
DOE NEWS

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Secretary Abraham Announces Major Wind Power Initiative to Aid Western Energy Shortage

(Washington, DC)--Energy Secretary Spencer Abraham announced that DOE, through the Bonneville Power Administration, intends to sign pre-development agreements for seven wind power projects, which would provide an additional 830 megawatts of generating capacity in the electricity-strapped Western region. This initiative would produce enough electricity to meet the needs of nearly 270,000 homes, and it represents an approximately 20 percent increase in the nation's wind power capacity.

BPA's action responds to the Bush Administration National Energy Policy and the attention it focused on developing clean and diverse sources of domestic energy supply. The National Energy Policy recognizes the role of wind and other renewable energy sources as an important part of that diversification.

"Hydropower, geothermal, wind, and other renewables are highlighted in the National Energy Policy for their potential to strengthen America's energy security," said Energy Secretary Spencer Abraham. Today we're celebrating moving a mature, renewable technology from the lab to the marketplace. While renewables remain a small percentage of our electricity generation portfolio, we look forward to increasing this share through continued federal leadership.

Bonneville has structured a business arrangement that makes economic sense to both the ratepayers in the Northwest and the wind energy developers. As a result of this process, Bonneville will be assured a long-term source of competitively priced power, while the developers will be assured of a stable, reliable rate of return on their investment, added Abraham.

Bonneville's actions, along with those of DOE's Office of Energy Efficiency and Renewable Energy, build on our nation's investment in renewable energy resources. The DOE/BPA projects have excellent potential to support economic growth in the Northwest region and other areas of the country that have viable renewable energy resources.

This is a great step in helping the Northwest overcome its energy shortage, said Rep. Greg Walden (R-Ore.), co-chair of the House Renewable Energy Caucus and the sole Northwest member of the Energy and Commerce Committee. This is the best kind of energy to bring to the region: clean, renewable and inexpensive. This project will be a great boost to the region's economy.

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“A sound energy supply depends on a balanced portfolio of resources,” said Rep. Doc Hastings (R-Wash.). The wind projects proposed in Washington State will help us meet the growing demand for energy by harnessing an abundant and natural resource.

The Portland, Oregon-based federal power marketing agency selected the wind projects from 25 proposals totaling about 2,600 megawatts. This was the largest request for wind proposals ever conducted in the United States. The finalists were chosen by criteria that included cost and availability of transmission. The average first-year cost of the power is expected to be less than \$30 per megawatt-hour; after adding in the costs of firming-up the intermittent wind generation, Bonneville’s wind program is projected to be cost-competitive with other sources of generation such as coal and natural gas.

In the Pacific Northwest, wind is plentiful, said Steve Wright, acting Bonneville Administrator. By aggressively pursuing this resource for electricity, we hope to be able to help meet the demand for energy with a clean, economical, nonpolluting resource.

BPA will now enter into negotiations on predevelopment agreements with the four companies behind the projects C SeaWest Wind Power of San Diego, Calif.; Zilkha Renewable Energy and Columbia Wind Power, both of Texas; and Pacific Winds of Boise, Idaho.

Bonneville will complete an assessment of the impacts on the environment before signing final power purchase contracts on any of these projects. Wildlife experts feel that if properly sited and with the right technology, wind power should not be a threat to wildlife. BPA’s assessment will look at that issue as well as other siting concerns. The agency has already begun a study to evaluate the operational and economic impact of such a large intermittent resource on the power system. The total amount of wind power that BPA purchases will depend on the results of the studies.

The projects would be up and running in about two and a half years. Five of the projects are in Washington State and two are in Oregon.

Completion of these projects would make Bonneville the largest wind energy supplier in the nation. The agency has 34 megawatts of wind generation in operation and another 425 megawatts already in contract negotiation or under environmental review. These ongoing wind efforts, combined with the additional 830 megawatts announced today, would expand the nation’s wind energy supply by about 28 percent.

The Bonneville Power Administration is a federal agency, under the U.S. Department of Energy, that markets wholesale hydroelectric power primarily from the federal hydroelectric projects in the Columbia River Basin. Bonneville owns and operates about three-quarters of the Pacific Northwest’s total transmission capacity. Bonneville customers include publicly owned and investor-owned utilities, as well as some large industries.

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