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[Oregon](#), [Washington](#)

## **Feds rule BPA wind-power shut-off was unfair**

By Hal Bernton, Seattle Times staff reporter, [seattletimes.nwsources.com](http://seattletimes.nwsources.com) 7 December 2011

Federal regulators Wednesday ruled that the Bonneville Power Administration (BPA) had unfairly discriminated against wind-power producers when it ordered periodic shutdowns of their turbines earlier this year.

The ruling is a boost to wind-power producers who had argued that Bonneville's actions violated transmission contracts. Producers said the threat of curtailment orders would inject new economic uncertainty into the development of wind power in the Northwest.

"I think the danger was that if this were allowed to continue, it would have had a chilling effect going forward," said Don Furman, senior vice president at Iberdola Renewables, a major wind generator in the Northwest. "I don't know how you would have gotten a bank to lend if you didn't know ... if you were going to be allowed to operate."

The dispute reflects broader strains in the regional power system as it seeks to integrate wind power. The supply of wind power has dramatically expanded during the past decade, spurred by federal tax incentives and state requirements to buy renewable electricity.

Bonneville, which operates the regional transmission lines and sells hydro power from federal dams on the Columbia and Snake rivers, has been at the forefront of bringing wind power into the system

For Bonneville, the toughest challenges have come in the spring and early summer when snow melts increase river flows and blustery winds boost wind production. Also, to protect migrating salmon, more water is run through the turbines rather than over the dams.

Earlier this year, those factors contributed to a big glut of power in regional markets. It then crafted an "environmental dispatch" policy that could be used to curtail the wind-power production to help manage the system..

In a roughly seven-week period that ended July 10, Bonneville shut down more than 5 percent of the wind-power production and substituted hydro power from federal dams.

The BPA policy was then challenged in a complaint to the Federal Energy Regulatory Commission (FERC) and a separate federal lawsuit.

Bonneville officials, wind-power producers and others have been involved in negotiations to reach a settlement, and Bonneville Administrator Steve Wright hoped that FERC would hold off on a ruling until that happened.

“We are surprised and very disappointed that the Federal Energy Regulatory Commission would choose at this moment to render a decision when it is aware that we have been urged by many members of the Northwest Congressional delegation to settle this issue, and when settlement discussions are proceeding in good faith,” he said.

The federal ruling found that Bonneville policy “significantly diminishes” open access to power transmission. Under the ruling, Bonneville officials have 90 days to come up with new rules that do not discriminate against wind producers. Bonneville also could ask FERC to reconsider the decision, according to a Bonneville spokesman.

Wind generators lose their government tax credits when they shut down because those benefits are pegged to electricity production.

The FERC decision appears to put pressure on Bonneville to take wind power even when additional supply will glut the power markets.

In extreme cases, the markets shift into “negative pricing,” when BPA must pay power users to accept the electricity.

The BPA had argued that it shouldn’t have to pay negative prices to help out wind-power producers.

*The Associated Press contributed to this story.*

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