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NEWS RELEASE:
Utilities sign up for region's federal power

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FOR MORE INFORMATION, CONTACT: [Crystal Ball](#), BPA, (503) 230-5133

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PORTLAND, Ore. - A year ago, Northwest utilities weren't so sure the region's federal hydropower could be competitive in the newly deregulated wholesale electric industry. Now the Bonneville Power Administration's power is a precious commodity.

BPA has sold about 1,300 average megawatts of energy - more than enough energy to serve a city the size of Seattle - in a total of 52 power sales contracts. All but eight contracts are with public utility customers within the region. BPA expects that, on average, the power sales will bring in approximately \$240 million of revenues annually for the years 2002-2006. Nearly 75 percent of BPA's current power sales expire after the year 2001.

"Not only did we sell all the power we had available at this time, but we had a significant number of prospective customers waiting in line," said Jack Robertson, acting administrator. The recent sales met an advanced limit agreed to by BPA and the Transition Board, a group created to implement the recommendations of a comprehensive review of the region's electricity system conducted by the four Northwest governors in 1996.

Paul Norman, acting vice president of BPA's Power Business Line said BPA made these sales now because so many of BPA's customers wanted to secure part of their future supplies in advance.

"I firmly believe our success is based on our customers having faith that we can and will control our costs. There's also a growing belief that the market for electricity will be higher than people expected last year," Norman said.

Public Power Council Manager C. Clark Leone said, "Word has gotten around that BPA power is a pretty good deal. Certainly the 1,300 megawatts are a hot commodity."

Originally, the Transition Board agreement assumed about 800 average megawatts would go outside the region and 500 average megawatts would stay within the region. The final tally essentially reverses that, with 750 average megawatts staying inside the region and 550 average megawatts going outside the region or to power brokers who may sell inside or outside.

"That's good news for the Northwest because it means our customers have confidence in the future value

of power from the Columbia River system and that more of this power will stay in the region," said Norman.

BPA hopes to begin in July to subscribe customers for about 6,400 average megawatts remaining in the Federal Columbia River Power System's inventory.

In this early round, sales have been priced around the 1996 priority firm level of about 2.39 cents per kilowatt-hour, but actual prices vary because of load shaping (winter peak for example) and because most sales do not include transmission. All in-region sales have been made to public customers who would have been eligible for the subscription process.

BPA markets and transmits the clean, renewable hydroelectric power produced by 29 federal dams on the Columbia River and its tributaries. BPA's service area includes Oregon, Washington, Idaho and western Montana. Its customers are primarily publicly owned utilities. BPA also sells some power to investor-owned utilities and large industries.

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