

June 18, 2021

BPA – The Joe Isuzu of Utility Marketing

Remember Joe Isuzu? Joe was a fictional car salesman in late 1980s television commercials.¹ Joe was a pathological liar whose tongue-in-cheek comedy satirized the auto industry's grandiose product attribute claims.

The difference between BPA and Joe Isuzu is that there is nothing tongue-in-cheek, satirical, or comical about BPA's misleading statements regarding the Lower Snake River Dams.

On June 16, 2021 Doug Johnson from BPA issued a press release² misleadingly touting the benefits of the LSRD. In the release Mr. Johnson claimed, among other things, that;

“As Northwest residents turned up thermostats to keep warm and businesses maintained operations during the February storm, the four dams on the lower Snake River revved up on numerous occasions to meet the demand.”

And,

“During that storm, technical issues at Chief Joseph Dam on the upper Columbia River impacted generation at the facility. Some of the electricity production and reserve requirements were transferred to the four lower Snake River dams, . . . “

The truth is closer to the opposite of the claims made by Mr. Johnson and BPA.

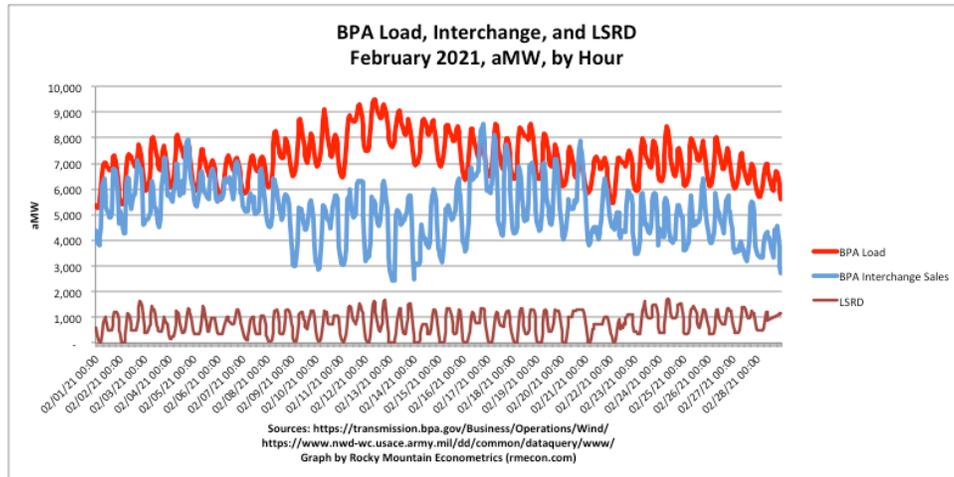
First, it gets cold every winter. February is toward the end of winter. Temperatures are still cool in February but the main thrust of winter is usually over by then. February 2021 was more of the same. The 2021 February “cold snap” was well within the range of normally expected temperatures. There was no emergency and there was no reason to think BPA or any other utility in the region would have trouble supplying their customer loads.

¹ Search YouTube to see a very entertaining repertoire of vintage Joe Isuzu commercials.

² <https://www.bpa.gov/news/newsroom/releases/Documents/20210616-PR-08-21-Lower-Snake-River-Dams-provided-crucial-energy-and-reserves-in-winter-2021.pdf>

More to the point, February 2021 temperatures, and temperature related load spikes, were minor to the point that BPA's surplus energy sales in February, sales of electricity to non-BPA contract customers, were several multiples of LSRD production at every hour of the day for every day in February.

In other words, if the LSRD had not existed, BPA's non-LSRD assets were more than capable of meeting BPA load, 24/7, every day. Please see the following chart showing BPA load, surplus sales, and LSRD production, by hour, for the month of February 2021.



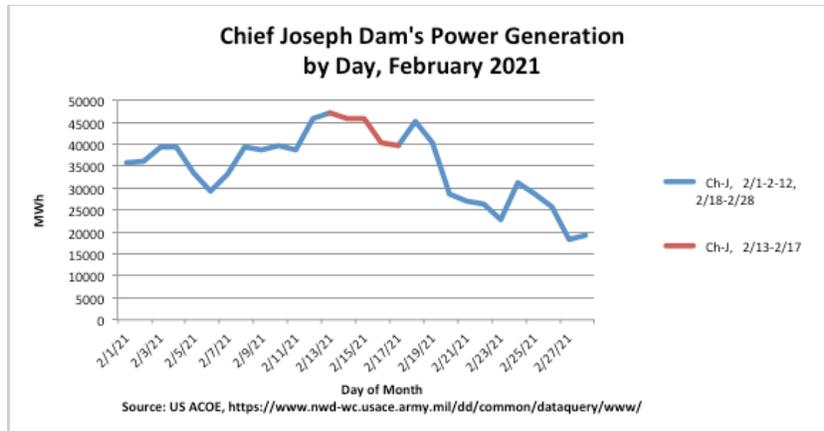
But, wait, what about BPA's claim that,

“ . . the four dams on the lower Snake River revved up on numerous occasions . . . ” and that, “ . . technical issues at Chief Joseph Dam on the upper Columbia River impacted generation at the facility. Some of the electricity production and reserve requirements were transferred to the four lower Snake River dams. . . ”?

It is not clear from the PR what dates Johnson is referring to but Josh Warner of BPA told RME via email that the dates in question are February 13 – 17, 2021.

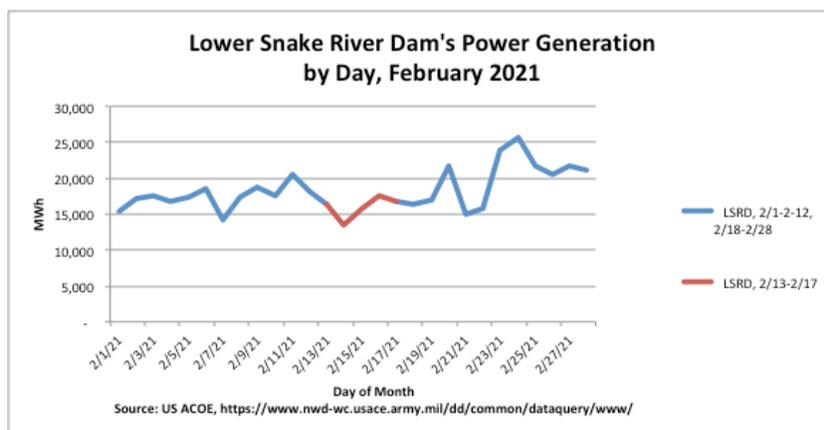
The problem with those dates is that Johnson's statements about Chief Joseph and LSRD production are grossly at odds with what actually transpired at those projects.

There is no mention of what the technical issue was, or the degree to which it impacted production at Chief Joseph last February, but the data provided by the USA Corps of Engineers suggests that the impact was minor, or non-existent. Power production at Chief Joseph, for the five most critical days last February, resulted in five of Chief Joseph's eight highest daily output days for the month.



As for the LSRD “revving up”, nothing is further from the truth. Revving down, or taking a break is more like it. On the second day of the alleged load spike, the LSRDs set the record for the least amount of energy produced that month. Production on the remaining four days of the alleged critical period was more of the same. LSRD production for those four days was below the average production on the other “non-critical” days in February.

The metaphorical truth is, when the going gets tough (as well as when it does not get tough) you can count on the Lower Snake Dams to come in late, take long lunches and breaks, spend long hours trolling the water cooler, and clock out early.



Sadly, Johnson’s PR is one more day in the life of the Joe Isuzus at BPA: Ginning up emergencies that didn’t happen to make exaggerated claims about tepid LSRD production coming to the rescue of things that needed no rescue.

Residents of the NW, and BPA customers deserve better from the region’s monopoly energy provider. They deserve candor from BPA and its energy suppliers, the COE and the Bureau. Finally, they deserve actions to provide reliable power at the lowest possible cost, a result only possible by breaching the LSRD.

Addendum

On June 30, 2021 RME received an email from Josh Warner, Constituent Account Executive, Public Interest Organizations, Bonneville Power Administration, 905 N.E. 11th Ave., Portland, OR 97232, (503) 230-5857, jpwarner@bpa.gov. The email was followed by a phone conversation the following day, July 1, 2021.

Mr. Warner was displeased at the manner in which RME cast aspersions at BPA and his boss, Doug Johnson.

In brief, Mr. Warner endeavored to convince RME that RME had not proved the minor point that BPA generation was “in surplus” on February 13 – 17, 2021.

At issue is the data published by BPA on their balancing authority website. It is both Mr. Warner’s and RME’s understanding that the data labeled “Interchange” is not the same as surplus. That said, some portion of the “Interchange” data stream definitely is surplus. The question is: How much? And, by what portion, on which days and hours, do surplus sales exceed LSRD production?

On an annual basis the Interchange number is almost 50% of BPA production. RME believes that that is not all surplus. A better percentage is probably down around 30%, but the exact amount and the exact timing remain opaque. BPA clearly has the ability to detail how much of the Interchange number is surplus sales but it refuses to do so, even for BPA executives.

Ultimately, Warner admitted he did not have the data to prove RME wrong.

For its part, RME offered, if ever BPA makes its data sufficiently transparent, to revisit the issue and, if wrong, retract this document and offer an apology.

Until such time as BPA provides the necessary data, RME stands behind the conclusions in this paper.

Regards,

Anthony Jones
Rocky Mountain Econometrics