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NORTHWEST UTILITIES ADD MUSCLE TO FIGHT FOR CUSTOMERS IN COLUMBIA RIVER TREATY TALKS

Utilities combine with law firm Van Ness Feldman and former U.S. Congressman Norm Dicks

SEATTLE – With hundreds of millions of dollars at stake for 6.4 million Pacific Northwest electric utility customers, a coalition of 70 Northwest utilities, industry associations and other entities has hired Washington, D.C. and Seattle-based law firm Van Ness Feldman. The coalition known as the Columbia River Treaty Power Group plans to share its views with policy makers and regional stakeholders on economic, environmental and operational issues as the United States prepares to renegotiate the 1960s-era Columbia River Treaty.

One member of the Van Ness team is no stranger to Washington state residents - former Congressman Norm Dicks. The 18-term former congressman joined the Washington, D.C. and Seattle-based firm of Van Ness Feldman earlier this year.

The Treaty has no expiration date, but could be terminated as early as 2024 with a 10-year notice. The Bonneville Power Administration (BPA) and the U.S. Army Corps of Engineers will make a recommendation to the U.S. Department of State on the Treaty's future by the end of 2013.

“We understand the major impact that this Treaty has on the customers we serve,” said Bill Gaines, Director & CEO of Tacoma Public Utilities. “This partnership signifies our continued commitment to negotiate the best possible deal for power customers throughout the Northwest and to best protect the interests of the United States.”

The Power Group became concerned about the direction of potential Treaty negotiations when a draft recommendation was released by BPA and the Corps on June 27. The draft proposes to add ecosystem functions as a “third primary purpose” of the Treaty, which was ratified in 1964 to facilitate international development of the Columbia River for improved flood control and power generation. Unfortunately, the draft fails to recognize that U.S. hydropower operations have already been adapted to ecosystem concerns pursuant to numerous laws and regulations passed since the Treaty was enacted.

“As a former member of Congress and Northwest representative, I am keenly aware that this region has invested billions of dollars in the Columbia River Basin during the last five decades to protect fish and water resources,” said Dicks, Senior Policy Advisor for Van Ness Feldman.

“We need to make sure that people across the country know we have programs in place - independent of the Treaty - that will protect these resources going forward.”

A priority of the Power Group is reaching an equitable allocation of Treaty benefits between the U.S. and Canada. The U.S. returns hydropower to Canada valued about \$250 - \$350 million annually under a provision of the Treaty called the Canadian Entitlement. If the Treaty continues beyond 2024, the region will be paying much more than the actual benefits of coordinated power operations with Canada, impacting Northwest jobs and the economy.

“BPA customers need an additional advocate to make sure our views are heard at the highest level in the region and in Washington, D.C.,” commented Will Hart of the Idaho Consumer-Owned Utilities Association. “Our organizations are intensifying our work on the Treaty to bring more balance to this process. This is an incredibly important economic issue for the region.”

Flood control is another critical issue. “People in this region also need to be aware that the flood control provisions of the Treaty change in 2024 regardless of whether the Treaty is terminated or continued,” said Scott Corwin of the Portland-based Public Power Council. “The implications for hydropower operations, irrigation, navigation, recreation, and property are an important aspect of this agreement that needs to be broadly understood.”

Another increasingly important consideration is the impact of potential operational changes on grid reliability. “Going forward, we need to ensure that future river operations preserve hydropower generation to support grid reliability, given the integration of a large amount of variable energy resources like wind and solar,” said Joe Lukas, Manager of Western Montana Electric Generating & Transmission Cooperative, Inc.

The coalition believes that the Van Ness Feldman group and former Congressman Dicks will help elevate the concerns of electric customers before a final recommendation is sent to the U.S. State Department later this year.

For more information about the Power Group, visit www.crtpowergroup.org

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