

November 12, 2008

**RE: Support for BPA Borrowing Authority in Economic Stimulus Legislation**

Dear Members of the Northwest Congressional Delegation:

During this time of serious economic challenge, it is important that federal initiatives include those that show high return in value both to our region and to the nation as a whole. As representatives of consumer-owned utilities serving customers throughout the Northwest, we are writing to support inclusion of additional borrowing authority for the Bonneville Power Administration (BPA) in any federal economic stimulus package under consideration. As always, BPA customers would repay the federal government with interest for any borrowing authority used.

It is very important that any increase to BPA borrowing authority be kept simple and without prescriptive redirection of the priorities for the use of that authority. BPA, its customers, and regional stakeholders conduct lengthy public processes to ensure investments in electricity infrastructure, fish and wildlife programs, and conservation happen in the most critical areas to ensure system reliability and meet public purpose obligations. Further, subsequent congressional oversight occurs through the review of proposed borrowing authority expenditures in BPA's budget.

There are several compelling reasons for additional borrowing authority. First, there is a need for critical electricity infrastructure in the West. This need is especially high with respect to transmission capability to bolster the reliability of the electrical grid. We have faced bottlenecks for years as population and electricity loads have out-grown an out-dated system. Given the timing of transmission system planning, siting, and construction, now is a critical time to boost BPA's borrowing authority.

Second, enhancements to the capability of the transmission system are needed in order to bring on new sources of generation, including renewable energy sources. Our region is seeing major additions to generation capacity, especially from key renewable sources needed to meet new state and federal policy goals. With BPA's customers looking to meet their own load growth post-2012, accessing additional generation resources and moving electricity freely throughout the region becomes increasingly important.

Third, in addition to transmission facilities, other key electricity infrastructure needs include refurbishing existing generation assets at federal projects such as Grand Coulee Dam, investments in fish and wildlife mitigation, and energy conservation. These investments will maintain the federal hydro-electric system's capabilities to serve loads and will help the region meet its environmental and power supply needs.

Fourth, projects enabled with this authority have multiple economic benefits. For example, a single project like the John Day – McNary 500 kV transmission line calls for vast materials and supplies along with hundreds of jobs associated with the necessary engineering and construction. There are many projects that have been on the planning board for some time, and are ready to go now to help jump start economic activity. In addition to new construction activity, this

infrastructure provides economic benefit by ensuring a reliable and low cost electricity supply to millions of residents and businesses in our region.

Fifth, it should be noted that amounts borrowed from the U.S. Treasury by BPA are repaid in full and with interest through revenues collected from customers. This fall, BPA made its 25<sup>th</sup> consecutive payment to Treasury in full and on time. Aside from all of the benefits listed above, taxpayers receive a solid return on investment from a financial standpoint.

We appreciate your work on behalf of the electricity consumers we represent, and we look forward to working closely with you on these important infrastructure issues.

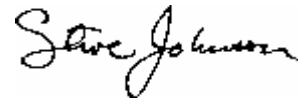
Sincerely,



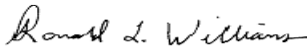
Scott Corwin  
Executive Director  
Public Power Council



Sandy Flicker, Executive Director  
Oregon Rural Electric Cooperative  
Association



Steve Johnson  
Executive Director  
Washington PUD Association



Ronald L. Williams  
Executive Director  
Idaho Consumer-Owned Utilities  
Association



William K. Drummond, Manager  
Western Montana Electric  
G&T Cooperative, Inc.



Tom O'Connor, Executive Director  
Oregon Municipal Electric Utilities  
Association



Will Lutgen, Jr.  
Executive Director  
Northwest Public Power  
Association



John Prescott  
President & CEO  
PNGC Power



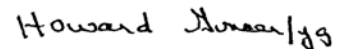
John D. Saven, CEO  
Northwest Requirements Utilities



Kent Lopez  
General Manager  
Washington Rural Electric  
Cooperative Association



Scott Brattebo  
Executive Director  
Public Generating Pool



Howard Gonser, President  
Oregon People's Utility District  
Association



Terence L. Mundorf, Attorney  
Western Public Agencies Group