

RD-0114

Sent: Monday, September 23, 2002 10:27 AM
To: comment@bpa.gov
Subject: Public Comment

Mr. Wright,

The financial difficulties of the Bonneville Power Administration should not result in rate hikes for public utility districts, reductions in conservation programs, cutbacks in long-range planning for distributed generation using renewable power sources, or reduced efforts to mitigate fish and wildlife losses. Agreements with power marketers (i.e., Enron), DSIs, and private utilities must be settled in a manner that will benefit the public.

If BPA's "basic problem" is a long-term commitment to fixed power purchases (i.e., an Enron-manipulated market) and buyout contracts (aluminum manufacturers unable to compete in a free market) "that are considerably more expensive than current market prices," then remedying those problems should solve the financial deficit BPA is currently experiencing. Buying power at high fixed rates while selling power at low variable rates only exacerbates the problem.

Cutting back on spill will produce more cheap surplus power to the detriment of downstream migration of salmon smolt. Some utility representatives refer to "the current window of opportunity to get some of the river back". The Biological Opinion should be supported to protect salmon runs by assuring that they have their necessary share of the river back. Cost-effective river operations should enhance salmon runs while producing adequate, not surplus, power at reasonable rates. This spring BPA reduced production at the Columbia nuclear generation plant to reduce surplus power; according to fisheries biologists, it would have been better to have saved water to spill for salmon migration.

Emphasizing the role of hatcheries and cultivating sport fishermen to support that as opposed to spill is not promoting cost-effective river operations. Hatcheries can have a detrimental effect on salmon stock genetics and often are far from cost-effective. Cost analyses have shown that each chinook returning to the Winthrop Hatchery costs over \$1,600, while each returning to the Entiat Hatchery costs over \$68,000. Hatcheries are not a cost-effective solution.

BPA's Senior Economist, Kevin O'Meara, has attributed the financial dilemma to the above-stated factors as well as higher costs at the Columbia station, increased security, and a poor water year in 2001. Nature has taken care of the last problem for now; BPA should concentrate on remedies for the other problems. BPA should not cut costs for conservation or fish and wildlife. That would be a short-term gain that would contribute to long-term problems.

BPA can work to keep Pacific Northwest rates reasonable by opposing FERC's efforts to eliminate our cost-based power with a "standard market design" (read deregulation) and increase costs with their RTO plans. Our past river operation errors with accompanying loss of natural salmon runs should be remedied while working to make our

bureaucratic and river operations more cost-effective. BPA could save \$100 million over four years through administrative cost cuts and increased efficiency at Army Corps of Engineers and Bureau of Reclamation dams.

Cutting funding for conservation and renewables programs would not be a wise decision. Making long-range decisions based on what could be a short-term problem is a mistake commonly regretted by planners in all fields. Sacrificing region-wide investments in energy efficiency and renewables would only perpetuate the destructive funding cycle BPA officials and energy planners agree must be avoided for the Northwest to benefit economically from the sustained, orderly development of cost-effective clean energy resources. Investments in energy efficiency, renewables and salmon restoration are not the problem, but the solution to the long-term financial health of BPA.

Thank you for this opportunity to comment.

Sincerely,
Lorah Waters
Renewable Energy Access Project
P.O. Box 554
Methow, WA 98834