



Public Power Council

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Sent by Electronic Mail to comments@nwcouncil.org

The Public Power Council (PPC) appreciates the opportunity to submit comments to the Northwest Power and Conservation Council (Council) regarding the Council's draft fish and wildlife project funding recommendations to the Bonneville Power Administration (BPA).

PPC represents the interests of the over one hundred publicly-owned or cooperatively-owned electric utilities that purchase wholesale power from BPA in order to serve their retail customers, and is concerned with making sure that BPA's rates are as low as is reasonable, after taking into account BPA's obligations. PPC recognizes that among BPA's obligations is a substantial responsibility for fish and wildlife mitigation, including a duty to fund portions of the Council's direct program for fish and wildlife. At \$139 million annually over the last few years, the level of funding for the Council's program represents an unparalleled conservation and mitigation effort by BPA and its customers.

Through the Power Function Review (PFR) process, BPA determined to increase its spending on the direct program to \$143 million per year for fiscal years 2007-2009. PPC urges the Council to recommend a funding level for its direct program that falls within that cap.

We understand that the Council is currently proposing to recommend to Bonneville that it fund a budget of \$153 million, for "planning purposes." To the extent the planning budget is intended to implement a program at an actual cost short of that (*e.g.*, at the \$143 million level determined in the PFR process), we fear that the proposed planning budget will create unrealistic expectations of

program spending, and reduce confidence in the ability of the program to accomplish specific goals and programs at a determined cost.

Alternatively, if level of the planning budget is intended to stimulate an increase in actual spending by BPA above the levels determined in the PFR process, PPC believes that this is unwarranted at this time.

In this public comment process, we anticipate that some may argue for the Council to increase its direct program budget recommendations based on the fact that BPA's rates are projected to be somewhat lower in the FY07-09 period than they have been in recent years. PPC hopes the Council understands that the slight decrease in Bonneville's rates is in large part the result of hard work through the rate case process, where BPA, its customers, and Energy Northwest staff developed new tools (such as a direct payment arrangement with Energy Northwest and a customer pre-payment program) to increase BPA's ability to access cash at critical times of the year. PPC sees the success in achieving a lower BPA rate as a much needed respite from unprecedented high BPA rates in recent years. The rate decrease is clearly not the result of a decision to decrease funding for fish and wildlife programs, as it accommodates the increase in annual spending from \$139 million to \$143 million for the direct program.

PPC encourages the Council to continue efforts to ensure that the program is administered at a reasonable cost, and that BPA's funding of the program is restricted to measures "designed to deal with adverse impacts caused by the development and operation of electric power facilities and programs only."¹ The direct program should not be expanded due to the simple fact that there are more proposed projects out there than can be funded within a limited budget. Further, we believe that the Council should evaluate projects based on measurable results and hold project sponsors accountable for meeting those results.

In summary, PPC understands the value and importance of the Council's direct program, and hopes that the Council's funding recommendations will fall within the level anticipated by BPA's customers, which PPC believes represents a level sufficient to implement a properly tailored program to benefit fish and wildlife.

Sincerely,



Marilyn Showalter

¹ Northwest Power Act § 4(h)(8)(B).