

March 31, 2022

Dear NW Congressional Delegation,

On behalf of the Columbia River Treaty Power Group, we want to thank you for your continued advocacy and support for securing a fair outcome for NW electric customers in a renegotiated Columbia River Treaty (Treaty). Over the past eight years, the region has benefited from your sustained engagement with the executive branch, including the White House, Department of Energy, and the State Department, and once again we are asking for your assistance regarding several ongoing concerns and challenges with current negotiations.

As you know, under the current Treaty, the power sector in the U.S. estimates that our customers are overpaying Canada \$150 million annually in carbon-free hydropower; power that would help NW electric utilities and our customers meet ambitious state and national clean energy goals and contribute to the United States' energy independence and security.

Negotiators for both countries took time to set the negotiations, went through 10 rounds of negotiation, then waited over 16 months before commencing rounds 11 and 12. Given the lack of progress that is evident, we have become increasingly frustrated at the State Department's lack of identifiable progress with negotiations, despite twelve negotiating sessions with Canada over the past four years. Even more disconcerting is that we believe the Treaty's power provisions are not a priority for the State Department. We base this belief on continual representations from the State Department of the priorities in the negotiations, which, to date, conspicuously omit the overpayment to Canada.

We believe there are several primary issues that warrant a change of course that you might consider in your communications to the Biden Administration:

- 1) Improve transparency. There is an unnecessary amount of opaqueness to the status and parameters of the negotiations shared with the power sector. The State Department does meet with domestic stakeholders but willingly withholds information from the power sector – power provisions have not been adequately prioritized by the State Department. We have learned about the status, parameters, and next steps in talks between the countries from public statements released by the Canadian government. In addition, State Department representatives have declined to speak at public events where Canadian negotiators are in regular attendance and publicly articulating the risks to the U.S. of not accepting the Canadian proposal. We learn more from Canadian stakeholder outreach and communications than from our own government. At a minimum, the U.S. should be as transparent as the Canadians.
- 2) Assign a senior-level State Department official with energy expertise to oversee negotiations. Despite multiple meetings and briefings with the US negotiator, we continue to believe there is a lack of awareness about the dramatic changes in the electricity markets in the West due to the changing climate and the enormous value of the carbon-free hydropower that the US continues to provide to Canada at an amount that exceeds the benefits returned to the US. We

would urge the White House to add a senior political appointee to the negotiating team who understands the importance of this carbon-free resource to our energy independence and commitment to carbon-emission reduction in the United States.

- 3) Elevate the regional entities. The US & British Columbia (BC) entities are composed of regional officials from the NW and BC who understand the mechanics of Columbia River operations. While the State Department can provide strategic advice for international negotiations, it is not well-positioned to define solutions for technically complex river operations. It is time to elevate the regional entities' technical and political expertise beyond an advisory role to provide leadership, identifying and developing potential strategies to benefit both countries and conclude negotiations with Canada.
- 4) Establish a coherent Executive Branch strategy for flood control. Flood control, which changes automatically post-2024 to a "called upon" structure, needs more structure to avoid great uncertainty in budget and appropriations. This change simply and urgently requires an operational, authorization and appropriations response. The U.S. should be prepared to achieve an agreement with Canada or, alternatively, develop a replacement option if no agreement to modernize the Treaty is reached. Currently, there appears to be no coherent, across-the-executive-branch strategy for addressing flood control, and efforts to explore the issue have been stymied by the State Department's insistence that no information be shared outside the executive branch. A senior White House official should coordinate a strategy that best aligns broad U.S. interests.
- 5) The delegation authored and successfully enacted incentives for a more modern Treaty. The delegation also considered other provisions, in both the House and Senate, to hold the power sector harmless, even if temporarily, from the continued overpayment while the elongated Treaty negotiations have time to conclude. These provisions could be considered now with new legislative vehicles, along with appropriate authorizations for flood control and flood risk management using traditional appropriation means. We stand ready to work with the delegation to develop and seek appropriate enactment of these measures.

Thank you again for your critical support on this important issue that needs resolution in 2022. We look forward to working with you to ramp up our efforts with the Biden Administration, including the White House and State Department to secure a modernized Columbia River Treaty that is also a significant and positive change for the better for NW electric customers. Please let us know how we can best support you in this urgent request. If you have any questions or to discuss further, feel free to reach out to Rick Agnew at raa@vnf.com or 206-310-0583.

Sincerely,

Alliance of Western Energy Consumers
Benton PUD
Chelan County PUD
Clark Public Utilities
Columbia Basin Hydro Power

Cowlitz County PUD
Douglas County PUD
Eugene Water & Electric Board
Franklin PUD
Grant PUD



Mason County PUD #3
Northwest Requirements Utilities
PNGC Power
Pacific Northwest Utilities Conference
Committee - PNUCC
Portland General Electric
Public Power Council
Seattle City Light
Snohomish County PUD
Tacoma Power
Washington PUD Association
Western Montana Electric G&T