Renewable energy advocates respond to BPA terms and conditions of renewable energy integration costs

Portland, Ore. (July 27, 2011)-- The Bonneville Power Administration (BPA), yesterday in its Final Record of Decision (ROD), announced its fiscal year 2012-2013 rates for power, transmission and renewable energy integration, which take effect beginning October 1, 2011. Renewable Northwest Project, a non-profit renewable energy advocacy organization, responded with perspective on how these rates will affect the regional renewable energy market.

“We are pleased that renewable energy integration rates on BPA’s system will remain relatively stable over this next rate period,” said Rachel Shimshak, executive director of Renewable Northwest Project. She added, “We continue to believe that BPA’s integration rates overstate BPA’s costs of providing integration services to wind energy producers, and that there is much more that can be done to improve the efficiency with which renewable resources are integrated into the grid. These policies must be improved upon to ensure rates are reasonable for customers in the future.”

Shimshak praised the BPA ROD component that implements and provides incentives for the scheduling of renewable energy on a half-hour basis, as opposed to the current hourly-scheduling convention. Shorter scheduling periods reduce integration costs. “We are hopeful that Northwest utilities will now utilize these shorter scheduling periods, take advantage of BPA’s decreased rate incentive and pass those cost savings on to their local rate payers.”

Renewable Northwest Project also pointed to the decrease to the transmission rate for renewable energy delivered from Montana but indicated disappointment that BPA didn’t eliminate this rate entirely. “The environmental and economic benefits of encouraging the responsible development of Montana’s abundant renewable resources far outweighs the minimal costs of eliminating this rate,” Shimshak said.

Shimshak also commented on the solar energy integration rate established in the ROD, which BPA reduced by two-thirds from its initial proposal. “We are pleased that BPA did not approve the rate set forth in the initial proposal but still believe the solar integration rate is premature and not cost-based. We are concerned that it will stymie the solar energy generation industry in the Northwest.”

Renewable Northwest Project responded unfavorably to other core aspects of the BPA ROD. “We are disappointed that BPA chose to give itself the unilateral right to increase the wind integration rate during the two-year rate period,” Shimshak said. “This increases uncertainty in the Northwest about the stability of integration costs and will act as a deterrent to continued renewable energy investment. We hope a more robust market for integration services can be established, which is essential to attracting clean energy companies and the economic vitality they bring to workforces and rural communities.”

Shimshak noted that the BPA and the Northwest have some of the highest renewable energy integration rates in the country. “Much work remains to be done in this regard,” Shimshak said. “As we continue to shift toward a cleaner, more
diverse energy mix, a suite of solutions should be pursued, such as establishing an ‘energy imbalance market’ and greater balancing area coordination.”

Renewable Northwest Project is a regional nonprofit advocacy organization promoting responsible development of renewable energy resources in the Northwest. For more information, visit [www.rnp.org](http://www.rnp.org).

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