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Hearing On:
“Electricity Costs and Salmon: Finding the Balance”

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Committee on Resources
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Congressman Hastings and Congresswoman McMorris, members of the Committee, my name is Terry Flores, and on behalf of Northwest RiverPartners I thank you for the opportunity to testify today in favor of HR 4857. Northwest RiverPartners is a non-profit association that represents a broad coalition of river users in the Pacific Northwest including agricultural interests, utilities, industries, and ports. Our 100-plus members are dramatically affected by current efforts in the region to recover listed endangered salmon and steelhead, through power rates and changes to river operations.

This hearing today couldn't be more relevant to my members and our mission. We are committed to finding and achieving an appropriate balance between the region's economy and salmon recovery efforts. We want to find solutions that will preserve the multiple uses of the Columbia and Snake Rivers for regional businesses and families, while also promoting efficient, cost-effective salmon and steelhead protection and recovery. During the on-going public debate about salmon recovery, little attention has been paid to the tremendous economic force of the Columbia and Snake rivers and the quality of life that they provide, which often times is taken for granted.

Northwest RiverPartners Mission

RiverPartners' mission is fourfold. It is finding salmon solutions that are: 1) achieved via collaboration not controversy; 2) based in sound science not advocacy science; 3) cost-effective with demonstrable benefits for fish; and, 4) focused on salmon protection and recovery, not salmon rhetoric. To accomplish this mission, we do not need to bankrupt the region, nor do we need to remove dams as some on the fringes continue to suggest.

We do need to ensure that a comprehensive approach is taken to salmon recovery, one that includes all aspects of the salmon's lifecycle. You can't fix one link in a chain while others are broken and expect the chain to hold together. Significant efforts also must be undertaken in the habitat, harvest and hatchery arenas. It will take sincere collaboration and a willingness to explore these issues seriously, in addition to making further improvements in hydrosystem operations, for the salmon to be on a solid path to recovery.

To that end, RiverPartners is working hard to bring people together to reach reasonable, timely and workable solutions. Currently, we are very involved in the effort to develop a new Biological Opinion (BiOp) on federal hydrosystem operations, working closely with a "Regional Coalition" that includes the states of Washington, Montana, and upriver tribes: the Spokanes, the Colvilles and the Kootenai Tribe of Idaho.

The Coalition's common goal is to help ensure development of a new BiOp that is: based in sound science and uses science to resolve issues of key uncertainty, provides real benefits to listed salmon and steelhead as quickly as possible, maintains the viability of the federal hydrosystem, and withstands legal challenge. A very tall order.

However, we believe that through collaboration such as ours, with a respectful sharing of information and ideas, there is great opportunity for this new BiOp effort to be successful. It is critical that it be successful. Otherwise, the huge cloud of uncertainty that hangs over the region will continue. There will be continued litigation and a federal Judge deciding how to run the hydrosystem and what's best for the fish. Such uncertainty is bad for the economy and bad for the fish. Attorneys and consultants may benefit and it may serve as a valuable fundraising tool for some organizations, but clearly the salmon will not be saved in a courtroom.

Fish and Wildlife Costs and Benefits

On the costs associated with salmon recovery, RiverPartners' prime concern is about *how* dollars are currently being spent, and will be spent. For example, over \$750 million annually is being invested by Bonneville Power's customers, about 25

percent of BPA's wholesale power costs. We want to ensure that what is being spent is well-spent. We are about accountability. We need demonstrable results in terms of fish benefits for dollars spent. We are about helping listed fish, not propping up various economic development projects, paying agencies' overheads or doing research projects because they make someone feel good.

If we are to truly solve the problem long-term, we must ensure that our dollars are being invested in those measures that will provide real benefits. Currently, the majority of BPA's fish costs are related to river operations, specifically providing additional flows and spills for fish during the downstream migration period, resulting in lost energy to the region.

We have learned that those costs can be huge, with uncertain benefits for the fish. For example, based on the federal agencies' October 31, 2005 "After Action Report" last year's summer spill program, ordered by Judge Redden, ran from June 20 to August 31st cost regional energy customers and businesses nearly \$75 million dollars. Yet, according to the report: "a considerable portion of the 2005 run...had already passed the Snake River dams by June 20", and "nearly all of the Snake River Fall Chinook fish passed (the Snake River dams) by July 31".

Summer spill clearly is a good example of a bad policy: it was very expensive and did little or nothing to help endangered fish. It also did nothing to advance the region's understanding or the science to help resolve the debate over the best way to aid fish in their downstream migration -- transportation vs. spill. RiverPartners, together with the Regional Coalition, supports implementing a comprehensive, multi-year (and no doubt very expensive study) to determine whether listed species are better off being transported or spilled, what species, and when. It is our understanding that such a study will be pursued.

That said, there are a number of examples where dollars are being invested to very good effect. For example, "fish slides" at Lower Granite and Ice Harbor dams, while expensive, are proving very effective, delivering an estimated 97-99 percent survival for spring migrants while spilling two to three times less water. A new "corner collector" device passed 7.6 million hatchery fish from the Spring Creek Hatchery this year at a fraction of the cost of spilling water. The collector, in conjunction with the screened bypass system at the dam, passed fish with a survival rate of over 99 percent. It is examples like these that are leading to these good results:

- Adult salmon and steelhead survival is 98 percent or higher at each dam as a result of improvements made to passage facilities over the last several years;
- Despite earlier reports that salmon returns would be low this year, adult returns for all species were impressive. In fact, returns were near the 10-year average which includes years of record and near record high returns from 2000 through 2004.

H.R. 4857 – Providing Valuable Information

Clearly, the costs associated with salmon protection are great and the stakes for fish and the economy are high. RiverPartners believes it is important and fair for Northwest businesses and utility customers to understand the situation. That is why we strongly support H.R. 4857. Utilities and their customers should have the opportunity to know and understand the ongoing investment they are making in recovering listed salmon and steelhead. People in the Northwest care deeply about their natural resources, particularly their fish and wildlife. They would appreciate knowing that they are making a substantial contribution, are doing their part to protect and recover these valued resources.

We also support H.R. 4857 because more information and knowledge about the ESA will lead to better informed utilities, customers and the general public and, ultimately, we hope, better accountability for costs and how they are incurred. Knowledge is power – power to make better decisions and put dollars where they will do the most to benefit the fish. We need to shine a light on the investment being made in salmon recovery. Some respond that fish and wildlife costs should not be singled out. We believe ESA costs warrant special mention because they are of great magnitude, are subject to great volatility, and, again, people in the Northwest deserve to know they are making a significant investment in recovering salmon stocks.

Further, this legislation is needed. Northwest RiverPartners, in a public opinion survey conducted in May 2005 in Washington, Oregon and Idaho, learned that nearly 60 percent of respondents were not even aware that ESA compliance costs were included in their power rates. Of those who were aware, over 40 percent believed that less than 5 percent of their bills went to such compliance. The reality is, depending on the serving utility, 15 to 20 percent or more of consumers' retail bills go toward ESA compliance, specifically for listed salmon and steelhead.

Conclusion

Northwest RiverPartners supports H.R. 4857 because it is good public policy. The costs regional electricity customers are investing in salmon recovery are significant and they deserve to be aware of that. Our hope is that such knowledge will

help spark greater ownership and regional discussion over what investments are being made and whether they are the ones that will provide the greatest benefits to resources of concern. It is irrelevant whether people believe the “right” amount is being spent in the region of fish and wildlife and ESA compliance. The point of H.R. 4857 is to provide knowledge and information. Those making the investment deserve no less.

Thank you very much for the opportunity to comment today.