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**From:** Steve Weiss [weiss.steve@comcast.net]  
**Sent:** Friday, April 21, 2006 2:38 PM  
**To:** Gibson, Wally; Johannis,Mary H - R-3; Schwartz, Howard; Steve Weiss; Scott Spettel (E-mail); Ted Coates (E-mail); Stefan Brown; Mark Stauffer (E-mail); Dick Adams (E-mail)  
**Cc:** Fazio, John; Morlan, Terry; Norman,Paul E - P-6; Berwager,Syd - R-3; McNary,Sarah R - A-7; Miller,Thomas - LP-7; Connolly,Kieran P - PGPL-5  
**Subject:** Re: BPA's Comments on Resource Adequacy implementation paper - Ver 3

I am troubled by Mary's removal of any financial consequences being explicitly included if a hydro emergency is declared. I agree that we should not "plan" our resources based on an assumption that a hydro emergency is available, and that is why the standard does not include it. On the other hand, Mary's draft now has virtually no consequences if utility inaction forces BPA to declare an emergency. BPA did not provide adequate mitigation when it did declare an emergency in 2001 (the financial value of the hydro emergency was something like \$100 M, I recall, and the mitigation was supposed to be a payment of \$15 M for fish, but most never even got spent) and Mary's statement that BPA will "coordinate through the established Regional Forum Process as provided in the Biological Opinion" is meaningless when it comes to financial consequences. Without financial penalty, a hydro emergency is always the cheapest way out and thus will encourage utilities to rely too much on the market.

BPA will not in a million years (nor should it) actually curtail a utility rather than declare such an emergency, and in many cases it could not actually physically wall off and shut off a utility in any case.

NWEC cannot support this version.

> Thanks, Mary -- If I could get all the comments by noon on Tuesday the 25th,  
> I'll put together a version to send out to the Steering Committee, which is  
> meeting Friday the 28th. Please the attached version for any additional  
> redline changes and put your own initials on the end of the file name. --  
> Thanks, Wally

>  
>

> -----Original Message-----

> From: Johannis,Mary H - R-3 [<mailto:mhjohannis@bpa.gov>]  
> Sent: Friday, April 21, 2006 1:08 PM  
> To: Gibson, Wally; Schwartz, Howard; Steve Weiss; Steve Weiss; Scott  
> Spettel (E-mail); Ted Coates (E-mail); Stefan Brown; Schwartz, Howard;  
> Mark Stauffer (E-mail); Dick Adams (E-mail)  
> Cc: Fazio, John; Morlan, Terry; Norman,Paul E - P-6; Berwager,Syd - R-3;  
> McNary,Sarah R - A-7; Miller,Thomas - LP-7; Connolly,Kieran P - PGPL-5

> Subject: BPA's Comments on Resource Adequacy implementation paper - Ver  
> 3  
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>  
> Members of RA Implementation Small Group:  
>  
> Sorry it took a little while to get back to this group. Attached is  
> Wally's paper with BPA's comments. I will leave it up to Wally to  
> decide on the process needed to address these and perhaps other comments  
> on the implementation paper.  
>  
> Mary Johannis  
> BPA--Industry Restructuring  
> 503-230-3047 (office)  
> 503-702-8242 (cell)  
>  
>  
> -----Original Message-----  
> From: Gibson, Wally [<mailto:wgibson@nwcouncil.org>]  
> Sent: Monday, April 03, 2006 3:17 PM  
> To: Gibson, Wally; Johannis, Mary H - R-3; Schwartz, Howard; Steve Weiss;  
> Steve Weiss; Scott Spettel (E-mail); Ted Coates (E-mail); Stefan Brown;  
> Schwartz, Howard; Mark Stauffer (E-mail); Dick Adams (E-mail)  
> Cc: Fazio, John; Morlan, Terry  
> Subject: Resource Adequacy implementation paper - Ver 3  
>  
> All --  
>  
> I have taken the paper presented to the Steering Committee at the March  
> 24 meeting and modified it following the comments of the Steering  
> Committee. I have also constructed a short example to show how I would  
> see "highlighting" happening. Please comment in redline, add your  
> initials to the file name and send around to the rest of the  
> list.  
>  
> I will mostly be out of the office from Wednesday this week through  
> Wednesday next week. We can determine next week whether we need a  
> conference call on the paper or whether the e-mail rounds are  
> sufficient. The next Steering Committee meeting is Friday, March 28.  
>  
> -- Thanks, Wally  
>  
> Wally Gibson  
> Northwest Power and Conservation Council  
> 851 SW Sixth Avenue -- Suite 1100  
> Portland OR 97204-1348  
> 503-222-5161  
> 503-820-2370 fax  
> wgibson@nwcouncil.org  
>  
>  
>

Steve Weiss

4/26/2006