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For Immediate Release

National Hydropower Association Releases “Guideposts” for Pacific Northwest Power Dispute, Future Planning

Washington, D.C. (June 9, 2011) – The National Hydropower Association today released a set of “guideposts” for consideration by federal and state policymakers, the Bonneville Power Administration (BPA) and other parties to the current debate over electrical generation and transmission in the Pacific Northwest.

The guidelines are meant to address several issues that the current discussion has overlooked and to encourage a discussion of long-term solutions to help all stakeholders deal with similar situations as they arise in the future.

Owing to a combination of low electricity demand, high seasonal water flows and high wind energy output, the Northwest has experienced an excess of generation. Without customers to take the electricity and an inability to store it, BPA recently implemented a Record of Decision in which it balances generation with demand by reducing output from thermal and wind projects, when necessary.

This result has raised concerns on all sides about the best means to address a situation that is likely to recur in the future in the absence of more comprehensive long-term planning. NHA intends the new guideposts to help reframe the debate and provide impetus for more lasting solutions that allow hydropower, wind and other generation resources to work in concert.

“The strength of America’s electric system is its diversity of generation resources, which is instrumental in providing customers with reliable, affordable and sustainable electricity,” said Linda Church Ciocci, Executive Director of the National Hydropower Association. “Hydropower and wind generation each play an important role in providing these benefits and are complementary resources that work well together. The real issue here is storage of excess energy. That is where pumped hydropower storage could play a significant role in solving these problems.”

“In addition, at times when electricity generation outpaces regional needs, there can be significant implications for grid reliability, water quality and ecosystems. There can also be economic impacts for some generators encountering negative wholesale power prices,” Ciocci continued.

“Full and measured examination of these matters is critical to crafting well-reasoned policies that address the complexity of issues in the Northwest power system. Regional hydropower projects, both federal and private facilities, offer grid services that ensure the power stays on and is reliable, while helping to integrate increasing amounts of variable energy resources. The Northwest also has cleaner air as a result of its use of renewable energy – traditionally hydropower, and now increasing amounts of wind power. These considerations inform the guideposts NHA releases today with the goal to help resolve the debate over power in the Pacific Northwest and lead to policies that support the growth of all renewables in the region.”

NHA’s guideposts for discussion of Pacific Northwest power integration issues are:

- NHA believes in the need to craft long-term solutions. Wind and hydropower are and can be complementary resources, preserving the region’s low emission profile. To enhance this compatibility, public policy should support increases in energy storage opportunities, both from existing conventional hydropower projects and new pumped storage facilities.
- NHA recognizes BPA’s belief that the Federal Columbia River Power System (FCRPS) Biological Opinions require BPA to best manage the grid to comply with the Endangered Species Act and state water quality regulations for the protection of natural resources.

- The rapid increase in variable energy resources has increased the need for greater access to larger amounts, and economic dispatch of, the region’s balancing resources. Policies and/or market mechanisms are needed to recognize and compensate hydropower projects for the balancing and energy storage benefits they bring to the system.
- NHA supports strategic system planning that could include grid-scale energy storage, transmission upgrades, and energy system modeling to minimize these disruptions in the future. Pumped storage hydropower is a proven technology that could provide additional large-scale load to alternately absorb significant amounts of over-generation and provide support to variable energy resources, and store excess off-peak generation to periods of peak demand.
- State renewable portfolio standards and other policies should provide incentives that encourage the development of complementary technologies for a stable grid that could help mitigate this issue and serve to facilitate additional growth of renewable energy projects in the region.
- BPA’s decision to implement curtailment was made in the context of the complex energy balancing issues it is facing this year. As this issue becomes more common, continued evaluation of BPA’s system and options to optimize clean energy, including both hydropower and wind, support habitats, and meet electrical demand are necessary and we encourage continued regional attention to this issue.

Ciucci also commented on the environmental and natural resource issue that has become one point of contention – the effects of increased spill from hydropower projects on water quality and fish species.

“Concerns about fish protection and water quality restrict BPA’s ability to curtail the federal hydropower generation during high water events like spring run-off,” said Ciucci. “In particular, total dissolved gases like nitrogen can become elevated from absorption of excess atmospheric air in the water when hydropower projects are required to spill water instead of running it through turbines for electricity generation. These increased gas levels can negatively affect the health of fish.”

Ciucci emphasized that NHA looks forward to working with all stakeholders to craft the right long-term policies to ensure grid stability and reliable service, while also protecting and enhancing natural resources and promoting increased generation from variable energy resources.

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