

October 13, 2023

John Hairston, Administrator
Kim Thompson, Vice President, Northwest Requirements Marketing
Bonneville Power Administration

Via email to Post2028@bpa.gov

Public Comments on Bonneville Power Administration's Draft Provider of Choice

Dear Administrator Hairston and Vice President Thompson:

We were disappointed with the lack of meaningful public engagement on the Bonneville Power Administration's (BPA) 2024-2028 Strategic Plan. Now BPA is developing critically important long-term power contracts ("Provider of Choice") for our public utilities.

These contracts will shape our climate and the affordability of our energy future for the next 20 years at a time that will see the greatest energy transformation since the development of the federal hydropower system. As the most important public energy agency in the northwest, BPA must position these long-term contracts to usher in an affordable and sustainable 100% clean electricity system while we see a doubling of electricity demand from building decarbonization, vehicle electrification, and the expansion of low-carbon manufacturing.

We urge BPA to adopt the following standards for these long-term contracts for our public utility customers.

1. Support national, regional and state climate goals by providing additional, carbon-free electricity

The Biden Administration made clear the directive for federal agencies is his Executive Order 14057 of December 8, 2021: "It is therefore the policy of my Administration for the Federal Government to lead by example in order to achieve a carbon pollution-free electricity sector by 2035." The order goes on to say that "this order will require bold action to transform Federal procurement and operations and secure a transition to clean, zero-emission technologies." No federal agency in the northwest is more important than BPA in delivering on these promises.

We were pleased to see that BPA's most recent strategic plan identified "supporting regional carbon reduction efforts" as a core objective. This objective includes a commitment to "strive to complement the existing system by acquiring additional cost-effective carbon-free resources and enabling delivery of increasingly decarbonized power to the region." In addition, both Oregon and Washington have 100% clean electricity mandates by 2040 and 2045 respectively.

Collectively, our national, regional and state goals are clear. We must expeditiously move toward carbon-free resources. However, BPA does not commit to offering a carbon-free product in the Draft Provider of

Choice policy. This is not only inconsistent with BPA's own strategic plan and federal directive, but it also undermines state mandates and climate imperatives.

This creates an untenable situation for BPA customers, who are denied a pathway to 100% clean for the next 20 years, and for states in the region who are depending on 100% clean electricity to meet aggressive economy-wide greenhouse gas limits. While this choice of contract term doesn't necessarily dictate that customers won't be able to comply with the standard, it doesn't provide the necessary assurances that they will be able to comply. And, while BPA "anticipates that the federal system will move closer to 100% carbon-free over time," it doesn't commit to offering a carbon-free product.

2. Provide full credit for energy efficiency

Energy efficiency is the easiest and most cost-effective strategy for reducing emissions; it is also vital for maximizing the benefit of the federal system. As BPA notes in its Draft Provider of Choice Policy, "[c]onservation reduces the Administrator's obligation to acquire resources by reducing the consumer load of a customer."

However, BPA allows too many of its public utility customers to not contribute equitably toward meeting BPA's conservation targets established by the Northwest Power and Conservation Council. BPA and its public utility customers were expected to provide 42 percent of energy efficiency savings for the region from 2016 to 2021 but only achieved 30 percent. Many public utilities did not achieve their fair share of energy efficiency. Nonetheless, the draft Provider of Choice will reward them with the same share of BPA electricity. By contrast, some public utilities exceeded their energy efficiency targets and yet they will not receive full credit for their individual efforts that help the regional needs. This is the wrong signal to send from an agency that claims to support energy efficiency.

3. Empower regional governments to secure billions in federal funding for clean energy projects

Recent research from the Clean Energy Transition Institute shows that electricity demand is expected to more than double between 2021 to 2050 for the Northwest to achieve a net-zero economy by 2050. Meeting this unprecedented increase in electricity demand requires a rapid expansion in supply. The Inflation Reduction Act is projected to create double-digit percentage decreases in the cost of clean energy for utilities across a range of technologies. It is imperative that BPA do all it can to incentivize its customers to take full advantage of this opportunity.

We urge BPA to proactively seek out federal funding to support the region's energy transition. Pro-active partnerships with tribal, state, and public utility governments can greatly increase clean energy project bids for federal funding. Congress provided \$10 billion in borrowing authority to BPA and small amounts of seed money from this authority could meaningfully increase these regional and local governments' bids for federal clean energy projects. Just as BPA provided \$10 million in seed money for the Smart Grid Project and leveraged \$89 million in regional and USDOE funding through the 2009 American Reinvestment and Recovery Act (ARRA), so it can be the same pro-active partner in supporting regional governments bid for funding from the Bipartisan Infrastructure Act and Inflation Reduction Act.

4. Promote growth in clean manufacturing

After decades of decline and outsourcing, the United States is poised for a tremendous comeback and expansion in U.S. manufacturing. We can achieve this in part with help from the Inflation Reduction Act, which is the single largest investment in the production of clean energy technologies in American history.

BPA needs to create a mechanism for calculating an electricity rate for existing and new clean manufacturing that allows it to be competitive. The current mechanism for “economic adjustments” does not account for the tremendous economic benefits from the U.S. providing critical materials like aluminum which are essential for electric vehicles, wind turbines, solar panels, power lines, and more. In addition, robust tax bases for local communities, strong family wages, and essential materials for U.S. security are some of the powerful economic drivers from revived manufacturing.

BPA was born with the vision of leading economic development across the northwest. That vision is needed now so that new, 100% clean electricity can be the engine that revives essential materials for our clean energy future.

The final Provider of Choice Policy should guarantee meaningful stakeholder engagement in implementing the policy. BPA’s definition of “stakeholders” should extend far beyond BPA’s electric utility customers. It should include climate/energy NGOs, labor unions, community groups and others. BPA should commit to public disclosure of all input that it receives and disclosure of how it acted on that input, consistent with other federal processes such as the National Environmental Policy Act review process.

Sincerely,

Anne Hedges
Co-Director
Montana Environmental Information Center
ahedges@meic.org

Grace Hope
Network Facilitator
350 WA Network
grace@350seattle.org

Don Marsh
Chair
Washington Clean Energy Campaign
don.m.marsh@hotmail.com

Mary Coltrane
President
League of Women Voters of Washington
Mary.coltrane@lwvwa.org

Rebecca Gladstone
Co-President and Action Chair
League of Women Voters of Oregon
b.gladstone@lwvor.org

Betsy McBride, Jean Henscheid
Co-Presidents
League of Women Voters of Idaho
esmcbride2@gmail.com
jean.henscheid@gmail.com

Diane Hodiak
Executive Director
350 Deschutes
dhodiak@350deschutes.org

Phil Carver
Co-coordinator
350 Salem
philiphcarver@gmail.com

Nick Keenan
Renewable Energy Working Group Coordinator
Climate Reality Portland
nick@gameflow.design

Charity Fain
Executive Director
Community Energy Project
charity@communityenergyproject.org

Linda Craig
Steering Committee
Metro Climate Action Team (Oregon)
lindacraigpdx@gmail.com

Jeanne Poirier, Sue Kane
Co-Leaders
350 Wenatchee
jeannepoirier@yahoo.com
susan_kane1@msn.com

Carol Price
Co-president
Kitsap Environmental Coalition
carol9price@comcast.net

Shemona Moreno
Executive Director
350 Seattle
shemonamoreno@350seattle.org

Grace Brahler, Wildlands Director
Cascadia Wildlands
grace@cascwild.org

Nancy Leifer
President
League of Women Voters of Montana
nancleifer@gmail.com

Nancy Lockwood
President
League of Women Voters of Wyoming
nanlockw@gmail.com

Janeen Provazek
Co-organizer
350 Tacoma
provaj@hotmail.com

Patricia Hine
President
350 Eugene
president@350eugene.org

Jeffrey Smith
Co-Chair
350 Montana
yswolfhowl@gmail.com

Lin Hagedorn
Steering Committee member
350 Eastside
mountainclimber4@gmail.com

Ashley Haight
Manager
ZERO Coalition (Oregon)
ashley@zerocoalitionoregon.org

Dineen O'Rourke
Campaign Manager
350 Portland
dineen@350pdx.org