. But I share a concern with others that your proposal for renewables looks “a lot like downsizing this success story” at a time when the environmental drivers, such as global warming, would say to do the opposite, he said. Duncan pointed out that the Northwest governors have taken on the issue of mitigating the effect of greenhouse gas emissions and renewables will figure largely in a solution.

There are virtues to BPA having an activist role in encouraging renewables, including resolving transmission issues, he continued. There is potential for BPA to act as an “anchor tenant” in renewable projects to keep the cost of the power down, Duncan said, and he urged BPA to consider the impact on individual utilities if their access to preference power is permanently decremented should they become involved in developing a renewable resource. They should be able “to grow back into” their federal allocation, rather than lose it forever, Duncan said.

He asked BPA to reconsider whether facilitation is its proper role with renewables. “It looks thin” compared to what BPA has done for renewables in the past, Duncan said. BPA has been a force for developing federal dams, the transmission grid, the Pacific Intertie and promoting conservation, he pointed out. Climate change imperatives will force us to match our previous accomplishments, Duncan said, and he urged BPA to remain prepared to do so.

At the least, I encourage you not to foreswear direct acquisition of resources, he said. Don’t expand “slice-like contracts” or take other prospective actions that will lock-in uses of the federal system and take away your flexibility, Duncan urged. You may need to take a larger resource role in the future, so don’t take actions that are irreversible, he advised.

Pat Flaherty of IAMAW/Alcoa said he and his fellow aluminum workers want to educate the region about what it means to close down an industry. Since 2001, we’ve lost hundreds of jobs at the Alcoa Intalco Works, he said. We live in a rural area, and there is no way to replace those family-wage jobs, Flaherty said.

Ours is not the only area that would be affected by a closure; the effects would be felt in Portland, he indicated. Flaherty explained an arrangement the Alcoa Intalco plant has with a Portland company that extrudes metal into parts. We make the ingot, ship it down here, and they use it in their extrusion facilities, he said. In 2004, we estimate that we will do 66 million pounds of business with this firm, and they employ about 900 people in the Portland area, Flaherty said. If we go away, they can’t replace us, he said, adding there is no other facility on the West Coast that can provide the ingot. If we go away,

you will lose those jobs in Portland, Flaherty said. We are asking for public support for the Alcoa proposal to keep us going while we come up with a long-term plan for our power needs, he stated. Alcoa plays a significant role in the region providing jobs and paying taxes, Flaherty summed up.

Jack Speer, Alcoa, said there are only two primary aluminum plants still operating in the Northwest. He said Alcoa brings both societal and environmental values to its operation. Speer urged BPA to become a more efficient provider of low-cost power in the region.

Alcoa has been in the region since the 1940s, bringing jobs and producing aluminum for the war effort, he said. We were really appreciated for decades, Speer added. In the 1970s, the region became concerned about who should get federal power, and in the resulting Northwest Power Act, the DSIs were allotted a share of power, he explained. People are now talking about no longer serving the aluminum industry – “that would be a tragedy,” and it would be the end of our operations here, Speer said. It would not be equitable for BPA to take our limited supply and give it to others, he indicated.

We are asking BPA to extend our contract for two years, from 2006 to 2008, while we figure out a long-term plan, Speer said. He pointed out that copies of the Alcoa proposal are available on the registration table. “Don’t just kick us out,” Speer urged.

Daren Krag of IAMAW/Alcoa said whether the DSIs get power from BPA is “a huge issue for us.” A few years ago there were 11 smelters in the Northwest, and Alcoa is now all that is left, he said. The industry has gone from once having 3,000 MW of power to having a small fraction of that today, Krag said. These are valuable jobs – the people I represent contribute tremendously to their communities, he said. There were once 7,500 people employed in this industry in the region, so “we have already paid a huge price,” Krag stated.

People who have been retrained and placed in new jobs are making only 73 percent of their former wage, he said. The public power allocation proposal “takes a shot at us,” Krag said, adding that it is difficult not to take that personally. It’s not too much to ask that we have a short-term contract and a place at the table to figure out how to have long-term affordable power; we’re asking you to support our proposal, he said.

Washington State Senator Dale Brandland, whose district includes Ferndale, said he was speaking in support of Alcoa Intalco and all DSIs. He noted the history of the aluminum industry in the region, pointing out that the companies were recruited to the Northwest to contribute to the country’s defense and to support BPA by committing to buy power from the federal dams. The industry was a vital part of the economy, generating billions of dollars and thousands of jobs, Brandland stated. These companies have also provided support to their local communities and local charities, he pointed out.

We all have our priorities – from fish to conservation to jobs to public and private utilities – and I have never heard the Alcoa folks say that any of these issues should be “thrown off the boat,” Brandland said. It would be irresponsible to say that fish and these other

issues aren't important, and likewise, it's irresponsible to say that about these people's jobs, he said, referring to the Alcoa workers. These people are trying to raise families, pay mortgages and save for retirement, and they "are walking a tightrope, hanging on by their fingertips to their jobs and their futures," Brandland stated. In Ferndale, Alcoa provides one-third of the support for the local school district, he added. No one is asking for a handout, they just want approval of a proposal that would let them hang on for two more years, Brandland said.

Hugh Diehl of IMAW/Alcoa thanked BPA for making cost reductions, listening to the region and for doing things to stimulate the economy. He also thanked members of the audience for showing up. According to Diehl, one of the reasons utilities in the region are in good shape is because of the DSIs. The DSIs have been in the region for decades, and we are the reason that BPA is where it is today, he said. Now "everybody wants to throw the baby out with the bath water," Diehl said. We want to be here and would ask that you not forget us when you work out your policy – don't forget our faces; we're the ones whose jobs are on the line here, he stated.

Rachel Shimshak, Renewable Northwest Project, said BPA has done an excellent job on renewables for the past several years – "it has had good policies, projects, products and programs." Because BPA was involved in the renewables market, it understood the barriers and the issues and could help resolve them, she stated. Shimshak pointed out that by investing in wind power projects, BPA's activities have helped support the Northwest economy and brought jobs to distressed rural counties. Adding to the existing renewable resource base, we guard against volatility in the energy market, she said.

BPA has done all that it has done with renewables on "a shoestring budget," Shimshak continued. But despite making a lot happen on a tight budget and being a successful program, we don't see this proposal as a reward to those who have done a good job, she said. Shimshak offered several suggestions, including BPA establishing itself in a leadership position with renewables and setting a goal, which the agency would help to meet. She also suggested BPA convene a group of people positively involved with renewables to help the region move forward in this area. BPA should also designate "a green team" in both PBL and TBL so people know who the "go to" people are when they need a decision, Shimshak said. Everyone needs to play in the renewables effort, she urged. "When utilities stick their toe in the water," they learn something – there are lots of ways for different size utilities to play a role, she said.

In real estate, it's location, location, location, and "for renewables, it's transmission, transmission, transmission," Shimshak stated. We recommend that in the short term, BPA establish a conditional firm transmission product to accommodate renewables, she said. We are happy that you did the "open season" process for the McNary-John Day upgrade, but we have concerns about it, and we still need to work some things out so we can get more transmission built, Shimshak indicated. We also need a rational queue clearing process, she said, and we need to resolve the issues around Grid West. Shimshak encouraged BPA to think in terms of bigger and better ideas. Make

renewables a priority and give the program enough budget to do the job and do it well, she wrapped up.

Sara Patton, NWECC, recapped things that her organization has heard at the meetings around the region. The praise has been “loud and clear” for BPA acquiring conservation, and there has been compelling testimony about the value of energy efficiency gains, all of which have been made possible by collaborations between BPA and utilities, she said. In Seattle, we heard many examples of energy efficiency, and the stories made it clear that BPA’s conservation efforts should not just continue, but should increase, Patton stated. She praised BPA for being responsive to energy efficiency advocates by proposing the collaborative to work on a future conservation program.

Advocates for low-income people praised BPA for its support in weatherizing homes, and they asked BPA to commit more to that program, Patton continued. We suggest BPA set a goal of weatherizing all eligible homes within 20 years, she added. We also heard from steelworkers, who want to see support for renewables to create jobs, Patton said. Speakers called on BPA to diversify its resource base and use its considerable wherewithal to get renewable resources up and running, she said. People also asked BPA to improve its record for salmon protection, and they highlighted the important role of energy efficiency and renewables to aid salmon, Patton pointed out.

We appreciate your bold forward steps, she said. Keep the protection of electricity users as a top priority as you consider your policy, and this will point you to the need for a clean energy future in the region, Patton concluded.

Fred Hewitt of the Sierra Club said BPA is in the dual role of being an environmental steward and being a utility. Your agency has responsibility for one of the most important resources we have in the Northwest, the Columbia River system, he said. BPA has an enormous footprint in the region, Hewitt added. We’ve seen decisions in the past that take us in the wrong direction, and we hope to see a decision in this process that takes us in the right direction, he said.

Hewitt said the big issue for BPA is: how do we make energy investments? Who makes them and how to pay? The free market path pursued in the 1990s was the wrong approach and didn’t work well, he said. We learned a very hard lesson, and we need to have a better approach, Hewitt said. The variability of the hydro system and the variability of the business cycle are two large uncertainties BPA has to deal with, he said. Hewitt pointed out that a lot of resources are tied up in meeting peak on both the power and transmission systems. Serving peak is the most expensive part of the system, he said. It’s very important to figure out our investment strategy, Hewitt said, adding that energy efficiency and conservation should play an important role. We should also “get fish out of trucks and into the river,” he stated.

Hewitt encouraged BPA to bring its “lessons learned” to the rest of the world. He pointed to the East Portland Community Center, in which the meeting was held, as an

example of an architecture that is energy efficient and brings in daylight to cut down on energy use. This could be the Northwest's "gift to the world," Hewitt said.

Climate change is a big issue that must also be considered for the future, and the Regional Dialogue that is going on today will set the tone for years to come, he said. Keep that in mind so your decisions go in the right direction, Hewitt wrapped up.

Should you supply the DSIs after 2006? Yes, said **Brett Wilcox of Golden Northwest Aluminum**. They helped pay for this region's federal hydro system, and the DSIs are crucial to the local economies where there are plants, he said. In terms of which DSIs should be eligible for power, your proposal said that it should be those who are creditworthy and have met their Subscription obligation, Wilcox pointed out. I don't think that should preclude Golden Northwest, he stated. We have been a good corporate citizen and have gone to heroic efforts to maintain employment at our operations, Wilcox said. Don't let the company's financial problems penalize the communities where we operate, he urged. Wilcox noted that BPA has made money by remarketing the power his company did not take. The test for continued service should be a company's demonstrated effort to maintain employment for its workers, he said.

Wilcox went over the DSI options in BPA's proposal and said he supported continuing direct sales – our bottom line is 100 MW per smelter – and he said credit support would be acceptable, although the financial incentive proposal could supersede the need for credit support. We urge you to continue to provide services to the DSIs, he concluded.

Don Bain, Aeropower Services, a company that assists wind energy developers, said he endorsed the comments of the Renewable Northwest Project. With regard to shifting the responsibility for new resources to utilities, your current proposal "is half a loaf – the other half is access to transmission," he said. You can't implement the policy without providing transmission to utilities that need it, Bain commented. He said policies in the transmission system are geared to the old world of vertically integrated utilities.

Bain said the new method of the "open season" was incompatible with renewable resource development and was implemented without input from the region. The open season approach lays all the risks on independent producers, and it raises costs, reduces access and limits resource development, he stated. We have 17 major transmission constraints and only one is being fixed, Bain commented. There are constraints in Puget Sound and in the Willamette Valley, he said, and he pointed out that most of the renewable resource potential is east of the Cascades, but the transmission is not available to get the power to the loads. BPA needs to get on a more productive path with its transmission policy that will lead to developing new resources, according to Bain. He recommended BPA expand its "non-wires" effort and support a transparent system for trading transmission rights.

To encourage development of renewables, BPA should fix the transmission problems, including tariffs and integrating resources, as well as play the role of middleman between

utilities and developers, speed up the interconnections queue and expand the wind-data monitoring network.

Mike Keith, USWA of Northwest Aluminum, said at one time there were 1,200 bargaining-unit employees at the Golden Northwest plants, but there is now 1 at Goldendale and 69 at The Dalles. He pointed out that plant closures ripple through the economy creating indirect job loss. Our community is feeling it, Keith said. Golden Northwest has committed its remarketing money to developing new resources and maintaining jobs, he said. We need BPA's credit support to finish the generating resource we have invested in, Keith said.

The aluminum industry has contributed to the development of the hydro system, and the least BPA could do is provide 100 MW per smelter to the DSIs, he said. It is unfair to hold a company like Golden Northwest accountable for the actions of "selfish, greedy corporations" that took their remarketing money and left the region, Keith said. Don't hold good corporate citizens accountable for the actions of the bad players, he urged.

Bob Geary, USWA of Northwest Aluminum, said the employees who worked at Northwest Aluminum have spent 4 ½ years "hanging in there" waiting for the plant to restart. We're still here and the plant is still viable, he said. "Don't let the bad taste left by Kaiser Corporation's greed" influence your decision for the rest of the industry, Geary urged. Northwest Aluminum has been developing a generating resource and has invested millions of its remarketing dollars in doing so, he said. Geary urged BPA to help strengthen the company's ability to complete the resource by providing credit support.

Vicki Henley of IAMAW/Alcoa said she has seen employment at the Alcoa Intalco plant drop from 1,200 to about 400. We try to be supportive of other interests in the region, and it was disturbing to see the public power proposal that would provide no power to the DSIs after 2011, Henley said. I don't see how that proposal is fair since it would get rid of a whole group of people who now get federal power, she indicated. If the DSIs are kicked off the grid, "our community is gone, absolutely gone," Henley stated. We've watched 800 people go from the plant, many of whom have tried to retrain for a new job at a time when they had planned to retire, she said. "We've butted heads" with BPA a lot over the years, but now we see that BPA is trying to make the DSIs a part of their proposal and to be fair, Henley said. BPA has a complicated decision to make, she said, and added that consideration should be given to retaining jobs.

Mike Rousseau, Alcoa Intalco Works plant manager, said he had chosen the aluminum industry as his career and that has meant moving from Longview to Wenatchee and now to Ferndale. The aluminum industry is growing every year, but it is growing in places like Dubai, Bahrain and Iceland, Rousseau pointed out. We are asking BPA to leave us a place at the table, he said. We need 438 MW to keep the plant running – we have been a good citizen, we work to reduce waste by providing recycling for aluminum, and we are continuing to invest capital in our facility, Rousseau indicated. We want to continue discussions with the region to see how we can keep the DSIs here, he said.

In the short term, we need to have our current contract renewed from 2006 to 2008, Rousseau said. He urged BPA to cut its costs and drive rates down close to historical levels. We are paying the highest electricity rates of any smelter that I know of in the world, Rousseau concluded.

Wrap Up

Norman reiterated that written comments for the Regional Dialogue are due September 22. “Your comments are chewed over endlessly at BPA” before we make our decisions, he told the audience.

The meeting adjourned at 8:10 p.m.