

INTERTRIBAL COUNCIL ON UTILITY POLICY

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Mr. Robert J. Harris, Regional Manager
Upper Great Plains Region
Western Area Power Administration
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Mr. John Pankratz
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Western Area Power Administration
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RE: Letter of Interest for the proposed
P-SMBP-ED Resource Allocation Pool for 2010

Dear Mr. Harris and Mr. Pankratz:

The Intertribal Council On Utility Policy (COUP) files this Letter of Interest on behalf of our Rosebud/Intertribal COUP EJ Wind Demonstration Project as a collective of participating member Tribes located within the Upper Great Plains Region for the intertribal utilization of the "project-specific resource pool increment of up to 1 percent of the long-term marketable resource" currently under contact in the Post-2000 and available for use in 2010.

An intertribal generation utility would be eligible as new customer and the Intertribal COUP proposal, discussed below, is an appropriate purpose of this resource allocation for system-wide support across the Upper Great Plains for the integration of gigawatts of renewable energy from an intertribal wind generation utility entity. The information requested in Western's public notice at 34680 Federal Register/ Vol. 72, No. 121/Monday, June 25, 2007/Notices Federal Register on October 12, 1995 (60 FR 53181), is herein provided:

Interested Entity: The Intertribal Council On Utility Policy, which is chartered on the Rosebud Sioux Indian Reservation, is composed of 12 Missouri River Basin Tribes, and is headquartered at 22223 SB Hwy 1806 Ft. Pierre, SD 57532 on the Lower Brule Sioux Reservation. Intertribal COUP member Tribes are located across the length and breadth of the Eastern Division of the Pick-Sloan Program. Intertribal COUP is not currently a Western Area Power Administration customer, but the distinct intertribal wind energy generating entity it is creating with its participating member Tribes will require the use of firming and system regulatory support from Western.

Entity's Interests: While the individual Intertribal COUP member Tribes are presently customers under the Post-2000 Resource Allocation, and thus are individually not eligible under this notice, Intertribal COUP is a legally separate entity and is working to establish a legally distinct and separate intertribal wind power generation utility entity in the Upper Great Plains Region.

Intertribal COUP and its member Tribes have a variety of historical, legal, equitable, economic and environmental justice interests with regard to the optimal and beneficial utilization of the hydropower resources of the Missouri River by the regional Tribes, including but not limited to:

- The legally enforceable historical claims, obligations and trust responsibilities arising under the various treaties between the United States and the joint and several Intertribal COUP member Tribes;
- The historical and ongoing social, economic and environmental impacts of the Missouri River mainstem dams and reservoirs system on the individual and joint interests of the various reservations of the Intertribal COUP member Tribes, as established under both federal treaty and statutory law, and subsequent judicial decisions;
- The historical denial of the benefits of low cost hydropower allocations to area Tribes which, while always eligible as "preference customers" for non-irrigation hydropower, were systematically prevented from receiving such non-irrigation benefits because they were not electrical utilities;
- The obligations and responsibilities of the federal government, and particularly the Department of Energy and Western Area Power Administration for this federal action pursuant to EXECUTIVE ORDER 12898 OF FEBRUARY 11, 1994, for environmental justice with regards to the Rosebud Sioux/Intertribal COUP EJ Wind Demonstration Project, which was competitively selected by the federal Interagency Working Group on Environmental Justice, established under Section 1-102 of EO 12898, and which has received international recognition as a recipient of the inaugural World Clean Energy Award; and

- The potential wind development interconnection and integration opportunities currently being identified under the ongoing Section 2606 studies conducted under the congressional direction provided in Title V of the Energy Policy Act of 2005 for the integration of Tribal wind power with Federal hydropower.

Geographic Location: The present member Tribes of the Intertribal Council are located in North Dakota, South Dakota, Nebraska and Wyoming, will affiliates in Montana and Minnesota. All member and affiliate Tribes are located within the service territories of the Western and Eastern Divisions of the Pick-Sloan Program.

Suggested Appropriate Purpose: Member Tribes of the Intertribal COUP are in the process of establishing a distinct intertribal entity that will be composed of participating member Tribes for the purpose of developing a phased and coordinated large-scale, distributed intertribal project, amounting to at least two giga-watts of wind generation, across the Eastern and Western Divisions of Pick-Sloan Program. Recent studies have demonstrated that the variability of 100 MWs of wind power on the Eastern Pick-Sloan transmission system could be mitigated by the use of only 1 or 2 MWs of hydropower. The intent of the Intertribal COUP proposal is to allow participating Tribes, in collaboration with their federal treaty partners (DOE, WAPA), to jointly optimize their collective wind resources so as to provide for more clean, renewable energy on the federal wires and bring sustainable economic development to the poorest reservation communities in the United States. It is noted that the December 2005 issue of *The Economist* identified eastern Montana, North and South Dakota and Nebraska as America's new ghetto, with reservations being the most "wretched pockets of poverty" in this poorest region of America.

Intertribal COUP proposes and would apply for the use of the inherent flexibility of up to 20 MWs of Western hydropower in the Post-2010 Resource Allocation Pool in the Eastern Pick-Sloan program area to meet the small, incremental system-wide variability imposed by the planned distributed intertribal wind utility project of up to 2 giga-watts of wind generation. If 100 MWs of wind typically adds only a 1% or 2% burden to system regulation (i.e., 1 or 2 MWs of hydropower for additional system regulation requirements for 100 MWs of installed wind power), then the proposed 20 MWs of Post-2010 Resource Allocation Pool of hydropower left in the system could support upwards to 2,000 MWs of tribal wind power distributed on that same system.

The strategic optimization of this resource could bring substantial social, cultural, economic and environmental benefits to this region, which has witnessed the ongoing diminishment of its primary renewable energy resource (reduced hydropower due to severe, persistent drought), and which is anticipating further reductions due the climate change impacts on precipitation expected over the

foreseeable future for the Northern Rockies and Upper Great Plains regions that make up the watershed of the Missouri River.

Further, it would bring tremendous social and economic benefit to the tribal communities in the Eastern Pick-Sloan program in the Upper Great Plains, helping to meet the federal government's trust responsibility and economic and environmental justice obligations to area Tribes.

Finally, it would further both federal and tribal goals by providing a framework to bring other tribal renewable energy projects on to the federal transmission systems operated by all the federal power marketing administrations, to recharge our national renewable energy grid, to address climate change by the reduction of CO₂, and to conserve western water resources which are being rapidly depleted by drought, sprawl, irrigation, and consumption by fossil fuel generation.

Thank you for the opportunity to submit this Letter of Interest for the proposed P-SMBP-ED resource allocation pool for 2010 on behalf of our Rosebud/ Intertribal COUP Environmental Justice Wind Demonstration Project. If you have any questions, please feel free to call me at the numbers above.

Respectfully,

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Patrick Spears, President
Intertribal Council On Utility Policy

cc: Tim Meeks, Western Administrator
Alexander Karsner, A/S EE/RE, Department of Energy
Carl Artman, A/S BIA, Department of the Interior
Charles Lee, Chairman, Federal Interagency Working Group
on Environmental Justice, EPA