RENEWABLE ENERGY REVIVAL IN THE PACIFIC NORTHWEST

Brought to you by BPA's Customers,
the Weather, and California

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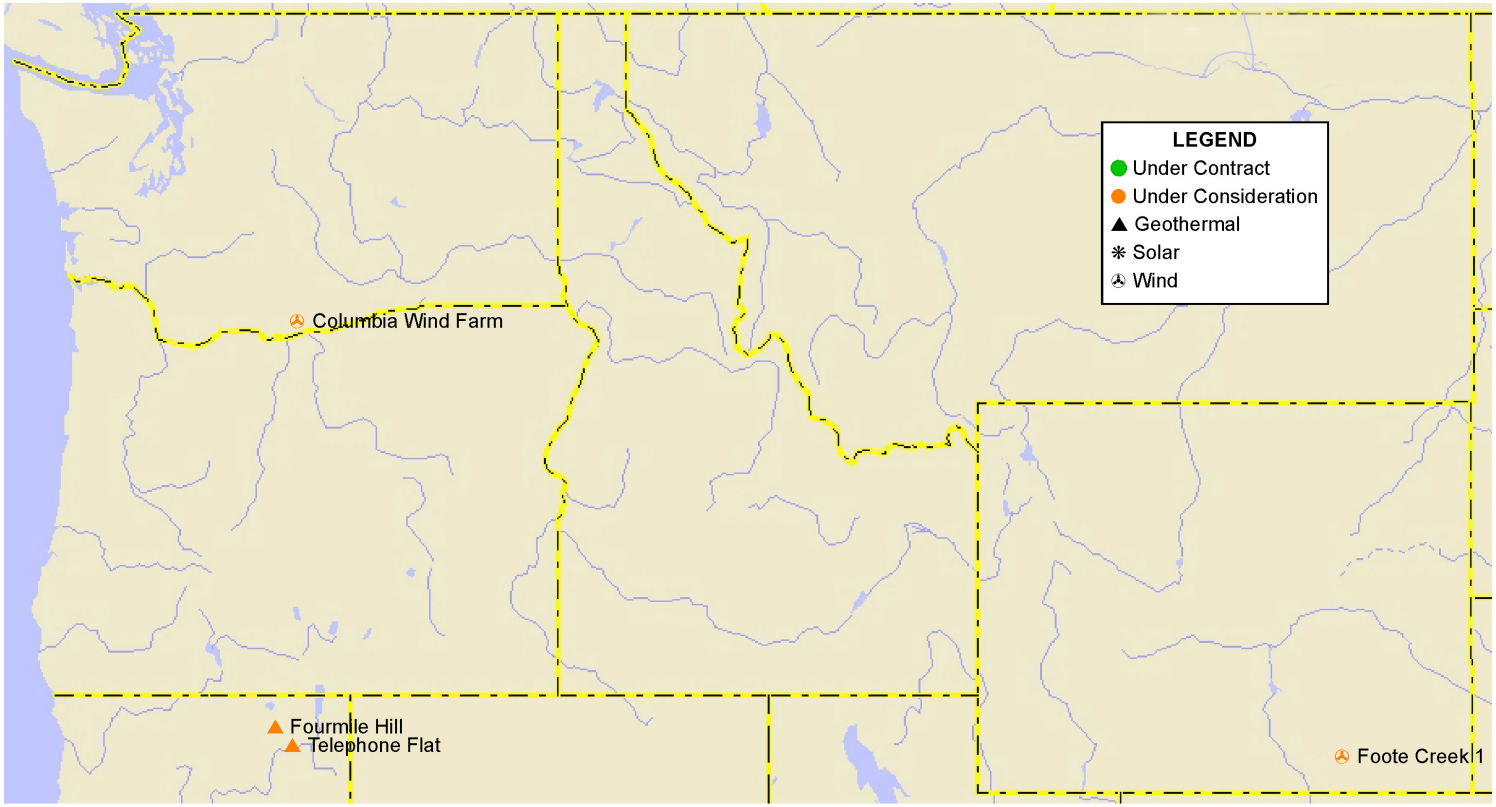
Bonneville Power Administration

Sixth National Green Power Marketing Conference
Portland, Oregon
July 30 - August 1, 2001

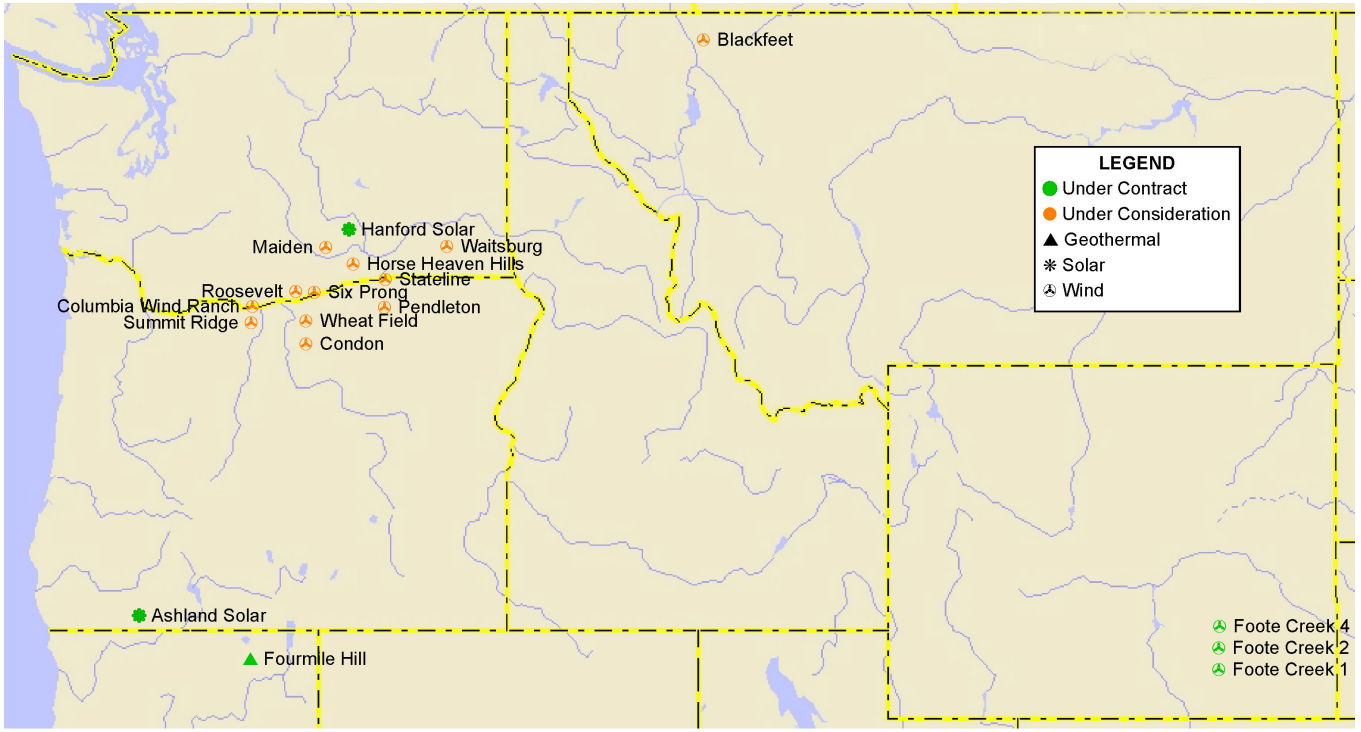
The saga of how we went from struggling to keep four small demonstration projects alive to having the opportunity to add large amounts of new renewable energy resources to BPA's system

1994: Struggling to Survive



RENEWABLE ENERGY PROJECTS UNDER CONSIDERATION BY BPA IN 1994

2001: Opportunity to Make a Big Impact



RENEWABLE ENERGY PROJECTS UNDER CONTRACT OR CONSIDERATION BY BPA IN 2001

UNDER CONTRACT

- Foote Creek 1 - 15.3 MW (BPA Share)
- Foote Creek 2 - 1.8 MW
- Foote Creek 4 - 16.8 MW
- Hanford Solar - 27.5 kW (2001)
- Ashland Solar - 15 kW (BPA Share)
- Fourmile Hill - 49.9 MW (2004)

UNDER CONSIDERATION

- Stateline - 90 MW (BPA Share; 2001)
- Condon - 49.8 MW (2001)
- Blackfeet - 50 MW (2002)
- Maiden -150 MW (2002)
- Pendleton - 85.2 MW (2002)
- Horse Heaven Hills - 150 MW (2002)
- Columbia Wind Ranch - 80 MW (2003)
- Roosevelt - 150 MW (2003)
- Six Prong - 150 MW (2003)
- Summit Ridge - 50 MW (2003)
- Waitsburg - 100 MW (2003)
- Wheat Field - 150 MW (2003)

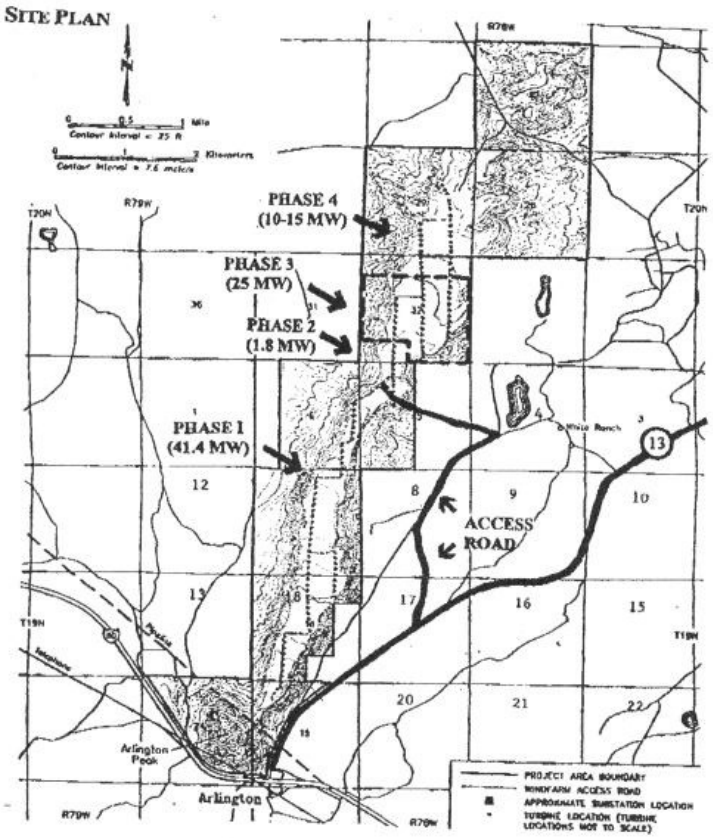
Green Power Gets Started at BPA

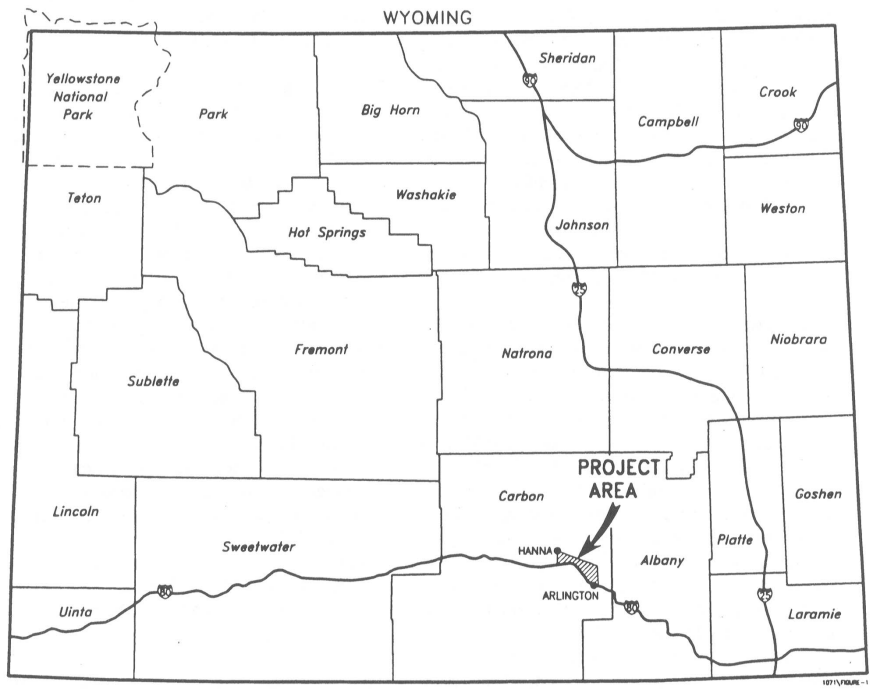
- Renewable Northwest Project pays a visit
- Staff responds, but encounters skepticism

Salem Electric Gets the Ball Rolling

- Salem buys BPA share of Foote Creek 1 output
- Proceeds of sale invested in Foote Creek 2

Foote Creek Rim Wind Projects



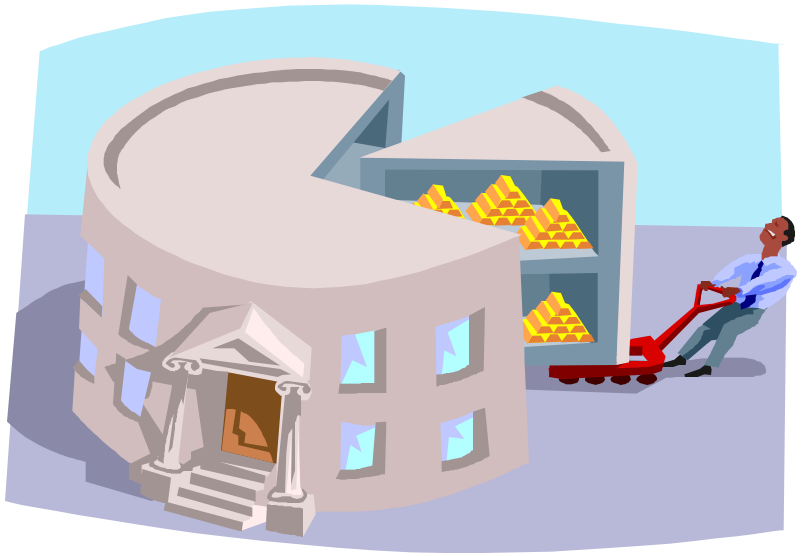


How the Renewables Budget Works

	(Cost of Renewable Resource Projects)
	+ Revenue from sale of power from renewable resource projects
	+ Above-PF revenue from endorsed hydro marketed as EPP
	(Marketing costs)
Not to exceed	($15,000,000)/Year

Environmentally Preferred Product Created

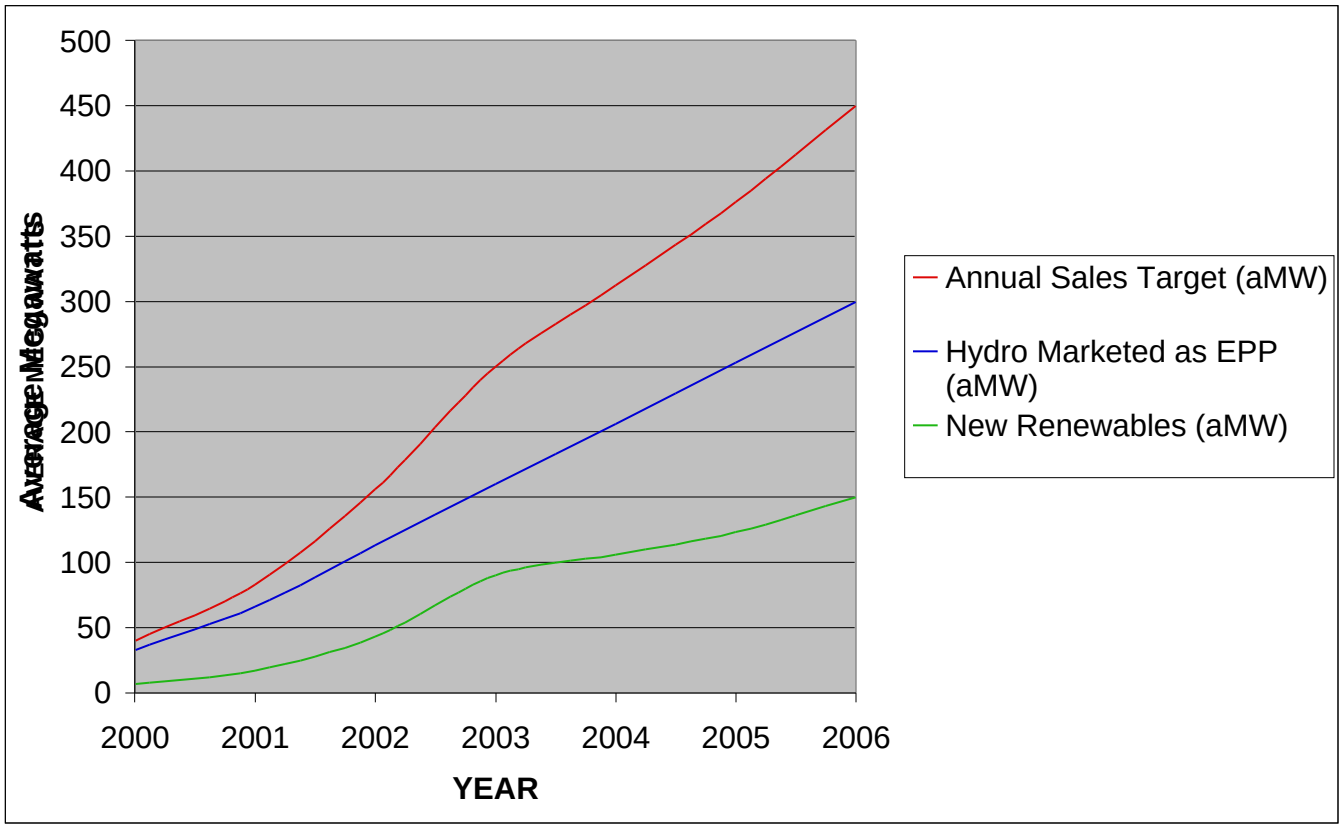
- Bonneville Environmental Foundation established
- Above-PF revenue to be invested in new renewables



Power Business Line Strategic Plan

- Market and sell 450 aMW of Environmentally Preferred Power by the end of FY 2006
  - 150 aMW of new renewables
  - 300 aMW of endorsed hydro

EPP Sales and Inventory Projection



SALES TAKE OFF

Pre-Subscription Northwest Contracts	Contract Term	Product	aMW
Snohomish PUD	9/99/-9/01	Blend	10
OPALCO	4/99-3/01	Blend	0.5
Flathead Electric	10/99-9/01	Blend	1
Salem Electric	1/97-9/01	Wind	6.5
EPUD	1/99-12/99	Blend	3
Midstate Electric	10/99-9/01	Blend	0.2
City of Idaho Falls	10/99-9/00	Blend	0.5
PGE	12/01-12/11	Wind	14
Tacoma Power	6/00-9/01	Blend	1
Grand Total			**36.7**

Subscription Contracts	Contract Term	Product	aMW
City of Albion	10/01-9/06	Blend	0.01
City of Riverside	10/01-9/06	Blend	0.01

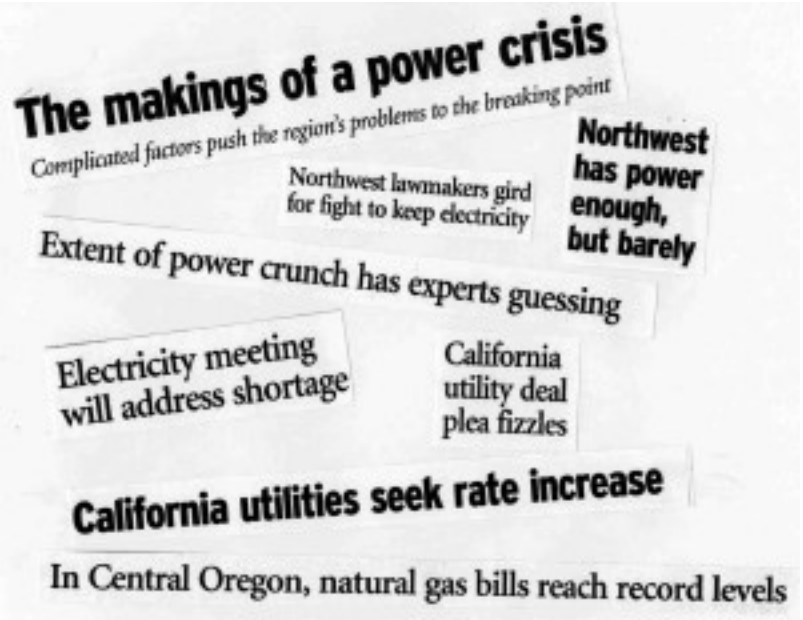
Foote Creek 4 Developed to add Inventory to Green Power Portfolio

More Projects Signed or Started

- Fourmile Hill Geothermal
- Ashland Solar
- Condon Wind
- Stateline Wind
- Maiden Wind
- Pendleton Wind
- Hanford Solar

Then came California, the drought, and the power deficit

- BPA has to make up a 3000 aMW deficit through resource acquisition and load reduction
- Power prices skyrocket due to drought and power shortages in California
- Declining wind power costs give us the opportunity to add large amounts of wind power to the BPA portfolio


The makings of a power crisis

Complicated factors push the region's problems to the breaking point

Northwest lawmakers gird for fight to keep electricity

Northwest has power enough, but barely

Extent of power crunch has experts guessing

Electricity meeting will address shortage

California utility deal plea fizzles

California utilities seek rate increase

In Central Oregon, natural gas bills reach record levels

The “1000-MW” RFP

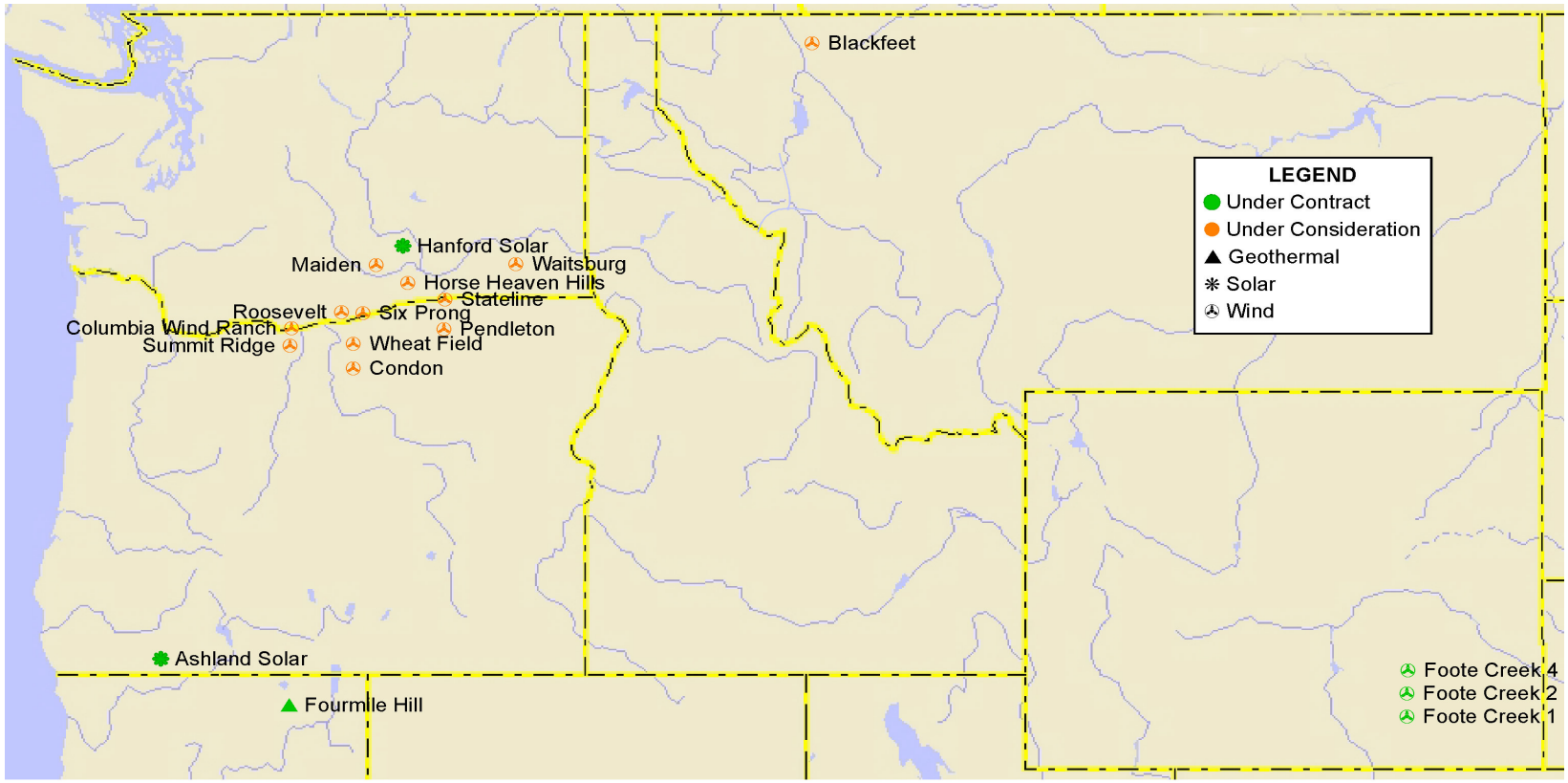
- 830 MW of wind projects shortlisted
- 425 MW of wind project already in negotiation or development
- Amount we ultimately purchase depends on system impacts and other factors

Thursday, February 22, 2001, 12:00 a.m. Pacific

BPA officials planning huge wind-power buy

by Lynda V. Mapes
Seattle Times staff reporter

The Bonneville Power Administration will announce plans today for its largest-ever purchase of wind power, marking the region's biggest commitment to renewable energy.



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