

Seattle P.I. 4/18/80

# BPA Memo Says Power Bill Won't Prevent NW Shortage

By Joel Connelly

The proposed Northwest power bill won't prevent power shortage and could cause "severe economic hardships in the region," according to an internal Bonneville Power Administration memo obtained by The Post-Intelligencer.

The memo, written by L.A. Dean, chief of BPA's Branch of Power Supply, directly contradicts statements previously made by officials of the federal agency in support of the bill.

The bill, a version of which has passed the U.S. Senate, would make Bonneville the key agency for supplying electricity to most public and private utility customers as well as the Northwest aluminum industry.

But Dean's memo of Feb. 4, addressed to BPA's assistant power manager Earl Gjelde, said that not enough power will be available to supply these customers.

"My last comment goes to what I regard as the grand faux pas of the entire bill," wrote Dean. "And that is . . . the (Bonneville) Administrator is 'deemed' to have a sufficiency of electric power.

"The way that the Pacific Northwest's electric power insufficiency is developing, there is no way BPA can have sufficient firm power resources to meet all the region's firm power loads, including one-half of the (aluminum industry's) loads."

If Bonneville began operating under the "delusion" that it had sufficient power, Dean added, it would "doom (or is it deem?) the entire implementation of the bill to failure."

"In practicality, I suppose BPA will curtail all or nearly all of the region's aluminum production in order to meet the total requirements of

all the public (utilities). This will cause severe economic hardships in the region."

Dean's memo was written while the power bill was under consideration by the House Interstate and Foreign Commerce Committee. The committee passed it on March 20.

"No one (at Bonneville) has approached us suggesting that the bill needs amendment," U.S. Rep. Al Swift, D-Wash., chief sponsor of the power bill, said yesterday.

The power bill's next stop is the House Interior Committee. "Obviously, what is in this memo is something we will have to look at," Swift added.

The man who received Dean's memo, Gjelde, is one of two high-ranking BPA aides who have worked on the power legislation and forcefully advocated its passage.

The BPA is a federal agency which markets power from government-owned dams on the Columbia River — mostly to public utilities and aluminum producers. Under the power bill, BPA also would supply power for many private utility customers.

Contacted Wednesday, Gjelde said Dean "did not understand" the bill's phrasing — but said he was right in predicting a regionwide electrical shortage, with or without a power bill.

The key wording is in Section 9(c)(4) of the power bill now pending in the House. It states:

"The (BPA) Administrator shall be deemed to have sufficient resources for the purpose of entering into the power sales contracts specified in this subsection."

BPA Administrator Sterling Munro, contacted yesterday, said the agency is promising nothing despite the bill's strong wording.

"We cannot be held as contractually obligated to deliver power when it is not available," he added. But Munro conceded that BPA could be sued "if it did not make a good faith effort to obtain the power its customers need."

Munro said it will be up to the governors of Northwest states — not the BPA — to deal with any power shortage.

"In the event of a shortage, the states would have to act — as they do now — to distribute the curtailment of loads," Gjelde added.

But the bill does not contain authorization for states to step in to deal with a power shortage. The authority is assumed, said Gjelde.

Gjelde also confirmed that BPA currently has authority — and would have it under the power bill — to cut off more than half of the power it supplies to aluminum producers, if public utilities need it.

But both Munro and Gjelde said that Dean is correct in saying that a regional power bill won't stop the Northwest from experiencing a power shortage in the mid-1980's. "The bill would provide the mechanism we need to do the job, but we still may come up short of power sometimes," said Munro.

"What Larry (Dean) was complaining about was that the bill doesn't create kilowatts," Munro added. "He doesn't see resources being developed that would create power supply." Munro said he is "a little more optimistic about this" than the power supply chief.

"What the bill accomplishes, by binding the region together, is assuring the equitable distribution of the burden of trying to meet that deficiency," said Gjelde.