

United States Government

Department of Energy  
Bonneville Power Administration

# memorandum

DATE: September 17, 2008

REPLY TO  
ATTN OF: DKC-7

SUBJECT: Response to Special Review on "Petroleum-Based Fuels Usage"

TO: George W. Collard, Assistant Inspector General for National Nuclear Security & Energy Audits  
Office of Inspector General

We appreciate the opportunity to respond to your memorandum on the Department of Energy's petroleum-based fuels usage. Although the Bonneville Power Administration's hydropower system does not emit greenhouse gases, our vehicles do, and the agency has made reducing its fuel consumption and carbon footprint a priority.

We have been a leader in energy conservation for 25 years. In fiscal year 2007 alone, BPA delivered 58 aMW of energy efficiency into the Northwest – the equivalent energy to power 50,000 homes for an entire year.

The Inspector General's report offered three suggestions for DOE: identify additional opportunities to reduce the use of petroleum-based fuels; develop supplemental guidance to promote fuel conservation techniques; and develop a projection of the budget impacts of rising fuel costs and a plan to address future impacts on DOE's mission.

We appreciate these suggestions. BPA's Fleet Management group has identified additional opportunities to reduce the use of petroleum-based fuels and BPA's extensive energy efficiency and conservation program reflects significant guidance to promote fuel conservation techniques. Additionally, the cost of fuel is incorporated into BPA's current and future budget projections as well as our projections of power and transmission rates for our Pacific Northwest customers. As a result, additional evaluation on DOE's mission is not necessary at this time.

BPA has increased its use of alternative fuels such as ethanol (E-85) and bio-diesel. We have installed an E-85 fueling station at the Ross Complex in Vancouver, Wash., and are working to install an E-85 site at our Covington Substation in Kent, Wash. An E-85 fueling station also has been identified to fuel the alternative vehicles in our Portland, Ore., headquarters motor pool.

Our bio-diesel fuel consumption increased more than 30 percent in fiscal year 2008. We have bio-diesel available for our heavy equipment in Vancouver, Wash., and we are modifying our current fuel contracts to require bio-diesel at all BPA refueling sites.

There are currently 276 alternative fuel vehicles in our fleet, including six hybrids. We also have six electric vehicles, and four more are on order. BPA examines its fleet each year for opportunities to reduce the number of vehicles. Each new vehicle purchase must be justified and approved by management.

We have standards in place to identify the vehicles that are necessary to our mission. These standards guide our annual fleet inspection and help us determine the most efficient use of these assets, including reassigning them to different locations rather than increasing the size of our fleet. We eliminate vehicles that are underutilized.

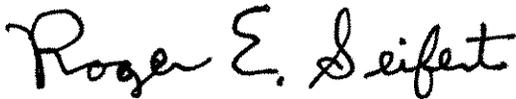
Teleconferencing and telecommuting options are available to many employees to limit their fuel consumption. Many employees also participate in ride-sharing, bicycle to work or take advantage of one of several mass transit programs offered by BPA.

We believe our actions and strategies for fuel conservation will allow us to meet the challenges of rising fuel prices.

BPA will post the Inspector General's Special Review on Petroleum-Based Fuels Usage and this response at [www.bpa.gov/corporate/pubs/audits/](http://www.bpa.gov/corporate/pubs/audits/).

If you have further questions, please contact James Mattix at (360) 418-2457.

Sincerely,

A handwritten signature in black ink that reads "Roger E. Seifert". The signature is written in a cursive style with a large, prominent "R" and "S".

Sonya L. Baskerville  
National Relations Manager