



## Public Power Council

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### **FERC Ruling Against BPA is Harmful to Ratepayers**

PORTLAND, Ore. -- The Public Power Council today found fault with an order issued by the Federal Energy Regulatory Commission critical of the Bonneville Power Administration's plan to manage the hydro system during extraordinary high water situations.

**"While FERC's position is not a surprise, we believe it is misguided and ignores other federal laws intended to keep the electrical system reliable and protect fish,"** said PPC Executive Director, Scott Corwin. **"In the midst of a tough economy, it is frustrating to see a FERC ruling that could increase electricity rates and undermine BPA's ability to operate its electrical system in times of over-generation."**

Wind power companies had complained that BPA's approach asked them to decrease generation during some hours last spring and accept free hydropower in return; this did not ensure the return to them of federal tax credits or state renewable energy credits lost when the turbines are not allowed to generate power. PPC argued that regional consumers not benefitting from the wind power should not be burdened with the costs of these federal or state incentives.

**"The ruling lacks legal reasoning and fails to explain why they see federal generators as identical to other generators not subject to the same array of legal obligations,"** Corwin said. **"We will need to evaluate our next legal steps; this ruling is not only harmful, but it also jumped ahead of regional efforts to resolve the issue in a way that continues to protect fish and does not unfairly hit ratepayers."**

The FERC ruling calls for a new approach by BPA within 90 days, but stopped short of ordering what that approach might be. Since BPA's existing policy was set to expire at the end of March in any case, the agency has been in discussions with parties about how to approach the issue for this year's runoff season.

*PPC represents Pacific Northwest consumer-owned utilities on issues related to the Federal Columbia River Power System.*