



BONNEVILLE
ENVIRONMENTAL
FOUNDATION

April 22, 2003

THE HONORABLE
MARK O. HATFIELD
U.S. Senate (ret.)
Chairman

RALPH CAVANAGH
Natural Resources
Defense Council
Vice-Chairman

RACHEL SHIMSHAK
Renewable Northwest
Project
Secretary

BRETT WILCOX
Golden Northwest Aluminum
Treasurer

BILL DRUMMOND
Western Montana G&T
Cooperative

DON FRISBEE
PacifiCorp (ret.)

STEVE HICKOK
Bonneville Power Administration

JAMES LICHATOWICH
Alder Fork Consulting

JAIME A. PINKHAM
Nez Perce Tribe

WILLIAM T. TOWEY
J-U-B Engineers, Inc.

ALDO BENEDETTI
Tacoma Public Utilities (ret.)
Emeritus

ANGUS DUNCAN
President

133 SW 2nd Ave., #410
Portland, OR 97204
p 503-248-1905
f 503-248-1908
www.b-e-f.org

The concentric circle was a design frequently used in Native American Columbia River pictographs. It may signify the sun, or a pool of water, or may simply be decorative. This example, from the Big Eddy reach, was submerged in 1957.

Ms. Joan Andrews, President
Foundation for the American Indian
PO Box 267
15 East Putnam Avenue
Greenwich, CT 06830

Dear Ms. Andrews:

I appreciated our conversation and your description of the proposed Assiniboine and Sioux demonstration wind energy project at Fort Peck, Montana. This sort of project is not dissimilar to the work of our Foundation in developing both production and demonstration renewable energy projects in the Pacific Northwest. In particular, BEF has partnered with other parties in funding such projects, or in supporting them financially through using BEF's capability to remarket Green Tags generated by the facilities.

As I indicated in our conversation, BEF would consider a financial role in this project. We market wind-based Green Tags nationwide, and may have customers interested in products from high plains wind projects. We expect soon to undertake the marketing of Tags in Montana with a major utility partner serving that state, in which these Tags would be especially marketable.

An approach we have used elsewhere has been for BEF to agree to pre-purchase Green Tags from a project for five or ten years. At today's approximate wholesale tag value of \$5, this could generate some \$50K to \$100K in front-loaded dollars from the proposed tribal wind demonstration project, dollars that could be applied to the front-end capital cost of the project. BEF would carry the risk of remarketing the tags at retail. If BEF can capture net revenues (in excess of costs for the tags and marketing) from retail sales, those proceeds can be reinvested in follow-on tribal renewable projects mutually agreed to among BEF, the tribes and FAI.

BEF is very supportive of the proposed project as a first step toward a meaningful tribal role in developing the extensive wind resource of the high plains. Please keep us advised of progress, and of opportunities for us to be of assistance.

Sincerely,


Angus Duncan
President