

ANSWERS TO QUESTIONS REGARDING WIND RFP

Q: Will you elaborate on the assumptions behind the costs of firming and shaping?

A: We are still working on the firming and shaping cost issue internally, and it is not clear what the outcome will be. We have not decided how these costs will affect our evaluation of the wind project proposals, if at all. I am unable to elaborate further at this time.

Q: Will a project that relies on the Renewable Energy Production Incentive (REPI) be disadvantaged compared to a project that relies on the Production Tax Credit (PTC)?

A: As stated in section 1.4 of the RFP, BPA may decide not to proceed with projects that rely on the PTC, in the event the PTC is not renewed. If the PTC is renewed and the REPI continues to rely on an annual Congressional appropriation, a project that needs the REPI may be at a disadvantage compared to a project that uses the PTC.

Q: Will the selection process give a preference to minorities and tribes?

A: No preference will be given to minorities or tribes in this RFP process. Federal procurement regulations — which may require that preference be given to minorities, tribes, or small businesses — do not apply to the acquisition of generating resources by BPA. The Northwest Power Act specifies how BPA should acquire resources. Neither the Department of Energy nor BPA tribal policies require that tribes be given preference in energy resource acquisitions.

Q: How will you make the cost comparison to gas-fired resources?

A: We are reconsidering the extent to which the wind projects will be compared to gas-fired resources. Our initial approach was to add to the busbar cost of wind the cost of capacity and services needed to convert wind output to an energy product comparable to gas-fired CT output. This has turned out to be a difficult and somewhat controversial task with issues that may take some time to resolve. Therefore, we will initially evaluate the costs of proposed wind project without comparison to gas-fired resources.

Q: How will the power system impact and financial risk studies be used in evaluating proposals?

A: These studies will not be used to evaluate proposals. The studies will not be completed for at least several months. We expect to be well along in the environmental review process for shortlisted projects before the results of the studies are known.

Q: If a proposed wind project is to be located in the service territory of a BPA customer, such as a PUD or a coop, can BPA provide the developer with load data for that customer? This data can be important to both the development and the evaluation of the wind bids, but in the current competitive market the individual customers may be reluctant to provide the developer with this data.

A: BPA will not provide developers with customer load data.

Q: Will any preference be given to Indian proposals?

A: No preference will be given to minorities or tribes in this RFP process. Federal procurement regulations - - which may require that preference be given to minorities, tribes, or small businesses - - do not apply to the acquisition of generating resources by BPA. The Northwest Power Act specifies how BPA should acquire resources. Neither the Department of Energy nor BPA tribal policies require that tribes be given preference in energy resource acquisitions.

Q: Will BPA entertain proposals outside of its service territory?

A: BPA will entertain proposals outside of its service territory, but it will be the responsibility of the developer to get the power to a point on the BPA grid where the power can be used. The developer will also be responsible for the cost of wheeling the power to the BPA grid.