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Renewable Energy Advocates Cautiously Optimistic About BPA Wind Integration Policies

PORTLAND, OR - Regional renewable energy advocates today reacted with cautious optimism to Bonneville Power Administration’s (BPA) FY 2010-11 Final Record of Decision (ROD) concerning the rate BPA will charge for integrating wind into the regional grid, and BPA’s June 16th letter detailing future commitments related to operational changes.

“We are pleased that BPA has recognized the recent improvements in wind scheduling accuracy and has lessened their Wind Integration Rate proposal accordingly, from $12/MWh initially, to approximately $5.70/MWh,” said Rachel Shimshak, Director of the Renewable Northwest Project (RNP), a regional renewable energy advocacy group. “This result, taken together with BPA’s recent commitment to implement operational changes to benefit the whole system and wind generators represents a meaningful step forward,” she continued.
“While a huge improvement over their initial proposal, the testimony of the Northwest Wind Group, a coalition of wind energy developers and RNP, shows that this rate is still not cost-based, and should be closer to $4.50/MWh.”

The Wind Integration Rate represents a 5-10% adder to the delivered cost of wind on BPA’s system and advocates are concerned it will discourage wind development in the region. Utilities paying this charge will likely pass it on to their ratepayers.

“Although the Wind Integration Rate is higher than it should be, the rate structure BPA has chosen provides the proper incentives for continued investment in wind scheduling and forecasting improvements,” said Shimshak.

RNP is encouraged by BPA’s commitment to a timeline for implementing the operational capabilities that will ultimately decrease the cost of integrating wind in the Northwest. Success in these efforts will ensure that the region can cost-effectively and reliably integrate more wind energy in the near future. BPA has worked productively with the renewable energy community on devising long-term solutions that will facilitate renewable energy development in the region.


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