




The Cooperative Way!

BENTON RURAL ELECTRIC ASSOCIATION

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Transmitted Electronically
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CRT Review (DKE)
P.O. Box 14428
Portland, Oregon 97293

U.S. Entity Coordinators, Columbia River Treaty:

Mr. Stephen Oliver
Bonneville Power Administration

Mr. David Ponganis
U.S. Army Corps of Engineers, Northwestern Division

Gentlemen,

The following is a response from Benton Rural Electric Association (Benton REA) regarding your June 27, 2013 “Columbia River Treaty Review Working Draft of a Regional Recommendation.” Benton REA is a not for profit electric distribution cooperative that relies upon BPA as their primary supplier of wholesale electric energy, and that has significant customer loads relating to irrigated agriculture. Benton REA is headquartered in Prosser, WA. Also, a large amount of our residential loads and commercial loads are directly or indirectly tied to the agricultural sector.

The cost of power to drive our irrigation pumps and the availability of water supply are crucial elements for the agricultural sector in the Northwest to remain competitive.

In this context, the Benton REA is alarmed about the June 27th Columbia River Treaty Review Working Draft of a Regional Recommendation, “Improving the Columbia River Treaty Post - 2024.” We believe the draft recommendations are unnecessarily vague and leave the door open for the U.S. Entity to consider changes in system operations or assignment of additional power supply costs that would be very detrimental to the economic viability of irrigated agriculture as well as cause higher retail rates to commercial and residential members of the Cooperative. Benton REA is affiliated with NIU and support the more extensive comments submitted by that organization.

The primary purpose of the Columbia River Treaty with the Canadians surrounds the issues of power supply and flood control and the related issues of compensation between the two nations. *“When the Treaty was originally drafted in the 1960s, it was designated to provide hydropower*

and flood risk management as its two primary benefits.” Now the June 27th draft recommendations take the liberty of revising the purposes of a new treaty, and in so doing switches alleged societal benefits to be predominant over power supply and flood control. *“The region’s goal is for the U.S. and Canada to develop a modernized framework for the Treaty that ensures a more resilient and healthy ecosystem-based function throughout the Columbia River Basin while maintaining an acceptable level of flood risk and preserving reliable and economic hydropower benefits.”* This is unacceptable.

Also, because of the regions insistence on massive integration of renewables (primarily wind), placing and even greater strain on the hydro system, causing more reliability issues, higher prices and requires even greater reserves all of which means the need for more operational flexibility and more not less generation capability of the FCRPS. BPA has also suggested that they now believe that they have a capacity problem on the system in order to adequately serve load – the solution of course is more money from rate payers - we cannot afford to jeopardize the economic health of our members for “modernization” of this Treaty.

Irrigated Agriculture Potentially Placed at Risk

The draft recommendations do not provide enough backup information for Benton REA to fully understand the technical operating features of the recommendations in the Ecosystem-based Function section. However, we are deeply concerned about the adverse impacts of proposals “to further augment flows for spring and summer.” In addition to BPA and the Corps of Engineers, how is it that the Bureau of Reclamation, that owns and operates many of the FCRPS facilities, allows this type of proposal to be included in the document? Who is supposedly representing our interests from the Bureau of Reclamation? These types of proposals not only have an adverse impact on power rates, but also potentially impact the amount and timing of water available for irrigation withdrawals. Absent needed water the agricultural community would need to shift to lower value crops or perhaps just give up!

The Federal Action Agencies have just released the Draft Comprehensive Evaluation 2013 Overview which identifies the accomplishments in implementing the FCRPS Bi-Op from 2008 to 2012. The Bi-Op provides a plan for environmental mitigation for the FCRPS dams through 2018 where the measures and evaluation criteria have been subject to close scrutiny using the best science available from NOAA Fisheries and the Federal Agencies.

The FCRPS Bi-Op is the scientifically supported roadmap for mitigation measures for FCRPS facilities which has been embraced by the Federal Action Agencies (BPA, the Corps of Engineers and the Bureau of Reclamation), as well as NOAA Fisheries and the courts. NIU members have supported the Bi-Op and did not oppose BPA entering into Fish Accords with many Native American Tribes. BPA also entered into spending agreements with the States for environmental mitigation. The region has already invested over \$13 billion for federal fish and wildlife measures.

As irrigators our members are good stewards of the environment and support providing reasonable mitigation related to the operation of the federal dams. It is our understanding that the Bi-Op provides a plan through 2018 that includes measures that fully mitigate FCRPS facilities. This is the largest fish and wildlife enhancement program in the world.

In light of our support of the scientifically based Bi-Op to provide a fish mitigation plan through 2018, we vigorously object to new undertakings for flow augmentation and voluntary spill that are categorized as an “Ecosystem-based Function” in the draft recommendations. Naturally we are open to considering the scientific and cost/benefit value of discrete measures impacting the ecosystem that could emanate from treaty negotiations. Unfortunately that balance is not achieved and the June 27th draft recommendations go too far.

We would like an explanation as to why these proposals are being advanced when we already have the FCRPS Bi-Op in place, particularly when some of the ideas appear to be at cross purposes with the Bi-Op.

For any negotiations to be successful, the regional recommendations from the U.S. Entity need to be clear, focused and containing items that are mutually compatible. The June 27th draft recommendations fail that test because they contain incompatible major provisions that work at cross purposes and try to please all target audiences. A document of this nature leaves us vulnerable to other decision makers picking and choosing what is important to them. Given the tone of the draft, Benton REA believes we are vulnerable to the U.S. negotiators potentially advancing a strategy that is based principally on ecosystem modifications rather than flood control and hydropower.

Our primary concern is whether BPA and the Corps, along with the Bureau of Reclamation, can develop a recommendation for the region and convince the U.S. State Department to adopt a position that has much if any support by the regions irrigation customers. Our support is linked to hydropower availability and costs of power. Given the nature of the June 27th draft, how it was developed, and the described path forward, we are not in a position to assume that the federal agencies will somehow extract from the draft and vigorously press forward with a proposal that has an acceptable balance for irrigators.

Moving Forward

BPA and the Corps, joined by the Bureau of Reclamation, should not focus initially on the details of the June 27th recommendations but rather on a process that has a likelihood of achieving a regional consensus. At this point, Benton REA does not support, and will actively oppose the draft recommendations because they are far too nebulous and leave the door open for outcomes that are at cross purposes with the overall intent of the treaty. The draft recommendations must be materially revised to provide a better balance for FCRPS irrigation use, while de-emphasizing ecosystem where ecosystem issues are at cross purposes with irrigated agriculture.

The U.S. Entity should regroup and determine an open access path forward that involves meaningful irrigation customer participation, even if it means delaying submitting draft recommendations to the State Department in September. Benton REA does not defer to any of the other sovereigns in the SRT as representing its interests.

Benton REA recommends that the June 27th draft recommendations be revised as describe above. In the event that cannot be achieved by the U.S. Entity for any set of reasons, then we would recommend one of the two following courses of action:

1. Recommend to the U.S. State Department that 10 year termination notice be given to Canada, while not being specific yet as to the items the U.S. would like to bring to the bargaining table. Then take the time to develop regional recommendations where BPA customers have a meaningful opportunity to provide input.
2. Do not advance a recommendation to the State Department at this time. The outcome of negotiations with Canada based on the June 27th draft recommendations could be potentially more onerous to irrigated agriculture and others in the region than the status quo. We would rather face what we know today rather than what the federal agencies could be ordered to do in the future by parties that have no vested economic interest in the outcome

Thank you for the opportunity to comment.

Sincerely,



Clint Gerkenmeyer
Benton REA General Manager/Executive VP