The problem of the interaction of interior, balanced flow with topography is considered. It is argued that interactions between boundary waves and interior flows result in efficient transfers of energy to unbalanced motions that can then lead to energy dissipation. The basic dynamics are captured in a simple, yet surprisingly broad theory. Numerical experiments, in both slip and no-slip cases, are consistent with the theoretical predictions. Applications of these ideas to parameterization in coarse grid models is described.