

# REGIONAL AFFAIRS UPDATE

City Light Review Panel

Mike Jones | December 15, 2016



# BONNEVILLE POWER ADMINISTRATION

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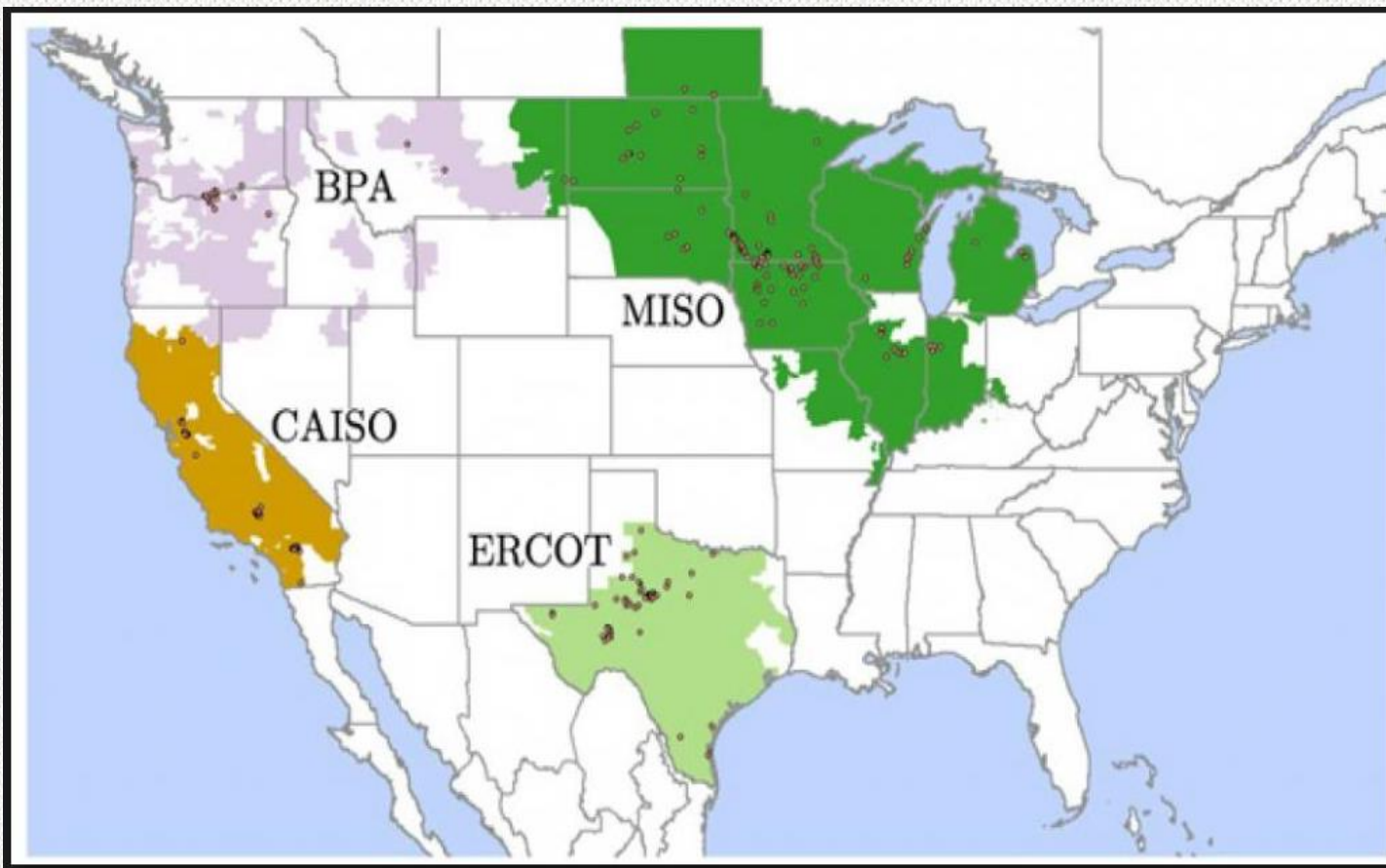
- Bonneville Overview
- Columbia River Treaty
- Endangered Species Act
- Focus 2028

## BPA OVERVIEW

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- BPA serves 142 “preference” public power customers across OR, WA, ID and western MT
- BPA markets generation from the Federal Columbia River Power System (FCRPS) and the Columbia Generating Station (about 1/3 of PNW)
- BPA owns and operates 15,000 miles of transmission (about 80% of PNW)
- Annual budget of \$3.5B
- 3,100 employees across the northwest

# GEOGRAPHIC FOOTPRINTS



## COLUMBIA RIVER TREATY (CRT)

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- Treaty provides for sharing of power production benefits from coordinated operations between U.S. and Canada and for flood control
- Flood control provisions will change in 2024
- Power provisions of Treaty were designed to be terminable on ten years' notice
- Formula for sharing benefits is dated
- Seattle supports ecosystem as a "third purpose" in a revised Treaty

# FCRPS AND THE ENDANGERED SPECIES ACT

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- Scope
  - 14 Federal hydropower projects
  - 13 listed species of salmon and steelhead
- ESA requires Agencies (BPA, USACE, USBR) to
  - *Ensure their actions are not likely to jeopardize the continued existence of a listed species, nor result in the destruction of critical habitat*
- Agencies prepare Biological Assessment and consult with NOAA Fisheries who drafts a Biological Opinion (BiOp)

# COLUMBIA RIVER BASIN



## BIOLOGICAL OPINION (BiOp)

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- Provides guidance to agencies in operating FCRPS in compliance with the Endangered Species Act (ESA)
- Requires a series of mitigation measures called Reasonable and Prudent Alternatives
  - Sets performance standards of
    - 96% average per dam survival of spring migrants
    - 93% for summer migrating fish
  - Addresses additional actions including habitat, predation management and harvest actions



## ESA BIOP LITIGATION

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- Long-standing litigation around federal agency compliance with ESA and National Environmental Policy Act (NEPA)
  - Courts have repeatedly found the Agencies in noncompliance with NEPA
  - A recent court order directed agencies to consider all reasonable alternatives, including Lower Snake River dam removal
  - Fish and wildlife costs, including foregone revenue, are equivalent to ~ 1/3 of BPA's power costs
  - Multi-year, procedural in nature

# ESA BIOP LITIGATION

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- Recent Actions

- May 6, 2016 - Federal Court Rejects Salmon/Steelhead Recovery Plan; Orders New BiOp By 2018

- Judge Simon said

- Current BiOp's standard of "trending toward recovery" is insufficient to ensure recovery
- Habitat improvement benefits are uncertain
- NOAA Fisheries' assessment of climate change impacts on recovery do not use the best available science
- U.S. Army Corps of Engineers and the Bureau of Reclamation must comply with NEPA and assess all RPA's, including breaching lower Snake River dams.

## ESA BIOP LITIGATION

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- September 30, 2016 – Agencies begin scoping process for Columbia River System Operations EIS
  - Includes 14 public meetings -one in Seattle, Dec. 1st
  - Agencies will present reasonable range of alternatives for long-term system operations and evaluate the potential environmental and socioeconomic impacts on:
    1. Electric reliability
    2. Flood risk management
    3. Fish and wildlife
    4. Navigation
    5. Irrigation
    6. Cultural resources
    7. Recreation
    8. Power generation

## FOCUS 2028

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- BPA power contracts expire September 30, 2028
  - Capital and O&M costs rising faster than inflation
    - Capital maintenance increasing
    - Fish and wildlife costs out-pacing maintenance costs
    - Regional loads are declining
  - BPA engaged in multi-agency effort with USACE and USBR to control rising costs
    - BPA intends to be price competitive in 2028
    - BPA working on long-term rate forecast
  - SCL needs carbon free, reliable power in 2028



# CITY LIGHT

## OUR VISION

To set the standard—to deliver the best customer service experience of any utility in the nation.

## OUR MISSION

Seattle City Light is dedicated to exceeding our customers' expectations in producing and delivering environmentally responsible, safe, low-cost and reliable power.

## OUR VALUES

Excellence, Accountability, Trust and Stewardship.

