



Idaho Consumer-Owned Utilities Association  
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10-25-13

Mr. Stephen Oliver  
U.S. Entity Coordinator  
Bonneville Power Administration  
United States Entity  
P.O. Box 3621  
Portland, OR 97208-3621

Mr. David Ponganis  
U.S. Entity Coordinator  
U.S. Army Corps of Engineers  
United States Entity  
P.O. Box 3621  
Portland, OR 97208-3621

Dear Mr. Oliver and Mr. Ponganis:

The Idaho Consumer-Owned Utilities Association (ICUA) appreciates the opportunity to provide comments on the U.S. Entity's September 20, 2013 Draft Recommendation for the future of the Columbia River Treaty (Treaty). ICUA represents twenty-two rural electric cooperatives and municipal power companies across the State of Idaho. Our members purchase 96% of the power they distribute from the Bonneville Power Administration. All ICUA member utilities deliver power "at cost" and no member operates on a "for profit" basis.

ICUA appreciates the U.S. Entity's efforts, since issuing the June 27, 2013 working draft recommendation, to better understand the concerns and interests of Northwest electric customers related to its effort to develop a regional recommendation for the U.S. Department of State (State Department). However, ICUA's principal concerns are not adequately addressed in the Draft Recommendation: (1) prioritizing the Canadian Entitlement as the most important issue to address in any renegotiated Treaty; and (2) fully accounting for significant ongoing efforts in the Columbia River and its tributaries for fish and wildlife in any proposal to expand the Treaty to include ecosystem function. ICUA urges the U.S. Entity to closely examine and fully address these issues when developing its final recommendation to the State Department.

### **Canadian Entitlement**

The Canadian Entitlement was negotiated a half-century ago. The methodology for calculating this Entitlement no longer reflects current conditions, and it leads to a significantly inequitable result, detrimentally affecting ICUA and Northwest electric customers. Accordingly, ICUA strongly believes that rebalancing the Canadian Entitlement must be the single most important objective in the U.S. Entity's final

recommendation to the State Department. Properly rebalancing the Entitlement in a manner that does not exceed one-half of the actual incremental power benefit achieved through a coordinated U.S./Canada operation will reduce burdens on Northwest electric customers and expand the availability of clean hydroelectric power in the region. The Entitlement is an inherently international issue, and it can be resolved *only* between the U.S. and Canada. It is also a very important economic issue for this region.

Unfortunately, the Draft Recommendation seems to lose sight of the singular importance of the Canadian Entitlement by promoting Treaty expansion to include ecosystem function. ICUA is troubled by the U.S. Entity's proposed shift in Treaty priority. While ICUA is proud of its environmental stewardship, fish and wildlife resources are protected and managed through robust federal and state regulatory programs. By contrast, resolution of the Canadian Entitlement is an international issue that must be resolved between the U.S. and Canadian. As such, the U.S. Entity—instead of exerting significant resources on domestic ecosystem issues—should be focused intently on analyzing the problems in the current Entitlement methodology, identifying possible solutions for correcting these problems, and developing a recommendation for resolution with Canada at the earliest possible time.

ICUA urges the U.S. Entity to clearly promote the rebalancing of the Canadian Entitlement as the paramount priority in its final recommendation to the State Department.

### **Ecosystem Function**

ICUA is concerned that the ecosystem function described in the Draft Recommendation is vague and does not adequately account for the substantial investments of time and resources which we and others have undertaken for the protection and management of wildlife and fish resources. The uncertainties associated with ecosystem function, as presented in the Draft recommendation, present significant risk to these important programs and the corresponding investments incurred by electric customers in the Northwest.

Substantial programs have been implemented in the Columbia River and its tributaries to protect and manage fish and wildlife resources—at a significant cost to Northwest electric customers. ICUA is concerned that any proposal to inject ecosystem functions at the Treaty level could have unintended consequences, interfering with the well-established and ongoing efforts, and detrimentally affecting the very resources that a Treaty-imposed ecosystem function would seek to protect.

For this reason, any final Recommendation to the State Department related to ecosystem function should protect Northwest electric customers' substantial investments in fish and wildlife by carefully accounting for all ongoing efforts in the Basin, and the U.S. Entity should ensure that its Recommendation does not inadvertently conflict with, undermine, or disrupt ongoing programs. Such efforts include the Federal Columbia River Power System Biological Opinion, the Columbia Basin Fish Accords, Habitat Conservation Plans, and requirements of Federal Energy Regulatory Commission hydropower project licenses.

## **Additional Issues**

ICUA also believes the U.S. Entity should consider the following issues as well when developing its final recommendation to the State Department:

- **Flood Risk Management**: ICUA places a high priority on public safety, and we believe a modernized Treaty should maintain flood management similar to current levels. Funding should be consistent with national flood risk policy, with local cost-sharing as appropriate.
- **Irrigation and Water supply**: ICUA believes a modernized Treaty should not change flows to the detriment of existing water rights established under state or federal law. Additionally, any future decisions pertaining to water supply must include holders of existing rights.
- **Navigation**: ICUA believes any proposed changes in flows should be studied in detail to determine any potential impact on river navigation, including operational restrictions and river dredging.

## **Conclusion**

The Draft Recommendation attempts to address several issues raised by ICUA and other stakeholders, in both written comments and in meetings with the U.S. Entity. We appreciate the work which has gone into the revision process. However, we believe the Canadian Entitlement must be the highest priority in the U.S. Entity's final recommendation, as this issue can be resolved *only* through negotiations between the U.S. and Canada. Additionally, ongoing fish and wildlife programs should be fully analyzed and protected in any final recommendation to the State Department related to ecosystem function.

ICUA appreciates the opportunity to comment on this important matter. We encourage the U.S. Entity and the State Department to continue to work with the Columbia River Treaty Power Group, of which ICUA is a member. ICUA remains ready to discuss these issues in greater depth, and to work towards reaching a truly regional final recommendation. Please feel free to contact Will Hart, at 208-344-3873, [whart@icua.coop](mailto:whart@icua.coop), if you have any questions regarding the issues raised in this letter.

Sincerely,



**Will Hart**  
**Executive Director, Idaho Consumer-Owned Utilities Association**