



City of Seattle

Seattle City Light

October 18, 2013

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

Mr. David Ponganis
U.S. Entity Coordinator
U.S. Army Corps of Engineers
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P.O. Box 3621
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Dear Stephen Oliver and David Ponganis:

Thank you for the opportunity to provide comments on behalf of Seattle City Light regarding your Columbia River Treaty Draft Regional Recommendation dated September 20, 2013. We appreciate your efforts to gather input from all stakeholders to develop a consensus document. We were pleased to see that the current Draft Recommendation acknowledges the substantial investment of Northwest ratepayers in ecosystem concerns to date and recognizes the importance of balancing power, flood control and ecosystem benefits. As we look to the future, the value of clean, carbon-free energy derived from the Columbia will be increasingly critical to the economic success and environmental health of the Pacific Northwest.

Seattle City Light supports the incorporation of ecosystem as a third primary purpose of the Treaty, provided that existing, as well as future, ecosystem enhancement measures undertaken on both sides of the border are recognized. However, we are concerned that the Draft Recommendation is not clear about how the benefits of ecosystem will be balanced with flood control and power generation; or how the costs associated with ecosystem efforts will be allocated. Seattle City Light's experience suggests that compromises by all parties will be required to reach a balanced outcome, but the Draft Recommendation does not provide a mechanism for how that balance might be reached. We believe the Final Recommendation should include a set of principles to balance the interests of the three primary purposes when it is not possible to maximize the benefits of each independently. For example, additional ecosystem efforts undertaken as part of a renegotiated Treaty should not eliminate the benefit of recalculation of the Canadian Entitlement.

Seattle City Light is also concerned about how the value of benefits would be determined under a modernized Treaty, but the Draft Recommendation does not address how this might be done. We would appreciate assurance that the benefits of actions that are undertaken in the USA and Canada pursuant to the modernized Treaty will be credited to the appropriate



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purpose. For example, if additional stored water was made available as part of a renegotiated Treaty, and such water was deliberately spilled at dams to enhance fish migration, it would be counted as a mutual ecosystem benefit, not as a downstream power benefit to be returned in part to Canada. This approach will be increasingly important as the effects of climate change continue to impact the volume and seasonality of river flows on the Columbia.

There are a number of technical decisions associated with delivery to be considered in any renegotiation of the Treaty. For example, as a result of the U.S. Entity decision not to build the Oliver-Chief Joseph transmission line, the Canadian Entitlement energy has been returned to Canada via transmission lines running through the heavily populated Puget Sound area. In recent decades this has created transmission congestion events and threatened the reliability of the service we provide to our customers. We encourage the U.S. Entity, as it prepares the State Department for future negotiations with the Province of British Columbia, to keep front of mind the practical impact of the choice of delivery on the people of the Puget Sound region, and to consider other alternatives which would better meet the needs of both the customers we serve, and the citizens of British Columbia. This could include alternative delivery points or other means of delivering shared benefits to Canada than simply sending megawatts north.

Finally, Seattle City Light believes that the interests of the USA and Canada must be closely aligned to create a sustainable framework to address current and future problems with the Treaty, yet the Draft Recommendation fails to explain the common ground that will be necessary to initiate an international discussion of Treaty modernization. We continue to believe that a notice of termination may be necessary to engage the Province of British Columbia's full participation in this important effort.

We are looking forward to a wider, international conversation about what a modernized treaty would entail. Thank you for taking the time to review our suggestions on the Draft Regional Recommendation. Should you have any questions please feel free to contact Robert Cromwell at (206) 684-3856 or via email at Robert.cromwell@seattle.gov.

Sincerely,



Jorge Carrasco
General Manager and Chief Executive Officer
Seattle City Light

