

Issue Brief February 2008

WPUDA working to resolve Regional Dialogue issues with BPA

The Washington PUD Association supports the goals of the Regional Dialogue with the Bonneville Power Administration, which are to execute long-term, post-2011 sales contracts for the federal Columbia River Power System and to place responsibility for meeting load growth – either directly or indirectly – on its public power customers.

We have made considerable progress in the past year, but many critical details remain unresolved.

Nevertheless, we want to assure the Northwest delegation that our members are committed to this process. We will continue working with BPA and the other stakeholders in the region to address these issues with the goal of signing long-term contracts by December 2008.

Those issues include:

- Under the Regional Dialogue, public power utilities will need to make complex decisions to meet their power supply and load growth needs. BPA must offer products that meet the operational requirements of its public power customers. BPA's core products — energy, capacity and the flexibility inherent in the federal base system — also must be provided at rates that consistently reflect BPA's cost of providing those services.
- BPA must provide for cost accountability and dispute resolution as part of long-term power sales contracts. If public power utilities are to commit to 20-year contracts, they need assurances that contract disputes will be resolved efficiently and that BPA will charge rates that reflect effective cost control.



- WPUDA supports Residential Exchange benefits for the residential and small-farm customers of the region's investor-owned utilities that are consistent with the Northwest Power Act. BPA has initiated a rate case to determine benefits levels going forward and to determine the amount of refunds to public power utilities for past overpayments. We remain committed to reaching a legally sustainable resolution.
- With increasing demand by BPA's preference customers, BPA should not guarantee the region's aluminum companies and other "direct service industries" with benefits from the federal base system benefits post 2011.
- With public power utilities facing the cost of developing new resources to meet load growth, BPA needs to ensure that its conservation program complements and facilitates regional mandates.

WPUDA appreciates the support shown by the Northwest delegation for resolving these issues within the region.