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**NW Energy Coalition and Save Our *Wild* Salmon Comments on the Draft Business Practice, Environmental Redispatch, Version 1**

April 1, 2011

The NW Energy Coalition (“Coalition”) and the Save Our *Wild* Salmon coalition ("SOS") appreciate the opportunity to comment on the Draft Business Practice, Environmental Redispatch, dated March 11, 2011.

The Coalition is an alliance of more than 100 environmental, civic and human service organizations, progressive utilities and businesses in Oregon, Washington, Idaho, Montana and British Columbia. We promote development of renewable energy and energy efficiency, consumer protection, low-income energy assistance, and fish and wildlife restoration on the Columbia and Snake Rivers.

SOS is a nationwide coalition of conservation organizations, commercial and sport fishing associations, businesses, river groups, and taxpayer advocates – all joined in a commitment to protect and restore Pacific Northwest wild salmon and the communities that depend on them.

The Coalition and SOS oppose implementation of the draft "Environmental Redispatch" Business Practice in its current form.

The reliability and economic aspects of the proposed Business Practice have become entangled in a way that actually undermines BPA's proposed purposes. We believe BPA, non-federal generators and interested parties should rapidly focus on a simplified approach to overgeneration management for the current water year.

In the March 25 "Environmental Redispatch" Business Practice conference call, it became readily apparent that, even if BPA incorporates many of the suggestions made, the proposed Business Practice will be extraordinarily difficult to administer and raises serious questions of both effectiveness and equitable treatment.

In addition, as we noted in our March 11 comments, the proposed Business Practice is linked to a draft Record of Decision that is not clearly scoped, has arguable legality, delays the specification of too many key elements and passes them off to undefined separate processes, and falls short of meeting BPA's combined system responsibilities.

1. It would be preferable to stop using the term "environmental redispatch," which is unrelated to the long-established concept of "environmental dispatch" (i.e., the addition of environmental elements to economic costs in setting the resource dispatch order for transmission). It would be better to dispense with the baggage that the "ER" term has already gained and simply call it "overgeneration management."

2. To the extent an overgeneration management or "environmental redispatch" Business Practice is required, it should be limited to the current water year and explicitly adopted as a temporary or pilot element. This should be done without prejudice to future efforts to develop more comprehensive policy and practices needed to improve system integration, maintain reliability, adhere to requirements for fish and wildlife protection, and other key obligations. Further, a Record of Decision is not required for a new Business Practice and no ROD should be adopted at this time.

3. The draft Business Practice does not provide a consistent basis for setting thermal generator minimum operating levels. Thermal generators should set those levels explicitly with reference to regulatory or engineering standards, otherwise the minimums may vary for similar units, leading to excess environmental impacts even as renewable resources are potentially curtailed.

4. Activating an overly complex Business Practice could seriously undermine performance during overgeneration events. The many complex aspects of doing so under the draft Business Practice were revealed during the give and take of the March 25 conference call. For example, in the rapid onset of an overgeneration event, is it the best use of BPA's time to contact and curtail small generators as well as large ones? Likewise, giving certain generators partial or full waivers while others are curtailed will naturally raise concerns about equitable treatment.

Overgeneration management, if and when appropriately applied, will provide benefits to the entire system. In effect, BPA has already established the economic basis of curtailment by its February term offer to thermal generators. BPA must have a sound basis for any differential treatment in a Business Practice. This can only be achieved through further analysis and negotiations.

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