



Electricity From Irrigation Water

GRAND COULEE PROJECT HYDROELECTRIC AUTHORITY

32 "C" Street NW, Room 305

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Dear Mr. Oliver and Mr. Ponganis:

This letter is a response to your draft issued on June 27, 2013 regarding the Columbia River Treaty. There are a number of issues in the draft that need to be addressed as being overly emphasized or significantly lacking in the draft. The draft itself seems to put ecosystem at the forefront of the issues that should be addressed as the region contemplates action regarding the Treaty. While ecosystem impacts certainly deserve consideration, if there is to be modification to the Treaty, we believe that it certainly must be acknowledged just how much the region already contributes to addressing ecosystem impacts. Any suggestion that the ecosystem function has been ignored under the Treaty ignores that the U.S. hydropower operations in the Columbia River Basin have been adapted to ecosystem concerns pursuant to numerous laws and regulations passed since the Treaty was signed. To further add confusion to the Draft and the need to address "ecosystem based function" is the lack of definition as to what ecosystems are being discussed. The region has invested billions of dollars to address ecosystem impacts and have committed to those well into future. We understand that this issue could be considered as a "primary purpose" within the framework of an amended Treaty but with a strong emphasis and recognition for what is already being done.

Despite an assertion that a wide range of stakeholders influenced the draft recommendations, utilities and water users were not invited to participate on the Sovereign Review Team and therefore were prevented from engaging in a substantive and meaningful way during discussions occurring among federal and state agencies and tribes. The input opportunities outside of SRT for developing the recommendation were clearly insufficient as evidenced by the draft. We certainly believe that utilities, water users, and other stakeholders need to be provided with a stronger role as the U.S. Entity contemplates future participation to amend or modify the Treaty. The draft recommendation urges the Department of State to establish a domestic advisory mechanism to "assist, inform, and advise" it during negotiations with Canada. If such mechanism is established, we strongly advise that utility and water users be represented on par with "sovereign" interests. Failure to do so will effectively limit the technical and economic information available to Treaty negotiators.

As identified in the draft, there needs to be a rebalancing of the downstream power benefits between the United States and Canada. In the draft it appears to be far more focused on evaluating U.S. internal priorities than taking a critical look at the ongoing benefits and costs of this agreement with Canada. We firmly believe that any power payment made to Canada not exceed one-half of the actual incremental power benefit achieved through a coordinated U.S./Canadian operation as compared to non-coordinated operation. We are also concerned about the statement in the cover letter stating that the "Columbia Basin Tribes and others continue discussing the degree and extent to which both Canadian and U.S. hydropower production should be



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reduced or traded-off in order to provide increase ecosystem-based function." We believe the preservation of the existing benefits of the hydropower system is critical to the Northwest economy.

Regarding flood control, we agree the need to identify "effective use" as applying to the eight U.S. reservoirs authorized for system flood control and that spending authorizations for flood control need to come from congress.

The Columbia River a tremendous asset and plays a critical role in the Northwest economy and cultural identity. It generates clean renewable electricity for millions of people, provides for irrigation for over 600,000 acres in the Columbia Basin, provides habitat for fish and wildlife, offers recreational opportunities for thousands, provides water for navigation, and the main resource that is used to "balance" the majority of wind that has been added to the regions generation resource mix. We urge the U.S. Entity not to contemplate changes to the Treaty that would degrade the system in a manner that would result in a net loss to the United States for both environmental and economic interests.

In closing, we again would call out the need for balance, and addressing the most important issues in a fair and equitable manner. We do not feel that there has been adequate representation in the process, which is certainly evident in the draft. As the U.S. entity considers its next draft there needs to be more attention and acknowledgement of ecosystem contributions already in place dealing with fish and cultural resources. Not doing so would be a significant disservice to all who are involved in this process and the contributions that have already been made to deal with ecosystem impact. We certainly are willing to contribute the time and energy to reach a more equitable recommendation to the Department of State that will set the stage for a post 2014 process.

Thank you the opportunity provided to comment on the draft document.

Respectfully submitted,

Tim Culbertson
Secretary-Manager
Grand Coulee Project Hydroelectric Authority