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BPA asks feds to reconsider dispute pitting wind farms against dams

By Ted Sickinger, The Oregonian, www.oregonlive.com 6 January 2012

The Bonneville Power Administration on Friday asked federal energy regulators to rehear and clarify several points in its ruling last month that found BPA discriminated against wind farm operators through a policy that curtailed their output when there was already too much wind and water energy being generated in the region.

The agency adopted the policy during last year's heavy spring runoff. It claimed it was forced to curtail wind operators transmission contracts and substitute its own free hydropower for their scheduled deliveries in order to avoid sending more water over dam spillways and violating federal standards on dissolved gases, which can harm migrating fish. Wind operators insist BPA's problem was purely economic, as it tried to protect its own customers from paying the full costs associated with curtailment, including compensation to wind farm owners for tax and renewable energy credits that accrue only when turbines are spinning.

Actual instances of curtailment were rare, but the Federal Energy Regulatory Commission found the policy discriminatory and ordered the agency to file new transmission tariffs that provided for equal access.

The order ignited something of a brush fire in Northwest energy circles, with BPA's public utility customers making a perennial complaint that the feds are usurping control of an agency that, by statute, is supposed to benefit the region. They also reject the idea that BPA should absorb any costs to integrate wind power onto the grid, since the bulk of that electricity is shipped out of state.

BPA's filing cited a number of procedural issues with FERC's order. It also stressed — likely for the benefit of all the regional stakeholders — that it would be best to solve this problem in the Northwest, not Washington D.C.

"Absent a set	ttlement," it sai	d in a news release,	"any new policy	v seems likely to	lead to even more
litigation that	t may stretch fo	r many years."			
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