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Suite 1225  
Portland, OR 97232**

**August 9, 2011**

The Honorable Earl Blumenauer  
1502 Longworth House Office Building  
Washington, DC 20515

Dear Congressman Blumenauer:

The Public Power Council, Northwest Requirements Utilities and PNGC Power are regional organizations that represent preference customers of the Bonneville Power Administration (BPA). We are writing in response to the letter you sent to the Federal Energy Regulatory Commission (FERC) on July 22, 2011 regarding BPA's Interim Environmental Redispatch policy.

We appreciate that you elected not to take a position on the specific remedies that wind developers are seeking in their filing. As you realize, this is a complex and intricate matter involving important statutory mandates and policy objectives. Nonetheless, we felt it imperative to address what appear to be several misperceptions in your letter.

First, BPA's Environmental Redispatch policy does not discriminate against wind developers. Environmental Redispatch applies to all generators in the BPA balancing authority area. In fact, BPA has carefully set out the redispatch priority to make sure that wind will be redispatched last and then only to the extent necessary to achieve relief from excessive generation. As a result, wind generation in the BPA balancing authority was curtailed no more than approximately six percent of its output during this year's over-generation event.

Moreover, before redispatching any non-Federal generator, BPA has agreed to take all reasonable actions, including measures that affect Federal generation. For example, in anticipation of high water flows, BPA requested that the Columbia Generating Station nuclear power plant begin powering down in advance of its previously scheduled refueling outage. BPA has also agreed to highly inefficient operations at some of the federal hydro projects, including spill in excess of what is required to conform to river operation guidelines under the Endangered Species Act and the Clean Water Act.

Second, BPA did not "break" any transmission contracts by curtailing generation; claims to the contrary ignore the plain language of those contracts. The promulgation and implementation of the Environmental Redispatch policy is contemplated and authorized under multiple sections of the Large Generator Interconnection Agreements that the FERC Complainants signed with BPA. BPA transmission policies and contracts make clear that BPA has myriad statutory, reliability and environmental responsibilities to fulfill, and that those obligations take precedence over the Complainants' desire to make a guaranteed return on their investment. The Complainants were fully aware of BPA's environmental responsibilities and its obligation to maintain system reliability when they signed their

interconnection agreements. In curtailing and displacing wind generation, BPA acted well within the terms of its contractual obligations.

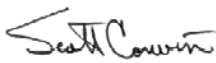
Third, before implementing its Environmental Redispatch policy, BPA considered all suggested solutions to the potential over-generation event. There are no simple alternatives that BPA failed to pursue or implement. In fact, recognizing the serious need to establish a protocol for dealing with overgeneration situations, BPA initiated a public dialogue to explore potential immediate and long-term solutions to the oversupply problem. All of the Complainants were invited to actively participate in those discussions.

Environmental redispatch was necessary because excess generation occurred during periods of low demand for electricity, putting the reliability of the system and the safety of federally-protected aquatic life in jeopardy. Excess generation this spring was not an anomaly of the BPA system. Rather, the same conditions existed in neighboring balancing authorities as well as more distant load centers. BPA has explored and pursued the feasible and reasonable options for dealing with excess generation and is continuing to do so.

Finally, while we understand and share your desire to retain renewable resource development in the Pacific Northwest, your letter fails to acknowledge the fact that the rapid and substantial growth of wind development in the Northwest is largely attributable to the policies and practices of BPA. Moreover, the portrayal of the wind industry as “victims” ignores the important contribution to the current over-generation problem that is attributable to the conscious business decisions of the wind industry facilitated by the associated tax laws and mandates.

There is no doubt that the region is experiencing growing pains as we seek to meet the challenges presented by integrating more intermittent resources relative to load than any other location in the U.S. We are committed to seeking constructive and equitable solutions. But solutions will remain elusive if litigation and rhetoric prevail over discussion centered on the facts and possible paths to resolution.

Sincerely,



Scott Corwin  
Executive Director  
Public Power Council



John Saven  
CEO  
Northwest Requirements Utilities



John Prescott  
President/CEO  
PNGC Power

cc: Chairman Wellinghoff  
Commissioner Moeller  
Commissioner Spitzer  
Commissioner Norris  
Commissioner LaFleur  
Secretary Chu  
Administrator Wright