

1 **NORTHWEST PUBLIC POWER ASSOCIATION**

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3 **7-06 Archived Resolution**

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5 **IN SUPPORT OF THE PREFERENCE CLAUSE**

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7 Northwest Public Power Association firmly endorses the federal power
8 policy established by Congress to provide preference to public bodies and
9 cooperatives in the purchase of federal cost-based power produced with
10 resources owned by the public.

11 We affirm that such preference applies to all classes of electric energy
12 and capacity of federal power systems from existing facilities, from future
13 acquired resources and from those created by additions to federal facilities.

14 The consumer-owned utilities should not be deprived of the direct
15 benefits of resources by any diversion of those benefits. In addition, we
16 strongly support and further reaffirm the Northwest regional and public
17 preference provisions referenced in the 1980 Northwest Power Act (PL 96-
18 501). We encourage Bonneville Power Administration (BPA) to clearly
19 support the expansion and creation of new Priority Firm customers (PUDs,
20 Rural Electric Cooperatives, and Municipal Utilities). It is, and has been,
21 this group that provides Bonneville with long-term stable load growth. This
22 stability is due to the willingness of public power to enter into long-term
23 contracts with BPA. We believe that it is in the best interest of all BPA
24 customers and the region to help stabilize prices in the Western power
25 market.

26 We oppose any sale of electric power resources by federal agencies
27 through arrangements, which do not recognize the right of consumer-owned
28 or publicly owned utilities to exercise preference and priority to federal
29 power, pursuant to appropriate federal statutes. Specifically, we oppose
30 extending contracts for BPA power to Northwest aluminum companies
31 beyond 2006.

32 We also oppose proposals to permit private entrepreneurs to bid
33 competitively to perform operation and maintenance activities at federal
34 dams or to add capacity and receive a share of the increased generation.

35 We also assert that federal power produced by these facilities is to be
36 sold at cost and not at market rates.

37 We urge Congress to oppose proposals to require federal power to be
38 sold at market rates or through competitive bid, without regard for regional
39 and public preference and the principles of cost-based pricing.

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43 Origination Date: 1997