

To: Subcommittee on Water, Wildlife and Fisheries Republican Members
 From: Subcommittee on Water, Wildlife and Fisheries staff: Annick Miller x58331

 (annick.miller@mail.house.gov) and Kirby Struhar (kirby.struhar@mail.house.gov)

 Date: Tuesday, December 12, 2023
 Subject: Oversight Hearing on "Left in the Dark: Examining the Biden Administration's Efforts to Eliminate the Pacific Northwest's Clean Energy Production."

The Subcommittee on Water, Wildlife and Fisheries will hold an oversight hearing on "*Left in the Dark: Examining the Biden Administration's Efforts to Eliminate the Pacific Northwest's Clean Energy Production*" on Tuesday, December 12, 2023, at 2:00 p.m. in 1324 Longworth House Office Building.

Member offices are requested to notify Thomas Shipman (<u>thomas.shipman@mail.house.gov</u>) by 4:30 p.m. on Monday, December 11, 2023, if their Member intends to participate in the hearing.

I. KEY MESSAGES

- The Biden administration's abuse of the administrative process has advanced an agenda of economic and community destruction while doing nothing to promote the health of fish species. This has been exercised through the use of "sue and settle" tactics; selective use of science to achieve political, rather than biologically sound, solutions; and the failure to defend the interests of the Pacific Northwest.
- The Lower Snake River dams have the capacity to supply carbon-free baseload energy. During periods of high demand, such as severe heat or prolonged winter cold snaps, the dams help to keep the Northwest power system reliable, even during emergencies.
- The Biden administration's leaked commitments document not only lays the groundwork for breaching the Lower Snake River dams, but also establishes a plan that could destroy the capabilities of the entire Federal Columbia River Power System.

II. WITNESSES

- *The Honorable Richard Spinrad*, Under Secretary for Oceans and Atmosphere & NOAA Administrator, U.S. Department of Commerce, Washington, DC [Invited]
- *The Honorable Brenda Mallory*, Chair, Council on Environmental Quality, Washington, DC [Invited]
- *Mr. John Hairston,* Administrator & CEO, Bonneville Power Administration, Portland, OR [Invited]
- *Mr. Scott Simms*, CEO & Executive Director, Public Power Council, Portland, OR

- *Mr. Neil Maunu*, Executive Director, Pacific Northwest Waterways Association, Portland, OR
- *Ms. Humaira Falkenberg*, Power Resources Manager, Pacific County PUD, Raymond, WA
- *Mr. Lindsay Slater,* VP of Government Relations, Trout Unlimited, Arlington, VA [*Minority Witness*]

III. BACKGROUND

On June 26, 2023, the Subcommittee on Water, Wildlife and Fisheries held an oversight field hearing on the lower Snake River dams in Richland, Washington. That <u>hearing memo</u> includes an in-depth history on the Columbia River Basin, its development, and the benefits of the lower Snake River dams to the Pacific Northwest.

Located in Washington state, the Lower Snake River dams¹ in the Columbia River Basin were authorized by Congress in 1945² and have the capacity to supply more than 3,000 megawatts of carbon-free energy.³ The Lower Snake River dams help to keep the Pacific Northwest power system reliable, particularly during periods of high demand and during emergencies.⁴ Additionally, these dams play a critical role in reducing transportation emissions. Between 50 and 60 million tons of cargo are transported through barges along the river each year⁵ and forty percent of America's wheat transits through the Columbia River Basin.⁶

The Lower Snake River dams are part of the Federal Columbia River Power System (FCRPS). In total the FCRPS encompasses 31 federal hydropower dams in the Pacific Northwest operated by the Army Corps of Engineers (Corps) and the Bureau of Reclamation (Reclamation).⁷ The FCRPS has a combined generation capacity of 22,458 megawatts (MW).⁸ In the Pacific Northwest, hydropower accounts for over 80 percent of the energy in the region.⁹

Despite the immense importance of the Lower Snake River dams, and continuous work to improve fish passage rates, radical eco-activist groups have abused the litigation system for decades in pursuit of dam removal.¹⁰ Simultaneously, the Biden administration has attempted to

¹ Ice Harbor Lock and Dam, Lower Monumental Dam, Little Goose Dam, and Lower Granite Dam.

² Walla Walla District, *Lower Snake River Dams*, U.S. ARMY CORPS OF ENGINEERS, <u>https://www.nww.usace.army.mil/Missions/Lower-Snake-River-Dams/</u> (last visited Sep. 6, 2023).

³ A Northwest energy solution: Regional power benefits of the lower Snake River dams, COLUMBIA RIVER BASIN FEDERAL CAUCUS, https://www.salmonrecovery.gov/home/lower-snake-river-dams-power-benefits (last visited Sep. 6, 2023). ⁴ ENERGY AND ENVIRONMENTAL ECONOMICS, INC. (E3), BPA Lower Snake River Dams Power Replacement Study, (July 2022),

⁴ ENERGY AND ENVIRONMENTAL ECONOMICS, INC. (E3), *BPA Lower Snake River Dams Power Replacement Study*, (July 2022), https://www.ethree.com/wp-content/uploads/2022/07/e3-bpa-lower-snake-river-dams-power-replacement-study.pdf [hereinafter E3 Study].

⁵ U.S. ARMY CORPS OF ENGINEERS, BUREAU OF RECLAMATION, AND BONNEVILLE POWER ADMINISTRATION, *Columbia River System Operations, Final Environmental Impact Statement, Executive Summary* (July 2020), https://usace.contentdm.oclc.org/utils/getfile/collection/p16021coll7/id/14957.

⁶ Walla Walla District, *supra* note 2.

⁷ Bonneville Power Administration, 2022 Annual Report. <u>https://www.bpa.gov/-/media/Aep/finance/annual-reports/ar2022.pdf.</u>

⁸ Testimony from BPA Administrator John Hairston before the House Natural Resources Committee. (2023). https://naturalresources.house.gov/uploadedfiles/testimony_hairston.pdf.

⁹ Bonneville Power Administration, Fuel Mix Percent Summary – Calendar Year 2022. <u>https://www.bpa.gov/-/media/Aep/power/fuel-mix/2022-bpa-fuel-mix.pdf.</u>

¹⁰ Todd True, *Breakthrough in 20+ Year Legal Battle Over Fate of Snake River Salmon*, EARTHJUSTICE (Jan. 3, 2022), <u>https://earthjustice.org/experts/todd-true/breakthrough-in-20-year-legal-battle-over-fate-of-snake-river-salmon</u> (Earthjustice describes how they are part of an eco-activist network that has sued the federal government for over two decades in order to "breach the Snake River dams").

circumvent Congress by undermining previous federal actions supporting the continued operation of the Dams and is instead heeding calls for dam breaching.

Those in favor of breaching often fail to recognize and ignore the value of the Lower Snake River dams, as well as the cost of replacing the power they generate. In 2016, the Bonneville Power Administration (BPA) estimated that replacing these dams would increase power costs by \$274 million to \$372 million per year.¹¹ Six years later, in 2022, BPA commissioned another study which found that the cost of replacing the output from these dams ranges from \$415 million to \$860 million per year through 2045.¹² Moreover, under assumptions from litigants supporting breaching the Lower Snake River dams, up to 1.2 terawatts (or 1,200,000 MWh) would depend on technologies not yet readily available, such as hydrogen-fueled combustion turbines.¹³

In 2020, the federal government released a Record of Decision (ROD) on the operations for the FCRPS.¹⁴ The ROD did not endorse breaching the Lower Snake River dams, stating that while breaching may benefit "some species of ESA [endangered species act]-listed fish, it would achieve those benefits at the expense of not meeting the other components of the agencies' Purpose and Need Statement for certain EIS objectives."¹⁵ Shortly thereafter, Earthjustice, the National Wildlife Federation, and other eco-groups, sued the federal government to challenge the ROD.¹⁶

Instead of aggressively defending the official position of the federal government, the Biden administration, notably the Council on Environmental Quality (CEQ), has sought to appease the calls to breach the dams and has shown favoritism to the plaintiffs in confidential negotiations.¹⁷ In 2021, the federal government, the State of Oregon, the Nez Perce Tribe, and plaintiffs to the litigation filed an agreement with the U.S. District Court for the District of Oregon that outlined how dam operations would be altered in the coming year while allowing for parties to reach further agreement on long-term operations.¹⁸

Shortly thereafter, in March 2022, CEQ published a blog outlining a "path forward" for the Columbia River Basin following a consultation between agencies and Tribes of the Columbia River Basin.¹⁹ The blog post specifically supported a policy of breaching the four Lower Snake

¹¹ BONNEVILLE POWER ADMINISTRATION, A Northwest energy solution: Regional power benefits of the lower Snake River dams 2 (Mar. 2016), https://www.bpa.gov/-/media/Aep/about/publications/fact-sheets/fs-201603-A-Northwest-energy-solution-Regional-power-benefits-of-the-lower-Snake-River-dams.pdf.

 $^{^{12}}$ E3 Study, *supra* note 4.

 $^{^{13}}$ *Id*.

¹⁴ Dep't of Energy, Bonneville Power Admin., *Record of Decision; Columbia River System Operations Environmental Impact Statement*, 85 Fed. Reg. 196 (Oct. 8, 2020), <u>https://www.govinfo.gov/content/pkg/FR-2020-10-08/pdf/2020-22147.pdf</u> [hereinafter ROD].

¹⁵ Id.

¹⁶ Matthew Weaver, Stay extension gives Snake River dam mediation another 60 days, CAPITAL PRESS (Sep. 1, 2023),

https://www.eastoregonian.com/news/northwest/stay-extension-gives-snake-river-dam-mediation-another-60-days/article_662e6214-29c7-50f2b2cb-0465c44bc66e.html (describing how a coalition of environmental groups sued the federal government over the "U.S. Army Corps of Engineers, Bureau of Reclamation and Bonneville Power Administration dam operations plan").

 ¹⁷ Northwest Lawmakers Request Additional Information on Package of Actions and Commitments To Determine the Future of the Lower Snake River Dams (Nov. 29, 2023), <u>https://mcmorris.house.gov/posts/northwest-lawmakers-request-additional-information-on-package-of-actions-and-commitments-to-determine-the-future-of-the-lower-snake-river-dams.</u>
 ¹⁸ Press Release, U.S. DEP'T OF THE INTERIOR, Biden-Harris Administration Announces Steps to Improve Conditions for Salmon in the Columbia

¹⁸ Press Release, U.S. DEP'T OF THE INTERIOR, *Biden-Harris Administration Announces Steps to Improve Conditions for Salmon in the Columbia River Basin*, (Oct. 21, 2021), <u>https://www.doi.gov/pressreleases/biden-harris-administration-announces-steps-improve-conditions-salmon-columbia-river</u>.

¹⁹ CEQ, Columbia River Basin Fisheries: Working Together to Develop a Path Forward, The White House (Mar. 28, 2022), https://www.uhitebauea.cov/oco/paus/update/2022/02/28/columbia river basin fisheries/update/2022/02/28/columbia

https://www.whitehouse.gov/ceq/news-updates/2022/03/28/columbia-river-basin-fisheries-working-together-to-develop-a-path-forward/.

River dams, contradicting the 2020 ROD on the operations of the FCRPS.²⁰ At the same time, CEQ engaged the Federal Mediation and Conciliation Service (FMCS) to "mediate and facilitate between the parties in the litigation and the regional sovereigns, including Tribal Nations and states."²¹ FMCS, on behalf of CEQ, announced public listening sessions for the public.²²

While the mediation process is confidential, many of the defendants have expressed deep reservations and considerable disappointment regarding the overall mediation process. Specifically, concerns have been raised about the Biden administration's lack of transparency and perceived indifference towards listening to all interested stakeholders, and the impact that a potential decision to breach the dams would have on ratepayers.

Of particular concern is the Biden administration's apparent push to forgo trying to reach a "consensus" resolution and instead advance a predetermined outcome of dam removal. Throughout the summer, many intervener defendants expressed concerns with an overall lack of communication surrounding the negotiations. Kurt Miller, then Executive Director of Northwest RiverPartners, noted that several of their members—community-owned electric companies in states across the Northwest—had been left in the dark on the state of negotiations as the Biden administration continued to engage in mediation. He stated: "We have it on very good authority that Biden administration officials have been out here in recent weeks negotiating with the plaintiffs," adding that "and yet, we haven't had a real update on any of that, really for months….It's been such a smoke-filled room sort of dynamic."²³ Mr. Miller also talked about the need for the Biden administration to engage all interested stakeholders, not just those involved in the litigation, saying that "it's hard to have any faith that anything good will come out of this mediation if they're unwilling to treat ag, utilities and irrigators as real partners."²⁴

At the end of August 2023, the U.S. District Court extended the stay in the long-running litigation to allow the mediation to continue until the end of October.²⁵ The stay was further extended until December 15, 2023.²⁶ Through it all, stakeholders have expressed dismay with the mediation process, the Biden administration's favoritism towards the eco-activist plaintiffs, and the role of CEQ.²⁷

As the process continued and the mediation approached the December 15 deadline, the impacts from breaching the Lower Snake River Dams have been further highlighted by individual communities across the region that would be most impacted. In a November 21, 2023 letter to Gregory Goldstein, the Acting Director of the Federal Mediation and Conciliation Services, and Brenda Mallory, the Chair of the Council on Environmental Quality, Neil Maunu, the Executive Director of the Pacific Northwest Waterways Association (PNWA) and Inland Ports and

 $^{^{20}}$ Id.

²¹ Columbia River Salmon and Other Native Fish Request for Information, COUNCIL ON ENVIRONMENTAL QUALITY, 88 Fed. Reg. 28532 (May 4, 2023), <u>https://www.federalregister.gov/documents/2023/05/04/2023-09525/columbia-river-salmon-and-other-native-fish-request-for-information</u>.
²² Id.

²³ "Ag stakeholders say they're shut out of federal Snake River dam mediation." Capital Press. August 17, 2023. Updated August 21, 2023. https://www.capitalpress.com/ag_sectors/water/ag-stakeholders-say-theyre-shut-out-of-federal-snake-river-dam-mediation/article_6a507128-3c57-11ee-ad3f-df434fe42158.html.

 $^{^{24}}$ Id.

²⁵ Weaver, *supra* note 16.

²⁶ Isabella Breda, *Lower Snake River dam removal still possible as talks continue*, The Seatle Times (Oct. 31, 2023)

https://www.seattletimes.com/seattle-news/environment/lower-snake-river-dam-removal-still-possible-as-talks-continue/.

²⁷ Id.

Navigation Group (IPNG), stated that, while their organization agrees with the objectives improving energy resilience and protecting the salmon and steelhead populations in the region, the Biden administration engaged in a "flawed process" in developing these commitments.²⁸ PNWA and IPNG represent economic development interests in the region through industries such as energy, trade, and navigation. In part, Mr. Maunu asserts that the Biden administration's reliance on the 2022 NOAA report Rebuilding Interior Columbia Basin Salmon and Steelhead Report was flawed, referring to it as a "political report that lacks the support of the scientific community."²⁹ This report is the subject of an ongoing investigation by the Committee on Natural Resources.³⁰ Yet despite this and concerns raised throughout the mediation process, the Biden administration points to this report its commitments and states that "the science is clear."³¹

Mr. Maunu also noted that the Biden administration's commitments to achieve "healthy and abundant" salmon populations lacks a quantitative definition to meet the statutory requirement under the ESA,³² which stipulates that agency actions not "jeopardize the continued existence of any endangered species or threatened species."³³

On November 22, 2023, Pacific County, Washington's Public Utility District Power Resources Manager Humaira Falkenberg sent a letter to Deputy Energy Secretary David Turk, where she expressed her concern with "the lack of procedural and distributive justice on part of the concealed negotiations between the United States Government (USG) and the select parties from the Columbia River System Operation litigation (CRSO)" and that "our collective voice was silenced as USG spent five months behind doors negotiating with the plaintiffs without meaningful engagement with us."34 Additionally, given Pacific County's sprawling population, with fewer than 25 people per square mile and a median income that is 35 percent lower than the state's average, the Public Utility District would face "significant pressures in capital costs" of adding additional electrical infrastructure.³⁵ Due to these factors, Ms. Falkenberg urged Deputy Secretary Turk, and the Biden administration, to recognize the important role of the Lower Snake River dams in providing affordable, reliable power, stating that "hydropower remains the centerpiece of the Northwest's energy infrastructure...we can't achieve our multiple policy objectives without it."³⁶

Concerns have only grown as a draft of a confidential mediation document was leaked on November 27, 2023, which shows that the Biden administration is doing everything within its authorities to replace generation from the Lower Snake River dams and encourage breaching the

²⁸ Maunu Letter (Nov. 21, 2023) https://republicans-naturalresources.house.gov/UploadedFiles/0404_001.pdf ²⁹ Id.

³⁰ Members Investigate NOAA's Sudden Policy Reversal Impacting Lower Snake River Dams (May 1, 2023) https://naturalresources.house.gov/news/documentsingle.aspx?DocumentID=413174

³¹ Northwest Lawmakers Request Additional Information on Package of Actions and Commitments To Determine the Future of the Lower Snake River Dams (Nov. 29, 2023) https://mcmorris.house.gov/posts/northwest-lawmakers-request-additional-information-on-package-of-actions-andcommitments-to-determine-the-future-of-the-lower-snake-river-dams

³² Maunu, *supra* note 28.

³³ 16 U.S.C. Section 1536(a)(2)

³⁴ Falkenberg Letter (Nov. 22, 2023), <u>https://republicans-</u>

naturalresources.house.gov/UploadedFiles/Pacific_PUD_Letter_to_DOE_Deputy_Secretary_Turk.pdf 35 Id.

³⁶ Id.

dams.³⁷ Additionally, the draft document commits billions of dollars from the federal government to develop between 1 gigawatt (GW) and 3 GW of renewable energy.³⁸

According to the Public Power Council (PPC), the Biden administration's commitments expose rate payers to at least \$100 million in long-term additional fish and wildlife mitigation expenses.³⁹ This would be in addition to costs already paid to BPA by public power utilities, which have averaged about \$685 million annually over the last ten years.⁴⁰ Overall, it is estimated that the extreme uncertainty of funding obligations in the Biden administration's commitment has the potential to increase rates by up to 50 percent.⁴¹

Additionally, PNWA and IPNG helped fund a study⁴² that found that breaching the dams would greatly damage the region's farms, resulting in a loss in revenue, and that breaching the dams would impact shipping and logistics, resulting in more products being moved by truck or rail and *higher* emissions.⁴³ The study emphasized the important role of the Lower Snake River dams play in the Pacific Northwest—both for its electric grid and its regional economy. This only emphasizes the importance of the Biden administration listening to and considering all points of view throughout the negotiations surrounding the litigation.

These concerns are echoed in a November 29, 2023, letter to Deputy Secretary Turk from Benton Rural Electric Association (Benton REA) CEO Ryan Redmond. Redmond noted that "despite public power's repeated requests to be included or at least consulted on these talks, the administration has refused to allow us at the table."⁴⁴ Benton REA serves 11,000 customers across three counties in rural Washington, and Mr. Redmond noted that 13 percent of the population across its customer base lives below the federal poverty line; potential closed-door commitments to breach the Lower Snake River dams breed uncertainty as Benton REA seeks to establish long-term contracts with BPA.⁴⁵ Redmond noted that pursuing long-term contracts with BPA while long-term reliability is threatened "would be a dereliction of our fiduciary duty."⁴⁶ Redmond believes the public power sector should have been consulted by the Biden administration, noting that their industry is made up of the experts "who can provide appropriate context, background, and facts to guide decision makers through the complexity of the problems they are trying to address."⁴⁷

⁴⁴ Letter to Department of Energy Deputy Secretary David Turk. Benton Rural Electric Association. November 29, 2023. https://bloximages.newyork1.vip.townnews.com/applevalleynewsnow.com/content/tncms/assets/v3/editorial/c/63/c632e9a6-8f06-11ee-8415-5786da18f282/6567bb5f41bb5.pdf.pdf.

³⁷ Steve Ernst and K.C. Mehaffey, *Mediation Agreement Over Columbia Operations Leaked*, CLEARING UP (Dec. 1, 2023) https://www.newsdata.com/clearing_up/environment/mediation-agreement-over-columbia-operations-leaked/article_2aa38154-907c-11ee-b01ab387c1dd7390.html.

³⁸ Northwest Lawmakers Request Additional Information on Package of Actions and Commitments To Determine the Future of the Lower Snake River Dams (Nov. 29, 2023) <u>https://mcmorris.house.gov/posts/northwest-lawmakers-request-additional-information-on-package-of-actions-and-commitments-to-determine-the-future-of-the-lower-snake-river-dams.</u>

³⁹ Public Power Council. Ongoing CRSO Litigation: Potential Additional and Significant BPA Ratepayer Financial Commitments. https://republicans-naturalresources.house.gov/UploadedFiles/USG_Commitment_Cost_Summary_11-29-23_FINAL.pdf.

⁴⁰ Northwest Power and Conservation Council. (2021). 2021 Columbia River Basin Fish and Wildlife Program Costs Report. Northwest Power and Conservation Council, at 9. https://www.nwcouncil.org/fs/17760/2022-1.pdf.

⁴¹ Public Power Council. Ongoing CRSO Litigation: Potential Additional and Significant BPA Ratepayer Financial Commitments. https://republicans-naturalresources.house.gov/UploadedFiles/USG_Commitment_Cost_Summary_11-29-23_FINAL.pdf.

⁴² "Study: Dam Breaching Would Cause Economic and Environmental Harm, Exacerbating Challenges Facing Underserved Communities." August 14, 2023. <u>https://www.pnwa.net/fcs-study-report-lsrd/</u>

⁴³ Id.

⁴⁵ *Id*.

⁴⁶ Id.

⁴⁷ Id.

In addition to the electric utility sector's interest in the Lower Snake River dams for hydroelectric power generation, several other industries that are vital to the Pacific Northwest have also expressed concern in recent months about the economic and environmental impacts of breaching the dams, and the potential of the Biden administration's commitments conflicting with statutory requirements under law.

On December 1, 2023, National Rural Electric Cooperative Association (NRECA) CEO Jim Matheson issued a public statement, saying in part that the agreement:

Reveals the administration's misplaced desire to undermine our nation's essential portfolio of carbon-free hydroelectric resources without considering the cost. This is another egregious example of proposed government actions having devastating real-world consequences.⁴⁸

On the same day, Mr. Matheson and American Public Power Association CEO Scott Corwin sent a letter to Department of Energy Secretary Jennifer Granholm stating that the commitments "deprived our members in the Northwest, intimate stakeholders in CRSO operations, and millions of their customers of having fair representation in these proceedings."⁴⁹

Throughout the mediation process, the Biden administration has failed to engage impacted stakeholders—including the most vulnerable of ratepayers and vital industries to the region's economy. The mediation process lacks transparency and an honest accounting for the projected electricity price increases associated with breach of the Lower Snake River dams. Even worse, these commitments do not close the door to litigation as eco-activist groups will still be able to sue. At its core, the Biden administration's commitments create an unprecedented shift in decision-making regarding the future of BPA and FCRPS while providing no long-term operational certainty.

⁴⁸ NRECA: U.S. Government's Secret Anti-Hydro Deal is Major Threat to Reliability in Pacific Northwest. National Rural Electric Cooperative Association. December 1, 2023. <u>https://www.electric.coop/nreca-u-s-governments-secret-anti-hydro-deal-is-major-threat-to-reliability-in-pacific-northwest.</u>

⁴⁹ Letter to Energy Secretary Jennifer Granholm. National Rural Electric Cooperative Association; American Public Power Association. December 1, 2023. <u>https://www.electric.coop/wp-content/uploads/2023/12/NRECA-APPA-Joint-USG-Columbia-River-Settlement-Letter-12.01.2023-1.pdf.</u>