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Federal Caucus Comment Record, c/o BPA-PL
707 W. Main St, Suite 500
Spokane, WA 99201

Dear Federal Caucus:

This letter includes comments on behalf of Northwest Irrigation Utilities regarding the December 1999 draft entitled "Conservation of Columbia Basin Fish, Building a Conceptual Recovery Plan", commonly referred to as the "All-H" paper. Northwest Irrigation Utilities is a non-profit corporation consisting of 22 electric utilities that rely upon BPA as their primary or exclusive supplier of energy, and that have a significant agricultural element of their economy. We also represent the interests of another 20 smaller utilities that are customers of BPA.

I would like to commend the Federal Caucus for publishing the All-H paper, and for allowing its public review and discussion concurrent with public hearings regarding the Lower Snake River dams. The All-H paper demonstrates that solutions to endangered fish and wildlife issues must be found on a region wide basis, and must comprehensively address the life cycle of these species, rather than focusing on only one component, such as the hydrosystem. The All-H paper is a step in the right direction, particularly if it results in a unified plan for the region. However, the three basic strategies presented in the paper are not the only alternatives available, and may not include one or more viable options for the region to consider. This basic point is addressed in more detail in the following sections.

Deficiencies in the Range of Alternatives Presented in the All-H Paper

The All-H paper is drafted with the presumption that there are three basic alternatives for a Columbia Basin fish recovery plan: 1) the current program, 2) an aggressive program, and 3) breach the Lower Snake River dams. These can be summarized as follows:

- The "current program" is described as "*continue on the present path of ongoing improvements to the system, with roughly the existing annual level of investment continuing into the future.*" (page 6). From NIU's perspective, the current program may be insufficient. The combination of flow and spill requirements (and associated foregone generation revenues), and program funds available for habitat restoration, hatcheries etc. have not resulted in a turn around in the number of threatened or endangered stocks. Whether the factors of hydro, habitat and hatcheries are the key variables, or whether overall ocean conditions and resulting harvest practices are the dominant factors impacting the stocks' health is not a fully resolved issue. However, the National Marine Fisheries Service CRI analysis is the most compelling information we have seen that sheds some light on this question. The Anadromous Fish Appendix of the Corps EIS states that "Numerical experiments that correspond to manipulations of "current demography" indicate that small improvements in estuarine and early ocean survival or in the survival of newly born fish, will yield the greatest rewards in terms of enhanced population growth."

The current program should be rejected in favor of investments in habitat designed to improve survival of newly born fish, and improvements to the estuary.

- The “*aggressive program*” is described as “*federal agencies would seek increased funding to pursue more aggressive implementation of measures to improve passage survival. Flow augmentation (especially in the Snake River) and spill will be increased.*” (page 6). The *aggressive program*, particularly to the extent it is focused on increased flows, will not have a demonstrable positive impact on endangered species. This view has already been proven through the CRI modeling process. Yet the region continues to labor under flow targets that are not based on science or hydrological reality, and result in low water year flow requirements in the Snake River Basin that exceed the capability of the system. Thus the *aggressive program* in the All-H paper is essentially a continuation and expansion of the failed strategies contained in the *current program*.

Aggressive measures by Federal agencies on private lands under the authority of the Endangered Species Act and Clean Water Act to control the water use represents a potentially contentious and litigious strategy where regional parties will work at cross purposes rather than seeking a common good. The *aggressive program* as described in the All-H paper does little to demonstrate what can be done to improve habitat and local stream flows through voluntary measures based on financial incentives that are an inducement to change current practices.

- The “*breaching option*” is described as “*removal of dams that block passage in the lower Snake River*” (page 6). A proposal to breach of the Lower Snake River dams is a limited idea that would impact only four of the basin wide twelve stocks that are already listed as threatened or endangered. The longer-term biological benefits are at best unclear, and in the shorter term, breaching creates significant risks for these fish populations. For example, the release of 50 – 75 million cubic yards of sediment into the river could have disastrous consequences for some of the currently strongest stocks, such as the Hanford Reach Fall Chinook. The general economic impacts for the region are substantial, and will be addressed in much greater detail in our comments on the Corps Draft EIS).
- **Financial Constraints Not Addressed** Although the *aggressive program* and *breaching* alternatives rely heavily upon future additional dollars being available, the document is silent as to how funding would be secured. For example, the *aggressive program* contains \$750 million to \$1.0 billion for reconfiguration activities between 2001 and 2010 (Hydropower Appendix p. 109). The Habitat Appendix, page 104 states that “a total investment of over \$3 billion would be required to adequately address habitat needs in the Columbia River Basin through 2015.” To the extent the *aggressive program* requires additional flow and spill as described in the Hydropower Appendix, the document does not address what these measures will mean to BPA in terms of additional foregone revenue from power production.
- **Regional Power Needs Not Addressed** In March of 2000, the Northwest Power Planning Council issued a report entitled Northwest Power Supply Adequacy/Reliability Study. Under “Key Findings” the report states there is a 24% probability of generation shortfall by the year 2003, compared to an inferred utility standard of 5%. To meet that standard in the Northwest, 3,000 megawatts of new generation would need to be added (page 3). The report states on page 4 that, “In periods of very high demand, after all available Northwest generation and imports have been used, it may still be necessary to draft

reservoirs in the system below levels that would ordinarily be constraints, and use this emergency generation to meet demand". The Snake River dams produce 1,195 MW of power for the region. Removal of the dams would leave us incredibly vulnerable in the event of a forced outage of another regional generation resource. People expect their lights to stay on, with occasional short-term outages, measured in hours. Rolling brown outs are not an attractive option for the region.

In contrast to the blunt realities of the Reliability Study, the All-H Aggressive program and the Breaching proposal fail to take into consideration power and related transmission needs. For example, page 70, describing the Aggressive Program contains the following language: "this option assumes that aggressive measures are implemented and limited by biological criteria only (i.e., measures are assumed to not be limited by physical constraints such as the transmission system, dissolved gas super saturation etc." NIU is not recommending that power constraints drive fish decisions. However, decisions regarding fish and wildlife need to be made with an understanding of how the power and transmission system will be impacted. The All-H paper skips over these constraints. Without a full consideration of these issues, the Federal Caucus has deprived elected officials and other key decisions makers of the full range of information needed to make a balanced choice.

Federal Caucus Should Consider a Fourth Alternative to the Three in the All H Paper

The Federal Caucus, in consultation with the Northwest Power Planning Council, should examine an option featuring a new flow regime for the Columbia River system, combined with significant investments in habitat improvement. In such a proposal, Spring supplemental flows are drastically curtailed or eliminated, Summer flows are set at a low water year, voluntary spill is reduced if no demonstrated biological value has been established, system improvements for fish passage are funded and the current levels of barging of smolts continues.

Such a proposal would create more revenue for BPA, from both generating more electricity and producing it during months of the year when it has greater market value. This was estimated by participants in the Multi-Species Framework Process to have a financial value in the range of \$25 - \$50 million per year over current operations. This revenue would be in addition to what BPA intends to collect through its 2002 - 2006 proposed rate structure compared to the "current program". Also, in taking this approach, BPA could "free up" anticipated funds to be collected through the 2002 rates based upon the equally weighted risk of funding 13 Configuration Alternatives for the Columbia River system included in the proposed rates.

These two actions could result in an additional \$1.0 billion available over a 10 year period, without raising power rates, and such revenue could be rededicated to high priority activities. These "new funds" should be used principally for habitat restoration and estuary enhancements, but also could be available for system improvements or as a financial inducement to more selective fisheries. A summary description of such a proposal was included as Alternative #6 of the Northwest Power Planning Council's Multi-Species Framework Process.

Simple math works in favor of such an alternative. For example, if two adult Snake River salmon lay 5,000 eggs, it is estimated that only about 400 smolts survive until it is time to begin migration. Of the smolts reaching the lower Columbia River, about 1/3 of them are killed due to birds, other fish, seals etc. Even small percentage improvements to habitat combined with modest improvements in lower river conditions could have a significant impact on recovery objectives.

Impacts of Framework Process Alternative #6 Compared to Aggressive Option and Breaching Lower Snake River Dams

Unfortunately the Multi-Species Framework Process as of this date has not produced a final report. However, members of the Northwest Power Planning Council were briefed on initial results on February 1st. It was interesting to note that in the NWPPC's draft analysis, Alternative #6 produces as many total Chinook (natural and hatchery) for the Columbia River System, as the Federal Aggressive Option or the breaching of the Lower Snake River dams option. More importantly, the NWPPC draft analysis contained aggregated impacts on all Snake River Chinook populations as a province of the entire basin. Alternative #6 shows nearly a 30% increase in Chinook stocks, compared to just over 20% for Alternative #3, (dam breaching), and about 25% for the Alternative #5 (the Federal Aggressive Program).

Admittedly, much of the information from the Framework process is preliminary, and subject to review. The All-H paper makes many references to the Framework process and its analysis. Yet for reasons we don't understand, the Federal Caucus has to date decided not to analyze this approach, and to show its impacts compared to three the alternatives in the All-H paper. The members of the Federal Caucus should feel compelled to analyze other alternatives that may have a significant benefit for the fish, and that could be accomplished within the revenues that are available or that may reasonably be projected for the region.

Immediate Actions the Federal Caucus Should Consider

1. The Federal Caucus needs to do comprehensive planning, recognizing the interrelationship between fish recovery and the operation of the power and transmission system of the Northwest. Planning in a vacuum will not result in a realistic set of choices for elected officials.
2. The Federal Caucus needs to improve its coordination with the Northwest Power Planning Council, which has statutory responsibility for developing a recovery plan for the Northwest that both protects fish and wildlife, while recognizing the power supply needs of the region.
3. The Federal Caucus needs to recognize that funding is a constrained resource, and that the financial burden of recovery measures will in all likelihood rest mainly on the shoulders of Northwest citizens.
4. The Federal Caucus should fully develop a new flow regime that is based upon realistic hydrology, and documented results. Spring flow augmentation should be substantially reduced or eliminated, and summer flow augmentation should be scaled back to reflect a low water year.
5. About \$1.0 billion over 10 years should be set aside, in a special fund for the region to Administer, mainly for habitat improvement. The fund would be financed by revenue gains to BPA from new generation, combined with the savings from not pursuing the more expensive reconfiguration proposals in the 13 Alternatives equally weighed in BPA's 2002 -2006 proposed rates. Based upon the Summary Chart of Habitat Restoration Activities included on page 107 of the Habitat Appendix, this \$1.0 billion, when combined with other Federal funds available, should be sufficient to cover identified habitat needs for the next 10 years.

6. Federal funds that are available to the region for habitat improvement, but are languishing in bureaucratic red tape, need to be released and spent both for investments on public lands and for mutually agreed upon investments on private lands.
7. In developing a comprehensive regional plan, involve stakeholders in solutions. Start with the big picture for the region, but then for sub-basins and individual watersheds try to solve problems at the local level, and make funds available to initiate programs.
8. Reject the notion of dam breaching or the pursuit of aggressive non-breaching alternatives that have limited if any scientific justification. We need to focus our creative energy on region wide strategies that have a chance of succeeding, and that strike a balance between fish recovery and the region's economy.

I hope you find these comments constructive, as they are offered with that intent. If you would like additional information regarding NIU's views on these matters, or if there is something we can do to assist the Federal Caucus in its future deliberations, please let me know. These comments are meant to convey basic policy positions. NIU may be submitting additional technical comments regarding the All-H paper and the Corps Draft EIS before the end of the month.

Best Regards,

John D. Saven
Executive Director

CC: Members of the Northwest Power Planning Council
Members of Northwest Irrigation Utilities and Northwest Requirements Utilities