

Renewable Northwest Project

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November 19, 2004

Mr. Mark Walker
Director, Public Affairs
Northwest Power & Conservation Council
851 SW 6th Avenue, Suite 1100
Portland, OR 97204-1348

Dear Mr. Walker:

Thank you for the opportunity to provide comments on the Draft Fifth Pacific Northwest Electric Power and Conservation Plan. These comments are in addition to the comments we provided at the Portland hearing on October 26, 2004.

The Renewable Northwest Project is a regional non-profit organization that promotes wind, solar and geothermal resources in the four Northwestern states. Our members are a unique combination of environmental and consumer organizations, as well as businesses and manufacturers that develop renewable energy equipment and projects. These different groups are united in the belief that renewable energy makes both economic and environmental sense for the region.

RNP is pleased to support the strong recommendations for long term wind development in the region. The Plan calls for the development of 6,000 MW capacity of wind power in the Northwest over the next 20 years. We believe this target is achievable and will result in many benefits – economic and environmental – to the region. We also support the Plan's recommendations on energy efficiency and we urge the Council to stick to this strong commitment to clean energy. We are, however, very concerned about the addition of a pulverized coal plant in the Plan. The addition of a pulverized coal plant does not fit with the growing reality of regulation of carbon emissions and sets the region back in combating global warming.

Plan Too Modest for Wind in Near Term

We fully support the goal for wind development over the next 20 years, but the Plan greatly underestimates the near term development to be expected in the region. 50aMW/year over the next 5 years is far more modest than the reality of what the region's utilities are currently planning for and procuring.

A review of the regional utilities' plans for wind power demonstrates that the five year Council Plan is much too modest. In Oregon, PGE's 2003 IRP Action Plan includes 65 aMW of wind to be acquired by 2007. PGE recently

told the Oregon Public Utility Commission (OPUC) they will reach agreement for at least one 2005 wind project (around 75-100 MW) by the end of this year. PacifiCorp continues to review the results of their recent 1,100 MW RFP for renewables. They also reported to the OPUC that they hope to complete negotiations with at least one wind project, of at least 100 MW, by the end of this year.

In Washington, Puget Sound Energy recently announced a signed Letter of Intent for 150-220 MW of the proposed Wild Horse Wind Project in Kittitas County. This project could be on-line by end of 2005 or early 2006.

Northwestern Energy (NWE) in Montana recently issued an RFP for resources, as a follow-up to their Default Supply Plan, which calls for 150 MW of wind. We are hopeful NWE will select a 2005 wind project from the results of this RFP.

Idaho Power's recent IRP includes plans for acquiring 350 MW of wind and 100 MW of geothermal. An RFP for 200 MW of wind is expected soon, with plans for projects to be online by the end of 2007.

In addition to the resource plans of utilities, the Council should consider a few other factors that indicate the five year plans for wind are too modest. The recent extension of federal Production Tax Credit (PTC) until the end of 2005 puts urgency on getting projects in the ground within the next 15 months. In fact, BPA issued a "Wind Update" several weeks ago that stated they anticipated that the Northwest could see as much as 800 MWs of wind power online by the end of 2005.

The Western Governors Association (WGA) issued a resolution in June 2004 that calls for 30,000 MW of clean energy throughout the west by 2015. Obviously, some of this development will occur in the Northwest. In addition, Oregon and Washington are signatories with California on the West Coast Governors Climate Change Initiative. Both states have issued draft plans and this week's press release from the Governors indicates that these plans will include ramping up of renewable development in the region. Finally, the California Renewable Portfolio Standard anticipates development of 350 aMW/year of renewables to serve California customers. We expect California utilities will call on NW resources to help meet that target. Hesitating to procure wind in the region may result in the Northwest losing its most promising projects to California. "You snooze, you lose."

Transmission

The Plan rightly recognizes that the current transmission system is constrained and calls for work towards a solution. Resource adequacy in the region also requires transmission adequacy. Further, the amount of wind development anticipated in the region makes solving the transmission constraints all the more urgent.

We believe a regional solution must be crafted that makes more efficient use of the current system (including non-wires alternatives), provides for new, short-term transmission products, allows for regional transmission planning, and that provides a means for construction of new transmission. Regional stakeholders have invested an enormous amount of time to craft Grid West in a way that meets the region's needs. Efforts to move fast towards an RTO were rejected in favor of a cautious, careful, ground-up approach to regional transmission issues. Identifying problems and solutions as well as conducting a cost/benefit analysis for Grid West is a sound approach. We believe that the stakeholders should

continue forward with this approach, and we support BPA's continued involvement with Grid West.

No New Coal

We urge the Council to reject the new 400 MW coal plant called for in the draft Plan. We believe the Council must take a proactive stand on climate change and help the region develop a strategy for limiting our greenhouse gas emissions. Calling for a new pulverized coal plant does just the opposite. GE's entrance into the IGCC coal market, and their willingness to provide guarantees for their product, should eliminate the need for considering another pulverized coal plant. If the region's utilities implement the Council's energy efficiency goals, and move forward on the Plan's renewable goals now, the need for such a plant will be put off until the technology is well tested in the field.

Thank you for the opportunity to comment on the draft 5th Power Plan. We look forward to continuing to work together as the Plan is finalized.

Sincerely,



Rachel Shimshak
Director