

## **Continuation of Service for Aluminum Smelters**

In early February, I attended meetings in Portland, Oregon, with the Public Power Council (PPC) and the Bonneville Power Administration (BPA). The most crucial topic was the BPA's continuation of service to direct service industries (DSIs), such as the Goldendale Aluminum Company (GAC).

Dwight Langer, manager of Northern Wasco County PUD, stood beside Klickitat PUD (KPUD) to support continuation of DSI services. Many times we felt like the lone voice of reason. Other PPC members from consumer-owned utilities thought DSIs were to receive service only through 2001, and that an extension to 2006 would be the last straw. It is interesting to note these same utilities have large industrial customers of their own, many using just as much BPA-supplied power as a DSI. The BPA is now considering what to do after 2006.

KPUD has been prevented from supplying cell-line power for GAC. When Harvey Aluminum—GAC's earliest predecessor—wanted to locate a plant beside the newly constructed John Day Dam, Joe Dressel, KPUD's representative most responsible for siting of the aluminum plant near Goldendale, tried to obtain full power supply through KPUD. The BPA would not permit it, instead allowing KPUD to serve only a small amount of power called the wheel-turning load—the lights and fans that keep the plant going—but not the production load that served the smelter. KPUD and GAC are now being penalized because of that decision.

Gerry Miller from GAC indicated at the meeting GAC's desire to reopen the smelter, with stable power from the BPA being one piece of the equation. Stable aluminum and reasonable raw material prices were the main factors needed to get the plant up and running again. GAC supports direct service through the local utility: KPUD for GAC and Northern Wasco PUD for Northwest Aluminum.

GAC has proposed a pilot light program, securing sufficient low-cost power to support one pot line—about 100 megawatts. This would allow continuous operation of core facilities to ride through the tough times and allow expanded operation when market conditions allow.

The BPA, to its credit, has proposed 500 megawatts of power for all smelters for this purpose. However, that amount may not be adequate. Alcoa alone wants the BPA to provide 100 percent of the balance of its power needs—635 megawatts—more power than the other smelters combined.

Six aluminum plants were represented at the meeting. While most of the utilities represented were not in favor of continued DSI service—with the notable exceptions of Klickitat and Northern Wasco—many conceded the political reality of the jobs these smelters represent.

The BPA left the meeting without a unified position from the public power group, but with enough support to continue searching for a good, long-term solution to serving the DSIs. We certainly hope this is the case, and that raw material prices enable GAC to return to providing family wage jobs for the citizens of Klickitat County.

**Tom Svendsen, General Manager**