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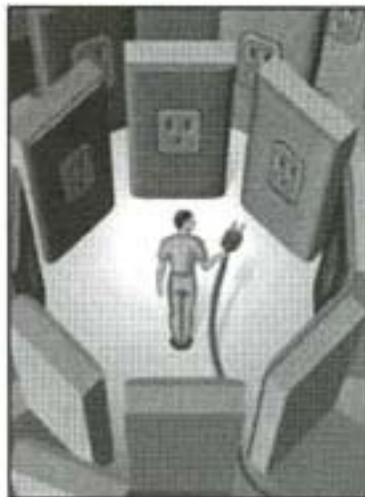


# fall issue

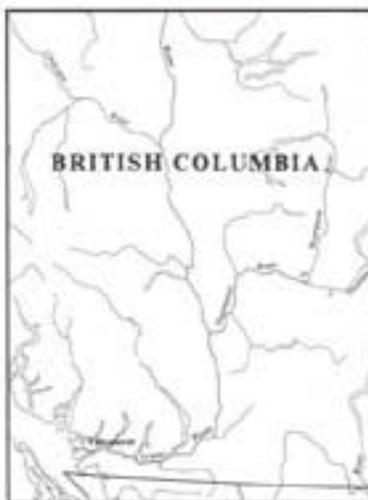


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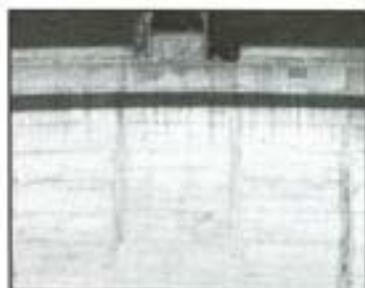


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This issue's cover illustration is by Molly Swisher and is provided courtesy of *The Oregonian* newspaper.

Interview:

# Charles Collins

The chair of the Comprehensive Review of the Northwest Energy System speaks about the risks of failing to work together.

with Carlotta Collette

Charles "Chuck" Collins sits straight and tall, so straight and so tall that at a table with his peers, he almost seems to be standing among them. He has immense personal confidence and a degree of intelligence most people who have seen him at work consider "awesome." Words like "brilliant" and "commanding" are so often appended to his name that they have almost become nicknames. But most people who watched him in action this year, as he marshaled the Steering Committee meetings of the Comprehensive Review of the Northwest Energy System, simply came to call him "the General."

It is not merely a figurative title. Collins retired from the U.S. Army Reserves a year ago after 29 years' service. He had been drafted into the Army in 1966, shortly after graduating from Gonzaga University with a degree in philosophy. Beginning as a private, he quickly moved up to lieutenant and platoon leader in Vietnam. After the war, he stayed on in the Reserves, working his way through the ranks, until, at the time of his retirement, he had achieved the status of brigadier general.

Collins returned to college after the war and obtained a master's degree in public administration in 1970 from the University of Washington. He put that training to work as King County chief administrator and



Portrait by Stephen Hayes

then director of the Seattle/Metro transit system.

In 1979, Collins was approached by a group of Norwegian businessmen who wanted him to start a manufacturing venture for them. This was Collins' introduction to private enterprise. The company manufactured marine floats and buoys that are used in the offshore oil industry and in the fisheries. They exported to about 60 nations.

Collins was working at that company when, in 1981, he was approached by Washington Governor John Spellman to be one of the first members of the Northwest Power Planning Council. He was supposed to be only a part-time Council member, but his commitment still meant that he was off in Portland, where the Council has its central offices, as much as he was in Seattle. He finally decided to start his own company so he wouldn't have to make any more excuses to his Norwegian bosses.

In business, Collins has been as successful as he is in public service. He is president of

Colspen West Corporation in Seattle, which includes several garbage companies.

Most people in Washington State government think of Collins as one of those "public servants on call." He occasionally jokes about being an "itinerant chairman" because he has headed up several state commissions tackling tough problems, most notably the State Commission on Student Learning and the State Higher Education Coordinating Board. In fact, his leadership on education issues in that state has helped Washington acquire the reputation of being one of the best models for educational reform. Such leadership led to his being honored last year as Alumni of the Year by the School of Public Administration of the University of Washington.

**S**o when the governors of Idaho, Montana, Oregon and Washington were shaping the team they would ask to review the changes in the electric utility industry and how those changes might affect the Pacific North-

west, Chuck Collins was the person they asked to chair the review. According to Roy Hemmingway, Oregon Governor John Kitzhaber's representative on the review, "Of the four governors' representatives who would recommend a chair for the review, I was the only one who knew Chuck. But when they met him, the others all agreed he was the person for the job."

Hemmingway had worked with Collins when they were both members of the Power Planning Council in the early 1980s. "Chuck has a very keen sense of the need to establish a long-term vision. That's what the governors wanted from this process – more than the details," Hemmingway says. "He also has a tremendous gift of insight. He can take relatively few data points and distill the message from those data very quickly. He has the ability to subjugate his own personal opinions or beliefs to the greater vision. And the ability to lead others to that greater vision," Hemmingway adds.

When he is not in Portland chairing meetings of



**Retaining for the Pacific Northwest the economic advantages of those strips of concrete that cross the Snake and Columbia rivers is at the heart of what this review is about.**

the Steering Committee of the Comprehensive Review, Collins divides his time among his family, his businesses and his work in education reform in Washington State. He and his wife Nancy have two adult daughters.

**Q. Why is the Comprehensive Review of the Northwest Energy System important?**

Retaining for the Pacific Northwest the economic advantages of those strips of concrete that cross the Snake and Columbia rivers is at the heart of what this review is about. The governors of Idaho, Montana, Oregon and Washington recognized that the competitive environment the electricity industry is entering puts the long-term assets of the Columbia River federal hydropower system at enormous risk. The competitive environment, un-directed, would not necessarily preserve that system's benefits for the Northwest.

There are whole sectors of the Northwest – economically and socially – that could simply disappear if we lose regional control of the hydropower system. It's hard to imagine central Washington, eastern Oregon and parts of Idaho without irrigated agriculture. Irrigated agriculture relies on that system and the electricity it is able to produce at low cost. You fly over the region and you see all those green circles. The hydropower system produced that. It's a huge advantage.

There are a lot of trees in other parts of the country, but there are not nearly as many pulp mills. Why are those pulp mills here? Those pulp mills are here because of the hydropower system.

I believe falling water in the long run will produce electricity

much more cheaply than burning natural gas. If you don't believe that, frankly, there's nothing at risk. But I do. I believe that, over time, the competitive advantage of the hydropower system will become apparent and become very valuable.

But we are renters of that system. We do not control the system. The landlord is the U.S. government. We are on effectively short leases at low rent. The federal government has always left the economic benefit here.

But now we are facing competition for those benefits. The federal government is facing 50-year-old baby boomers. When the baby boom generation reaches retirement age, the politics of this country change dramatically. The assumptions about what the government does and pays for change radically. As we approach that event, the pressure will build.

Baby boomers carry two issues: Medicare and Social Security. If it comes to a choice between baby boomer Social Security and Medicare, and low-cost hydropower for the Northwest, I don't think there's a chance. Frankly, if it comes to a choice between baby boomer Social Security and Columbia River salmon, I don't think the salmon have a chance. When the baby boomers reach Social Security age, they're going to be cleaning up dollars with vacuum cleaners in every corner of the federal house.

Are we going to have the vision of at least the average real-estate developer? The average real-estate developer would be very concerned about being a renter in an environment in which a landlord is going to be in an economic crisis in 15 years.

That is the risk, and I see it as an incredible risk. They'll sell the Columbia River hydropower system or charge market rates and pocket the money. We're talking about billions of dollars a year. That won't escape attention. They need the money.

**Q. Why, in the middle of a very busy and successful business career, did you agree to focus your attention on this Review?**

I enjoyed enormously the years I was on the Power Council. I remember it very fondly. Of all the things I've done in my life, it was the most intellectually complex and demanding. Trying to understand the Columbia River hydropower system, how it operates and how it is optimized, was an area in which I occasionally would feel the horsepower in my brain run out. It was incredibly stimulating. It was conceptually, intellectually and analytically very demanding.

Issues like education may be somewhat more contentious. They may be tougher issues to resolve in some ways, but they're not as difficult to understand. The memory of that intellectual challenge was unquestionably part of my decision.

The second thing was just the chance to work with people like Roy Hemmingway and Jim Litchfield again. They have first-class minds, and it's fun to work with minds of that quality.

**Q. What are the key issues the Steering Committee had to address? Which were the most difficult?**

Every issue was difficult. The only area of our consideration that has proceeded more or less with

an evolving conviction and consensus has been how to operate the transmission system, especially the necessity of separating the Bonneville Power Administration's federal power marketing functions from its transmission functions.

I think everyone recognizes that given the Federal Energy Regulatory Commission's rulings [regarding access to transmission systems] and given the competitive environment, the owners of electrical generating resources can no longer control the transmission system. So although there's still work to be done, I would say there's probably a clear consensus on that subject, and the consensus is probably national.

The other areas were and remain difficult. For example, how do we continue to secure energy-efficiency improvements in this competitive environment?

When I was on the Power Council, 40-mill conservation compared to a 120-mill nuclear power plant looked like a hell of a deal. The assumption was, we needed lots of electricity or lots of electricity savings. In every case, the marginal cost of new electricity resources was infinitely greater than the average cost of existing electricity, and considerably more than the cost of conservation. Now as ugly as that problem was, it made what you wanted to do very clear. It bordered on being a no-brainer.

The conservation we want to do now, in many cases, perhaps even in most, is at prices that are higher than the average cost of new generation. As a consequence, conservation programs are greatly reduced. There's a short-term price penalty now that just wasn't there a dozen years ago.

But there still remains in much of the region a conviction that long-term conservation and renewable resources make sense. There's no question that the governors will insist that conservation and renewables be included in any consensus. The debate is over how much of these resources is appropriate. I don't hear anyone holding out for zero. But to say that the proposal as advanced has been received warmly by the utility industry would be an exaggeration.

When you go out to an industry and say, "We want you to pay 3 percent more so we can run conservation programs and develop renewable resources," that's a much tougher sell. It's a tough sell to utilities.

Another very difficult issue is the whole area of competition — who should benefit and how fast it should happen. You pick up the paper and read announcements that industries are getting price breaks, and utilities are buying other utilities. What safeguards should be in place for small consumers? That's a tough question.

The most difficult question of all is on what basis should we secure the assets of the Bonneville Power Administration for the benefit of the Northwest. What's the proper sharing of risk and benefit between the federal government and the Northwest, and within the Northwest among the multiple users of the system? The most dramatic issue in our case is between protecting the fish and power generation.

These are not trivial matters. If the Steering Committee and the constituencies they represent don't understand the risk, we're not going to get to the right place.

**Q.** *What about the issue of a future role for an entity like the Power Planning Council?*

There's potentially an important role for the Council to continue to play in the area of fish and wildlife. But I see little role for energy planning in this environment.

Whatever role the Council plays in energy may be largely because of the quality of the staff. You just don't run into that kind of talent in very many places. It's been rewarding to me — kind of fun — to watch the people in the electric industry in the region become reacquainted with the tremendous skill of the Council's staff. I don't know of a regional review member who has not commented to me on the quality of the staffing they've received from the Council's staff. It's not surprising to me, or I suspect to Roy, because we worked with those people.

So I would say that just as a function of the talent that's assembled at the Council, there's going to be some future role. It's not going to be what it was in 1981 or 1982. Part of what the regional review is trying to do is to sort that out.

**Q.** *How would you grade the process? Has the Steering Committee served the region well?*

The governors chose this committee very well. I have been amazed at their ability to work constructively with each other and to compromise. Lined up behind each of them is a big constituency. They represent those constituencies. Those constituencies tend to have the view that their issues should prevail and prevail absolutely.

I'm just a station master. I mean this sincerely. I have the greatest admiration for these members. My part is not difficult. I don't have a constituency I've got to go back and face. That is a big difference. That has been the strength of what's gone on here. I only pray it can continue.

Initially, in this kind of groping around, you have to figure out what you're trying to do and how you're going to do it. That's a frustrating period. We survived that. Then you run up against some tough issues and you take a preliminary cut at them. We've done that. But locking those issues up, that's the steep slope, and that's the mountain in front of us.

The committee members have had the tough duty of trying to find common ground, trying to make the compromises that get you to the middle ground. That takes courage. We've come 75 percent of the way successfully. The 25 percent that's left is tougher.

What happens in a process of consensus, which is inevitably a process of compromise,

is there are a lot of "half loaves." When you walk back to your group and show them your half loaf, the first question they ask is, "Why don't you have a full loaf?"

Groups tend not to think about the ultimate consequences of doing nothing. They tend to take the present and compare it to the result. The only proper comparison is the future and the result. If you don't have a very clear understanding of how at risk the thing we call the Columbia River system is, not many of these compromises will make sense. It's going to take an enormous amount of discipline and wisdom that goes far beyond the Comprehensive Review.

If we don't get closure on virtually all the issues with the vast majority of constituencies, we will leave too many vetoes in place, and we will accomplish nothing with Congress.

**Q.** *Please explain that. Why do we need to reach a regional consensus?*

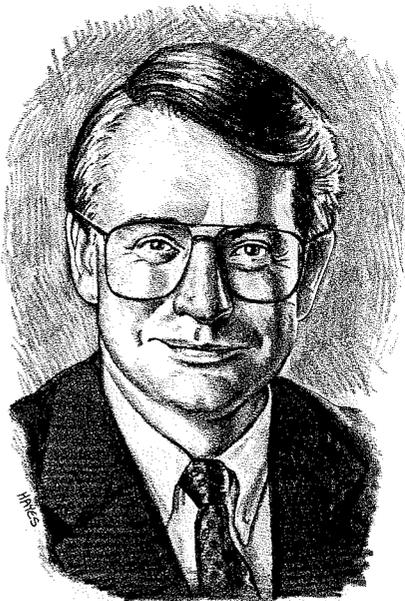
When I was on the Power

Council, I used to say that the Northwest has four great assets: the Columbia River hydropower system, and Senators Warren Magnuson, Henry Jackson and Mark Hatfield. With Hatfield's approaching retirement and the deaths of the other two Senators, only one of those assets remains.

In the old days, if you wanted action, you went to see Senators Hatfield or Jackson or Magnuson and they just did it. It didn't matter if you had all the votes in the region. They wanted you to have as many as possible, but if they decided to do something, there weren't many people who could oppose it successfully.

But we don't have that kind of power now, there are many vetoes. Almost anyone can veto — whether you're an aluminum company, or a conservation advocate or the owner of a geothermal plant. We've got to take those vetoes and minimize them, perhaps even eliminate them by trying to find a package that everyone can agree to.

Despite the enormous change in our stature in Congress, if the congressional



**There's no question that the governors will insist that conservation and renewables be included in any consensus.**

# Competition and Customer Choice

## Yesterday



### Reliability

Reliability was maintained through voluntary agreements among electric utilities.

As a consumer, you paid for a uniform level of system reliability, typically very high reliability.



### Cost

The price you paid for electricity was set by state and local regulators and was the same for all customers within a particular class.

Price was set to recover the total costs of the electric utility, thus there was limited incentive to innovate and reduce costs.



### Choice

Consumers had no choice among electricity suppliers or types of service.



### Accountability

Electric utilities were accountable to regulators in the case of investor-owned utilities, or to elected boards in the case of customer-owned utilities.

Consumers could not directly influence utilities to improve quality of service.



### Environment

Normal environmental safeguards that affect most industries applied to electric utilities. Additional rules were implemented through utility regulation to encourage conservation and environmental quality.

Consumers could not make direct choices about the environmental impacts of the electricity they used.

## Today



### Reliability

Still operating under yesterday's system, but a growing number of power suppliers may strain voluntary approach to reliability.



### Cost

Anticipation of competition is resulting in downward pressure on electricity rates.



### Choice

Some large customers are successfully pressuring utilities to provide access to wholesale power markets or, at least to reduce prices.

Most consumers still have no choice about electricity suppliers or services.



### Accountability

Electric utilities are accountable to regulatory commissions in the case of investor-owned utilities, or to elected boards in the case of customer-owned utilities.

Most consumers still cannot directly influence utilities to improve the quality of service.



### Environment

Different environmental regulations on different types of power plants are beginning to affect their competitive positions in the wholesale market.

Competitive cost pressures are making it harder for utilities to pass conservation and renewable energy costs on to consumers.

## Tomorrow



### Reliability

A greatly increased number of participants in the deregulated wholesale power and retail energy services markets will require more formal and sophisticated reliability controls.

Reliability will become the direct concern of competing energy service companies because most consumers will want reliable service; however, customers will be able to choose a lower level of reliability to reduce costs.



### Cost

The price consumers pay will depend on type of service and the provider they select.

Prices should be reduced by competition as in, for example, long-distance telephone service.



### Choice

Consumers will be able to tailor the type of electricity service they receive to their actual needs.

A greatly increased selection of services and providers will make the choice of electricity service more complicated.



### Accountability

Providers of electricity services will ultimately be accountable for the quality of service they deliver. If consumers don't like the service or the price, they can change providers.



### Environment

Normal environmental safeguards that affect most industries will apply to a deregulated electricity generation industry.

The additional safeguards that have been implemented through utility regulation will be more difficult to implement.

Variations in environmental requirements among states will translate into competitive advantages and disadvantages for electricity providers.

The competitive market will enable consumers to make direct environmental choices, such as buying "green" power.

# Conservation and Renewable Resources

## Yesterday

### Reliability

No significant impact on reliability, but because some types of conservation reduce peak electricity demand, they can reduce the cost of maintaining system reliability.

### Cost

Conservation and renewable resources funded primarily through electricity rates. Utility conservation and renewable resource investments driven by "least-cost" planning to minimize economic cost of new resources.

### Choice

Utilities dominate conservation and renewable resource development. Individual customers have little choice about what investments their utilities make.

### Accountability

Bonneville, state utility regulatory commissions, private utilities and public utility boards and commissions are responsible for conservation and renewable resources.

### Environment

Conservation investments reduced need for new power plants resulting in less pollution and other environmental damage.

## Today

### Reliability

No change.

### Cost

As in the past, conservation and renewable resources funded primarily through electricity rates. But, competitive pressures have reduced utility investments in conservation and renewables.

### Choice

No change.

### Accountability

Bonneville is transferring responsibility for conservation and renewable resources to its customers.

State utility regulatory commissions, private utilities and public utility boards and commissions are still responsible for conservation and renewable resources.

### Environment

No change.

## Tomorrow

### Reliability

No change.

### Cost

Lower cost of alternatives means less cost-effective conservation available.

Combined utility and Bonneville investment in conservation will be about \$140 million. About \$330 million was spent in 1995, when electricity costs were higher.

Combined utility and Bonneville investment in renewable energy will be about \$40 million. In 1995, they spent about \$2 million.

Greater reliance on private investments and the development of an active energy service market.

### Choice

Potentially greater choice of conservation and renewable resources from non-utility energy service providers. Greater access to "green" power.

### Accountability

State utility commissions and public utility boards and commissions will continue to oversee conservation and renewable resource investments.

Bonneville no longer responsible for developing conservation and renewable resources unless its customers contract with Bonneville for those services.

Greater utility and consumer responsibility for making investments in response to market forces instead of regulations.

### Environment

Investments may not include all conservation that was cost-effective under the Northwest Power Act. However, regional investments in conservation could be consistent with Act.

Increased investments in renewable resources will help reduce pollution from power plants.

# Federal Power Marketing Bonneville Power Administration

## Yesterday

### Reliability

Federal power projects provided reliable power, marketed by the Bonneville Power Administration, to utilities and industries that purchased it directly and provided backup to the entire Northwest system.

### Cost

Federal power was sold at cost. Because alternative suppliers were more expensive, electricity users in the Pacific Northwest generally paid far less for electricity than people in other parts of the country.

### Choice

Most utility and industrial customers of Bonneville had few alternative suppliers.

### Accountability

Bonneville was accountable to its utility and industrial customers through administrative procedures and through congressional oversight.

### Environment

Bonneville was responsible for extensive conservation and renewable resource development and most of the costs of salmon and wildlife recovery programs.

## Today

### Reliability

Federal projects operate reliably although some people believe cost-cutting due to increased competition could compromise reliability.

### Cost

Due to declining market prices and increasing obligations on the federal system, federal power costs the same or somewhat more than market prices.

For this reason, some customers are seeking other suppliers. As customers leave, Bonneville has less money to pay for public programs and to meet its obligations to taxpayers.

### Choice

There are many options for power supply for utilities and large industrial consumers.

### Accountability

Same accountability mechanisms as in the past, but increased competition means Bonneville must be more responsive to customer concerns.

### Environment

Bonneville's conservation and renewable resource programs cut sharply due to competitive pressure.

Bonneville's salmon recovery costs limited by federal agreement.

## Tomorrow

### Reliability

Bonneville's utility and industrial customers will have greater input on reliability.

Some people believe cost-cutting due to increased competition could compromise reliability.

### Cost

Rising market prices and repayment of debt probably will make cost of federal power lower than alternative supplies.

Benefits (in the form of low power prices) of below-market power go to utilities and others who make commitments to Bonneville.

Twenty percent of any benefit from below-market power sales (after repayment of debt costs) will be shared with taxpayers to cover fish and wildlife costs.

### Choice

Bonneville's customers will have choices about who supplies their power.

At least 60 percent of the power purchased from Bonneville is targeted to be purchased under long-term contracts.

Goal is to ensure the future benefits of the federal system remain in the Northwest.

### Accountability

Accountability enhanced by creation of an advisory committee representing Bonneville customers and others.

Customers may call for binding arbitration if they have disagreements with Bonneville.

### Environment

Bonneville's customers and federal taxpayers will share increased salmon costs up to a defined limit. Costs above that limit will be borne solely by taxpayers.

Bonneville's conservation and renewable energy obligations transferred to its customers.

# Low-income Energy Services

## Yesterday



### Reliability

No impact on the reliability of the electricity system.



### Cost

Low-income weatherization programs and bill payment assistance programs are funded by government revenues and electric utility revenues.

Government expenditures for low-income energy services justified as public policy goals.

Utility investments in low-income weatherization justified as cost-effective conservation.



### Choice

Choices about low-income energy services limited to utility and government programs.



### Accountability

Low-income energy assistance historically a federal responsibility, accountability lies only with Congress through elections.

Low-income weatherization programs funded in part by utilities, so accountability rests in part with state regulators and locally elected utility commissions and boards.



### Environment

Weatherized homes use less electricity and, therefore, decrease environmental impacts.

## Today



### Reliability

No change.



### Cost

Federal government revenues for low-income weatherization programs and bill payment assistance programs have been reduced.

Government expenditures for low-income energy services justified as public policy goals.

Utility investments in low-income weatherization have been reduced due to lower costs of electricity and competitive pressures.



### Choice

Choices about low-income energy services limited to utility and government programs.



### Accountability

About 60 percent of the region's low-income weatherization and energy assistance program funding is provided by the federal government, so accountability rests with the federal government through elections.

About 40 percent of the region's low-income weatherization and energy assistance programs are funded by Bonneville and utilities, so accountability rests in part with state regulators and locally elected utility commissions and boards.

Washington state currently matches Washington utilities' investments in low-income weatherization, but states currently contribute no money to low-income energy assistance.



### Environment

Weatherized homes use less electricity and, therefore, decrease environmental impacts.

## Tomorrow



### Reliability

No change.



### Cost

Utilities to dedicate 0.4 percent of their annual revenues to weatherization of low-income homes.

Utilities to maintain current level of funding for low-income energy assistance until state government adopts alternative funding plans.



### Choice

Potentially greater access to low-income weatherization services due to increased utility funding.



### Accountability

Local utilities shoulder responsibility for low-income weatherization and low income energy assistance until state governments adopt alternative plans.

Utility funding commitments will be subject to competitive pressures.



### Environment

Increasing pace of low-income weatherization will help offset pollution from electricity production.

# Electricity Transmission

## Yesterday

### Reliability

Reliability was dependent on coordination among companies that typically own both generation and transmission.

### Cost

Transmission costs regulated by federal and state governments, and by local elected boards and commissions.

Restricted access to transmission an obstacle to competition in generation. Lack of competition may cause higher prices.

Cost of transmission transactions increased by multiple parties involved in moving power from one place to another.

### Choice

Lack of open access to transmission system restricted choice of energy suppliers.

### Accountability

Multiple transmission owners, public utility commissions, local boards and federal government share accountability for performance of transmission system.

Lack of single responsible entity may hamper accountability.

### Environment

Environmental impacts related to siting of transmission lines.

## Today

### Reliability

Reliability still dependent on coordination among companies that are now under financial pressure from competition in generation to cut costs and maximize sales.

### Cost

Transmission costs still regulated by federal and state government, and by locally elected boards and commissions.

Transmission owners moving to "functionally separate" transmission and generation decisions to foster competition, which could lead to lower costs.

### Choice

Increasing choice of suppliers as open access to transmission system established.

### Accountability

Same as yesterday.

### Environment

Same as yesterday.

## Tomorrow

### Reliability

Reliability is responsibility of single operator that is independent of generation ownership.

### Cost

Decisions about transmission access are the responsibility of independent grid operator with no conflict of interest.

Open access to transmission system makes competition among generators possible.

Transactions easier, cheaper with "one-stop shopping."

Consolidation of functions with single operator could reduce costs.

### Choice

Choice of energy suppliers available due to open access to transmission system.

### Accountability

Independent grid operator reports to a governing board representing owners, users, regulators and others.

### Environment

Same as yesterday.

# A MATTER of TRUST

**Canadians in the upper Columbia River Basin unite to spend hydropower revenues on economic development.**

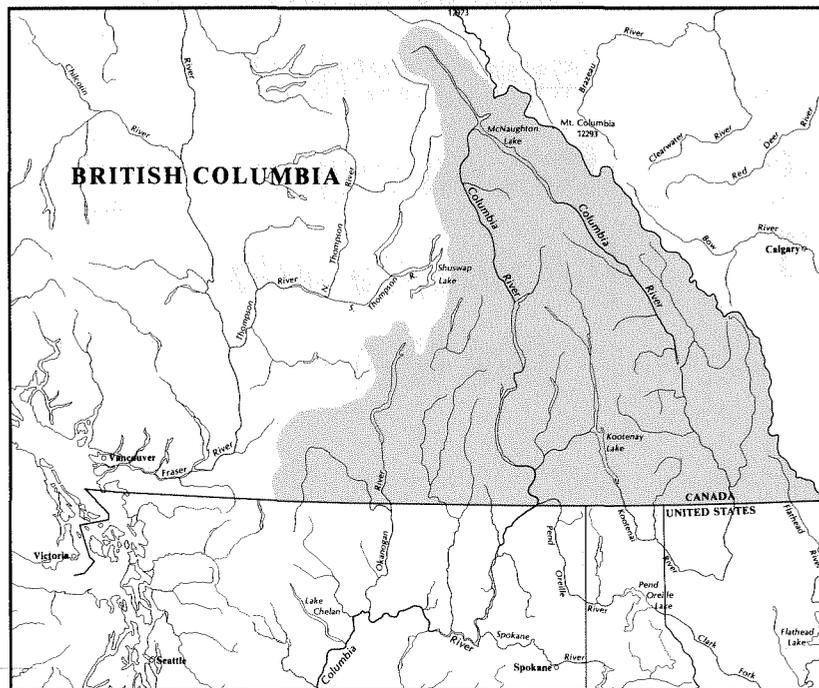
by John Harrison

In October 1934, Canada acknowledged that Grand Coulee Dam would wipe out its Columbia River salmon runs, but did nothing.

Twenty-seven years later, in a treaty with the United States signed in 1961, Canada agreed to build three dams on the upper Columbia River to maximize power generation downstream in the

United States. In return, Canada received a portion of the additional power. But British Columbia didn't need the power at the time, and so it was immediately sold — to utilities downstream. The dams, meanwhile, flooded hundreds of square miles and forced more than 2,000 Canadians to relocate.

In both instances, the Canadian government apparently paid little attention to the impact of U.S. hy-



dropower development on the natural resources and people of British Columbia. Today, it seems, something is being done about it.

Through the Columbia Basin Trust Act, approved by the provincial legislature in May 1995, millions of dollars are flowing into the Canadian Columbia River Basin "... to help create a prosperous economy with a

healthy and renewed natural environment," according to the Act. The Act created the Columbia Basin Trust, described in its own literature as "an autonomous and independent organization of the communities" of the Canadian Columbia River Basin.

"Creation of the Trust is an exciting development for people on both sides of the border," said John Etchart, a Montana member

and chairman of the Northwest Power Planning Council. "I anticipate the Council and the Trust will work closely together in the future."

The Council's Columbia River Basin Fish and Wildlife Program calls for the investigation of transboundary agreements to improve stocks of fish and wildlife that migrate back and forth across the international border, as well

as improving water quantity and quality. The Trust is a likely ally for the Council in pursuing those agreements, Etchart said. The Council discussed the potential for transboundary agreements with a panel of Canadians, including a participant from the Trust, at its October meeting in Kalispell, Montana.

**T**he Trust, headquartered at tiny Nakusp in British Columbia on Upper Arrow Lake (the Columbia River behind Keenleyside Dam), is governed by an 18-member board of directors. One of the board's chief responsibilities will be to decide how to invest and spend the Trust's money.

In an ironic twist, the Trust's chief source of future income will be from the sale of electricity generated at dams. Recently, the Trust purchased Brilliant Dam on the Kootenay River, a Columbia River tributary, from Cominco, Inc. The Trust then signed a contract with West Kootenay Power, a privately owned utility, to buy the output of Brilliant Dam from the Trust for 60 years. Thus, hydropower, which caused the damage that prompted the public outcry that ultimately led to the Columbia Basin Trust Act, will help finance the effort to mitigate the losses.

Why buy a dam?

"In this region, if you want to be at the table to make decisions about the future, then power is where you have to be," said Josh Smienk, who chairs the Trust's 18-member board of directors.

More important, however, is the fact that today, unlike 30 or 60 years ago, local people are involved in the decision-making.

"We made a commitment to citizens of the basin that we're not just out here making deals without them," Smienk said. "That

## **The committee's goals were simple: return a share of the downstream benefits to the basin, and give control of the investment of that money to the people who live there.**

was the history of the province — people would simply find out they had to move. Before we endorsed and signed our agreement with the province, we had 16 meetings with the public throughout the region. I remember at one meeting we had a candidate of the Green Party of British Columbia sitting across the table from the vice president of the Royal Bank of Canada, and they were talking about investment strategies. They did a lot of fencing back and forth, but the result was a lot of good thinking about how to link

the environment to a healthy economy."

**S**uch public involvement was unheard of in the past, when the decision was made to build the giant dam that would stop salmon and steelhead runs at river mile 596 in Washington, more than 600 miles from the headwaters lake in British Columbia. Salmon once migrated all the way to Columbia Lake, but by 1940 Grand Coulee Dam eliminated salmon from 1,100 miles of spawning grounds and habitat of the Columbia and its tributaries, mostly in British Columbia (see related story). Native peoples on both sides of the border felt the loss keenly, for salmon were important culturally and as a food source.

Then, in 1961, the next shockwave hit. Construction of the four treaty dams — Keenleyside and Mica on the Columbia, Duncan on a Kootenay River tributary in British Columbia and Libby downstream on the Kootenai in Montana — flooded 231 square miles of lowlands along the river and its tributaries, a particularly important loss in mountainous southeastern British Columbia and northwestern Montana, where the population concentrates near rivers. Reservoir levels behind the dams — Lake Koocanusa behind Libby Dam backs up into British Columbia — fluctuated by as much as 140 feet. More than 2,300 people were displaced. Farms and forests were flooded. Fish and wildlife habitat was destroyed. The real benefits of the treaty were downstream; the impacts were around the dams.

"The treaty was signed before the people were told about it," Smienk said.

Over the years there were protests, but they were not unified

until the late 1980s, when five regional governments within the Canadian Columbia River Basin joined with the Ktunaxa-Kinbasket Tribal Council and formed the Columbia River Treaty Committee. The committee's goals were simple: return a share of the downstream benefits to the basin, and give control of the investment of that money to the people who live there.

"Every stage of the timing could not have been more correct," Smienk said. "The local governments were willing to work together, the First Nations were willing, and we had a provincial government that was willing to listen."

**T**oday, the Trust's board of directors mirrors those who were involved in its creation. The board includes two members from each of the five regional governments within the basin, two from the Ktunaxa-Kinbasket Tribal Council, and six appointed by the province. Last April, the province provided \$45 million in initial funding and has committed \$2 million per year through 2010 for operational expenses. In the long term, revenues from its power projects will finance the activities of the Trust.

The Trust is eyeing two other dams in addition to Brilliant. One involves upgrades at Waneta Dam, located on the Pend Oreille River just upstream from its confluence with the Columbia. Currently, it is owned by Cominco. The other is Keenleyside, where the Trust is conducting an environmental analysis of the consequences of adding generators. Money to pay for all of this will come from the province, using its share of the downstream benefits provided in the Columbia River Treaty.

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With the treaty expiring in three stages around the turn of the century, the province and the Bonneville Power Administration, representing the United States, attempted to negotiate a new amount for the benefits. Those negotiations currently are stalled, but Smienk said the province intends to honor its commitment to the Trust. The province created a new government agency, the Columbia Power Corporation, to be the Trust's partner in these power projects, and any others, and agreed to invest \$1 billion in them over time.

Meanwhile, the Trust is preparing its draft plan for the basin, after numerous public meetings. Some preliminary proposals,

which Trust Chairman Smienk said will come in the form of a workbook, will be discussed in a number of community meetings between November 1996 and March 1997. The Trust plans a public symposium next spring at which citizen delegates will debate issues raised in the workbook. Ultimately, the plan will guide investments by the Trust in social, environmental and economic development schemes.

"Not only will this plan pull together a vision for the basin, but it will take into account all federal and provincial agencies in a coordinated effort," Smienk said.

**R**ather than focus on specific projects, the plan will be built around guiding principles.

"There's no way you can be effective in an effort like this if you have to throw every decision back to the public for approval," Smienk said. "Instead, you ask the public for guidance on principles and then you adhere to them — and you'd better be ready to answer to the public if you don't."

One principle could call for rebuilding salmon runs in the Canadian Columbia River.

"Some people here would like to see salmon back, and others say you just can't do that," Smienk said. "It's an ongoing debate, but if we set a guiding principle that we want salmon back, then we wouldn't do things in the future that would make that impossible."

Regardless, Smienk is excited by the high degree of public interest the Trust has generated so far.

"We've created choices for today and for the next generation, and we've basically gained control of some of our backyard again." ■

# DAM DILEMMA

## How to move salmon over a 30-story building.

**T**he builders of monumental Grand Coulee Dam, which wiped out salmon runs in the upper Columbia River above it, faced a monumental challenge — how to move fish around the dam. Many people to this day believe the Bureau of Reclamation, which built the dam, had no interest in the fish.

The Bureau always has maintained that its engineers were concerned, but the equipment to move migratory fish upstream and downstream past a dam as tall as a 30-story building simply didn't exist. Instead, the Bureau listened to scientists who had great faith in hatcheries, but knew comparatively little about salmon spawning in the wild.

In the end, the Bureau bet on hatcheries. Ironically for salmon-spawning areas in the Columbia River and its tributaries above the Grand Coulee, the hatcheries were downriver.

Construction began in September 1933. Originally, the Bureau of Reclamation recommended a flume and an elevator to transport fish around the dam, according to historian Paul Pitzer in his 1994 book, *Grand Coulee: Harnessing a Dream*. But the U.S. Commissioner of Fisheries, Frank Bell, wrote that a ladder wouldn't work because of the great height of the dam. The only alternative, Bell said, was to trap the fish below the dam, propagate the eggs in a hatchery and then release the juvenile fish above the dam. Of course, juvenile fish heading for the ocean also would have to be trapped and trucked around the dam.

As well, Bonneville Dam was under construction 450 miles downstream and no one knew what effect it would have on salmon, although some people predicted it would virtually wipe out the runs. The influential Washington State Columbia Basin Commission reasoned that if that were true, why spend a lot of time and money on a complicated system to transport the few remaining fish around Grand Coulee?

Meanwhile, Canadian government officials knew what was coming, but chose not to protest. In an exchange of letters about a year after construction began at Grand Coulee and Bonneville, officials of Canada's offices of the Secretary of State and Ministry of Fisheries discussed the potential impact of Grand Coulee on Canadian Columbia River salmon.

In a letter dated October 27, 1934, the federal deputy minister of fisheries made the government's position clear:

"The assumption that there is no commercial salmon fishery on the Columbia River is correct, and hence, Canadian interests in that respect will not be affected if the dam at Grand Coulee is not equipped with fishway facilities," Deputy Minister William A. Found wrote. Thus, for the lack of a commercial fishery, the Canadian government wrote off salmon in the upper Columbia River.

Damning as that may sound, however, Canadian protests might have had no impact on the Bureau of Reclamation, anyway. The Bureau was required by the Federal Power Act of 1920 either to protect migrating fish at the dam — with fishways or elevators, for example — or build a hatchery to compensate for the inevitable loss.

Dam construction continued and the matter remained unresolved until January 1938, when the Washington State Department of Fisheries issued a report that called for an ambitious system of hatcheries to conserve salmon in north-central Washington. The plan was adopted by all government agencies and led to the construction of a new hatchery at Leavenworth, more than 100 miles downstream. The plan called for transplanting salmon that once spawned above Grand Coulee Dam to four tributaries of the Columbia downstream — the Wenatchee, Methow, Entiat and Okanagan.

"How much the salmon transplant experiment really succeeded in the long run is unknown," Pitzer wrote. In 1948, the Bureau declared the salmon transplant experiment "an unquestionable success."

The Leavenworth hatchery, and others, continue in operation. But myriad impacts — more dams downriver, irrigated agriculture, logging and mining in forests where salmon spawn, fish harvest and ocean conditions all have combined with historic hatchery practices to decimate the upriver runs from levels so optimistically reported by the Bureau in 1948.

As for the Columbia River above Grand Coulee, salmon were gone by 1940, when the dam was substantially completed and the waters of Lake Roosevelt rose behind it.

— JAH

# A New Program In Ninety-Eight?

by  
John  
Harrison

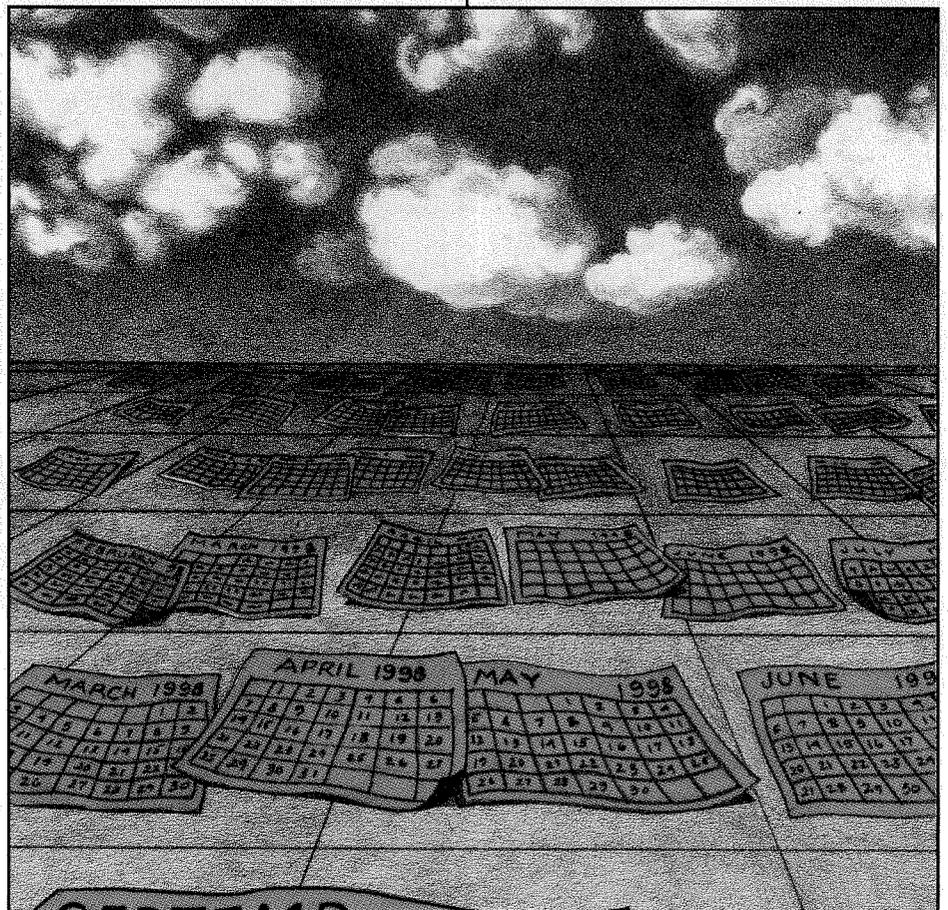
## Review of fish and wildlife program in 1997 could lead to amendments in 1998.

Seeking to take advantage of new scientific information and to merge elements from the region's several fish and wildlife recovery plans, the Northwest Power Planning Council voted in August to consider amending its Columbia River Basin Fish and Wildlife Program in 1997. The Council last amended the program in December 1994.

"If there is one thing that people of the Pacific Northwest

agree on, it is the need for a single, comprehensive program for protecting and enhancing fish and wildlife," Council Chairman John Etchart said.

The Council will not request recommendations for amendments before February 1997. That is because the Council needs time to study new information that could affect the program. For example, a report on the science underlying the Council's existing



program was completed in September after more than a year of work. That report was prepared by a group of independent scientists and was submitted to the Council following peer review.

**M**ultiyear work plans on program implementation also are being developed to help guide future decisions. These work plans will help clarify how individual program measures fit the broad goals of fish and wildlife recovery in the region. The Council is preparing an issue paper on the science report, the work plans and other information being developed that could affect the program. The Council also is forming a panel of independent economists to offer advice on the impacts of measures in the program.

“We want people to take time this fall to begin thinking about potential amendments to the fish and wildlife program, and how all of this new information should be reflected in the region’s fish and wildlife recovery efforts,” Etchart said.

**E**tchart acknowledged that there is a lot of confusion about who is in charge of fish and wildlife restoration and whose program takes precedence. Amending the Council’s program won’t solve the authority issue, but if the region could agree on a single recovery plan, there would be less confusion and clearer direction, he said.

Currently, there are several recovery plans that affect fish and wildlife in the Pacific Northwest. One is the Council’s fish and wildlife program, which includes measures to protect and enhance all fish and wildlife affected by hydropower development in the

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Columbia River Basin. Another is the draft recovery plan for endangered Snake River salmon prepared by the National Marine Fisheries Service. A third is a draft plan for salmon prepared by the Columbia River Inter-Tribal Fish Commission. Other groups have developed their own plans, as well.

Through the process of amending its fish and wildlife program, The Council will provide a regional forum to identify and attempt to reach agreement on common elements of the plans. Areas of agreement could form the basis of program amendments; areas of disagreement could be refined and resolved.

**E**arlier this year, when the Council sought public comments on its report to Congress on ways to improve the governance of fish and wildlife matters in the Northwest, there was strong support for a single recovery plan.

“There is no reason the different governments and interested citizens shouldn’t work together,” Etchart said. “By doing so, we have a better chance of streamlining a complex, expensive process and saving the region’s electricity ratepayers some money while restoring fish and wildlife.” ■

# Who's First?



**Prioritization process brings increased scrutiny to fish and wildlife spending.**

by John Harrison

Nearly two years ago, in the 1994 Columbia River Basin Fish and Wildlife Program, the Northwest Power Planning Council and the Bonneville Power Administration initiated changes in the way electricity ratepayer money is spent on projects to protect and enhance fish and wildlife. The Council said funding decisions, which at the time were made largely in-house at Bonneville, must be more open to public scrutiny, and those who receive the money must be more accountable for how it is spent.

The Council asked the region's state, federal and tribal fish and wildlife agencies to devise criteria,

for Council approval, that would be used to evaluate projects proposed for funding. These criteria — for resident fish, anadromous fish and wildlife — were written and approved in time to be used to evaluate projects for funding in Fiscal Year 1996, and they were used again for funding of projects in Fiscal Year 1997.

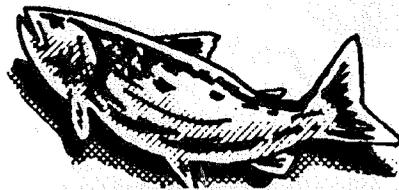
“Two years ago we heard a strong consensus from the public that this process needed greater accountability, and we have done that. It’s not perfect, but it is better than it was, and we will continue to refine the process,” Council Chairman John Etchart said. “Millions of dollars are spent every year, and ratepayers have every right to know their money is being spent wisely.”

**T**his year, for example, in August the Council approved some \$125 million in projects to be funded by Bonneville in the coming fiscal year.

“These projects resulted from an unprecedented public review process in which our goal was to protect the ratepayers’ investment in fish and wildlife recovery and be sure that money is spent on projects with the highest chance of success,” Etchart said. “In essence, the Council is the watchdog working on behalf of ratepayers. We are accountable to the public for how this money is spent, and we take that responsibility seriously.”

Not all of the projects recommended by the Columbia Basin Fish and Wildlife Authority, an association of state, federal and tribal fish and wildlife managers that does the prioritization, were approved by the Council for funding. Some were set aside for further review. More importantly, however, the Council committed to scrutinize several ongoing program measures that have been

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controversial in the past — the operation of the Fish Passage Center, for example, and the squawfish reduction program. The Fish Passage Center plans and implements an annual smolt monitoring program, develops and implements river flow and dam spill requests to aid juvenile fish passage and monitors and evaluates scientific research regarding flows and spills.

**U**nder the Northwest Power Act, Bonneville finances the fish and wildlife program developed by the Council. The program is designed to protect, mitigate and enhance fish and wildlife, and their spawning grounds and other habitat in the Columbia River Basin, while also assuring the Northwest an adequate, efficient, economical and reliable power supply.

The projects approved by the Council for Fiscal Year 1997 are estimated to cost \$125 million. The actual amount will be negotiated by Bonneville and the contractors who do the work. These projects comprise one of three main elements of Bonneville’s annual fish and wildlife budget. The other components are Bonneville’s debt repayment to the federal Treasury for current capital costs related to hatcheries and federal dams — fish ladders, turbine screens and bypass systems, for example — totaling about \$127 million annually, and the cost of lost hydropower that results from storing water in winter for release during the spring and summer to aid salmon migration — about \$183 million in an average water year. The total of these costs in an average water year is \$435 million.

The Council attached several conditions to its approval of the projects for Fiscal Year 1997. These include:

- ◆ That funding is not a grant of money, but approval of work to be performed.
- ◆ That the funding would also satisfy Bonneville's obligations under the Endangered Species Act for protecting Snake River salmon and Kootenai River sturgeon. Recovery plans are being prepared for those fish, and while that work continues, Bonneville is required to ensure that their survival is not jeopardized by the operation of the hydropower system.
- ◆ That the fish and wildlife managers identify project budget cuts to bring the total estimated cost of the projects within Bonneville's budget.
- ◆ That the Council approves the efforts described in the project proposals, not the estimated costs. The cost of each project will be negotiated between Bonneville and whomever does the work.
- ◆ That Bonneville will review the budget with the Council and the fishery managers four times a year to ensure that project funding conforms to the proposed budget and that the Council is aware of changes.

"While it is still not perfect, we have improved the public accountability of this process, and I am pleased with our first-year results," Etchart said. "These were tough decisions because we recognize that every project proposed to us has its supporters. But in the end, the Council is responsible for ensuring the public's money is spent wisely and that projects are based on the best scientific information. We gave every project thorough scrutiny, and we are now working to implement additional improvements to the process."

To improve the process next year, the Council made specific suggestions to Bonneville and the fish and wildlife managers and made several important commitments itself. These include:

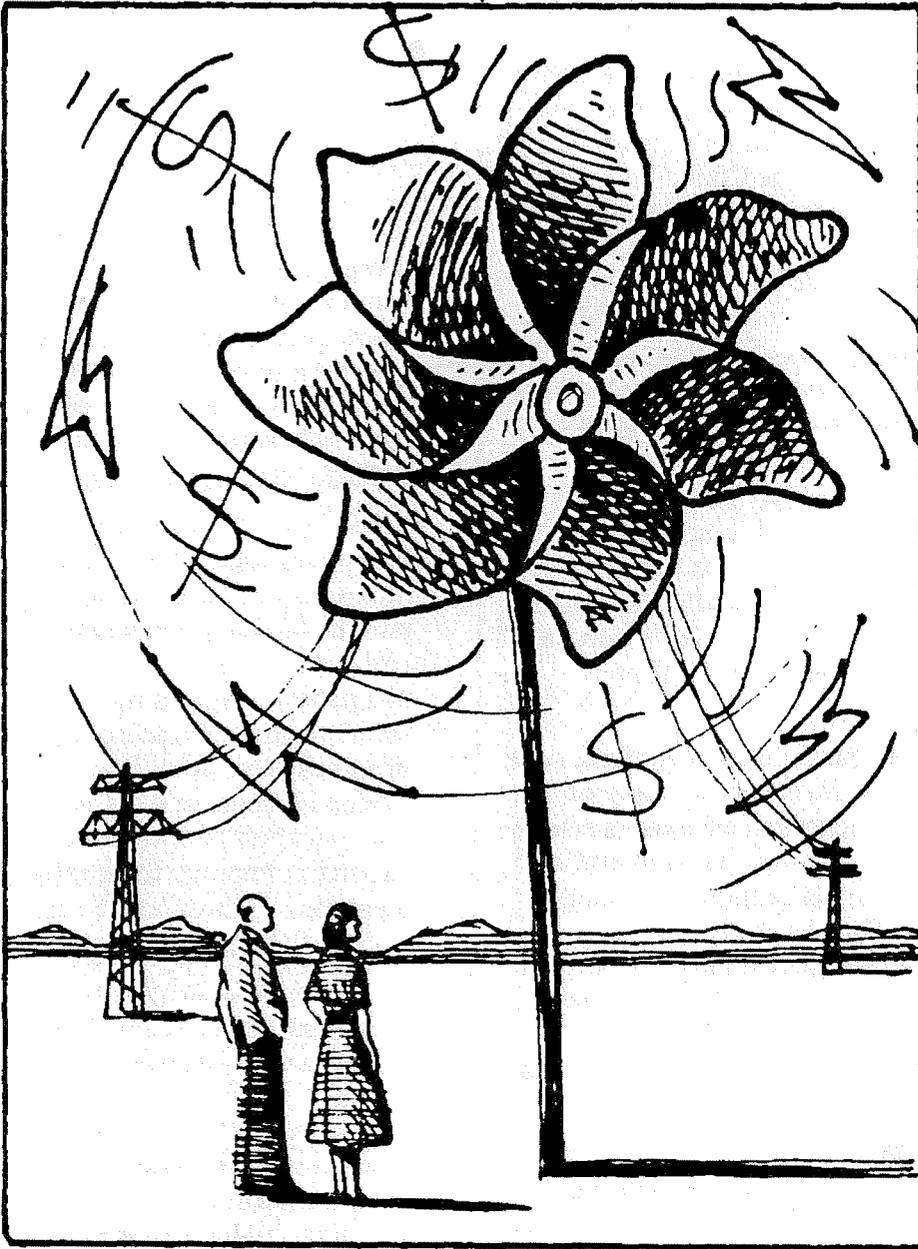
- ◆ The Council is working with the National Academy of Sciences to establish a scientific review panel to evaluate project proposals annually. This responds to a recent amendment to the Northwest Power Act, sponsored by U.S. Senator Slade Gorton of Washington, calling for such review.
- ◆ Bonneville, in consultation with the fish and wildlife managers and other interested parties, should develop clear criteria for using competitive bidding to implement the projects.
- ◆ As the region plays a new and larger role in the selection of projects, there needs to be a clearer policy for evaluating project proposals that seek Bonneville funding when other state or federal funding obligations exist for the same work. The Northwest Power Act prohibits Bonneville

funding in such instances. The Council will investigate this matter with Bonneville, the fishery managers and others.

- ◆ The Council committed to help develop multiyear implementation work plans as the foundation for the prioritization process in Fiscal Year 1998 and beyond. The work plans will act as a framework to guide implementation of the program and provide a greater understanding of how individual projects support basinwide fish and wildlife restoration goals.
- ◆ The Council recognized that implementation of program measures designed to maintain the biological diversity and genetic integrity of wild and naturally spawning salmon and steelhead populations has been slow. The Council intends to work with fish managers and technical experts to improve the implementation of those measures.

The Council asked the fish and wildlife managers to submit project proposals in rank order, based on their technical merit, not as groups of unranked projects, as happened this year. This would make it easier for the Council to determine which projects have highest priority, in the determination of the managers. ■

# SHORTS



## NORTHWEST

Washington's Clark [County] Public Utilities is poised to offer full retail wheeling by early 1997. The proposal would enable Clark's 128,000 customers — residential, as well as commercial and industrial — to choose their power supplier. Clark would offer several options, including a "green power" rate, which would be for electricity generated by wind turbines or other non-fossil fueled power plants, and the option to buy from other suppliers. For example, customers could turn to

another utility, to a power broker, or to independent power producers marketing power from their own plants. Clark would continue to bill customers for the use of the utility's power lines to deliver the electricity. Clark's General Manager Bruce Bosch is planning to present his proposal to the utility's Board of Commissioners this fall. (Source: *The [Portland] Business Journal*.)

Oregon may become the first state to cap carbon dioxide emissions in new power plants. The state's Energy Facility Siting Task Force is developing a standard that would require a 17-percent reduction in new plant carbon dioxide emissions. The reduction could be achieved through more efficient equipment, tree planting to offset the emissions or other means. The proposal was recommended by a collaborative working group. It is expected to be considered by the state legislature early next year. (Source: Oregon Department of Energy.)

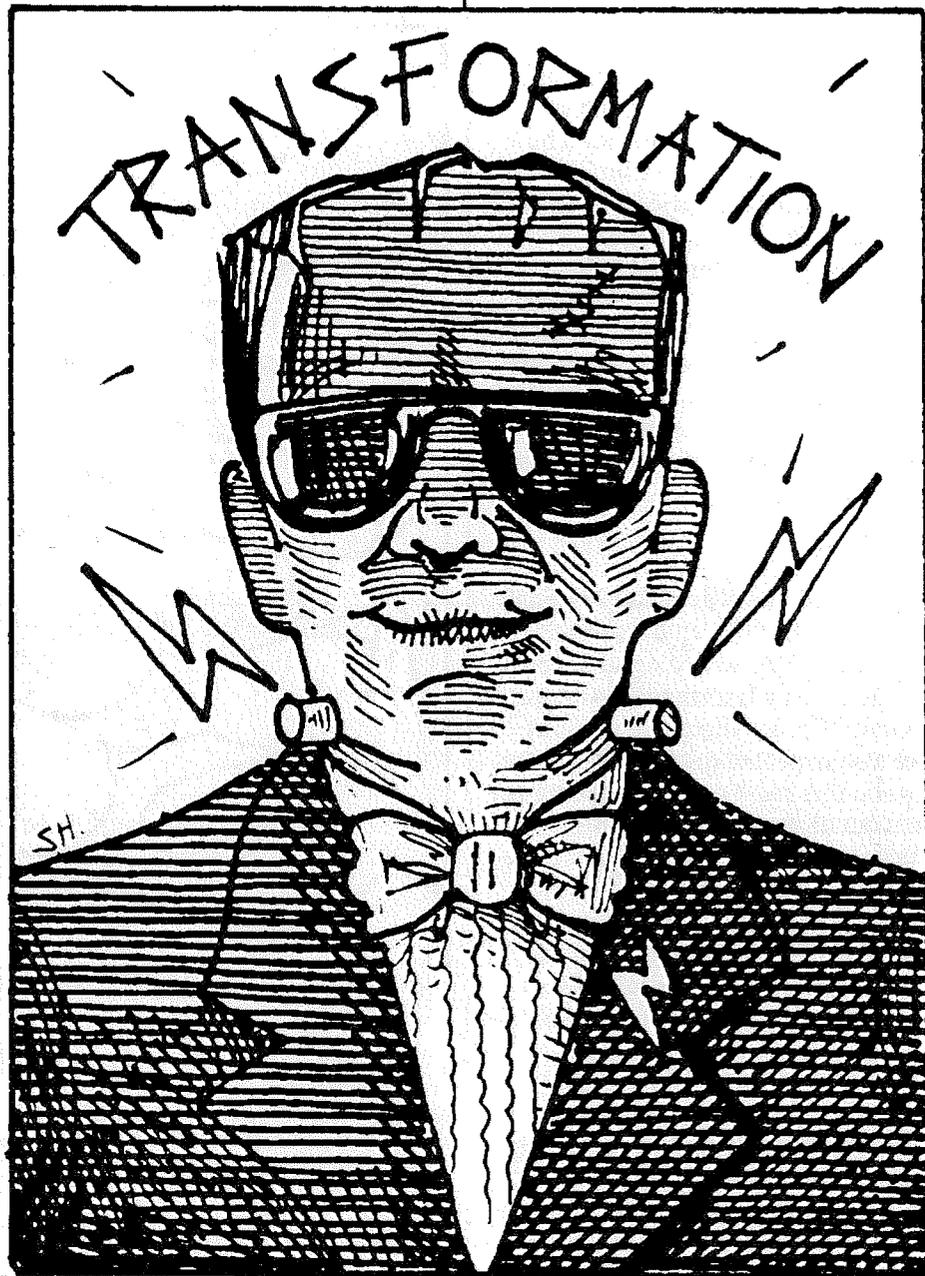
**New regulatory agreement could promote renewable resources.** PacifiCorp, the Northwest's largest utility, has asked the Oregon Public Utilities Commission to approve a plan to separate the utility's generation and transmission businesses and incorporate a system benefits charge that would help fund renewables. The plan was devised by the utility and several public interest groups. The Public Utilities Commission is expected to hold hearings on the proposal over the next two months. If approved by the Commission, PacifiCorp intends to test the new approach for five years, beginning in July 1997. (Source: *Wind Energy Weekly*.)

**A record harvest of Alaskan pink salmon didn't help fishers this year.** There were so many salmon — including massive numbers from fish farms around the world — that prices were too low to make much profit. The federal government spent nearly \$10 million on canned salmon to support the industry, but even still, tons of Alaskan salmon were given away or ground up and dumped back into the ocean. The total value to fishers of the combined Alaskan salmon harvest was \$100 million lower than last year's. (Sources: *Pacific Fishing* and the *Seattle Post-Intelligencer*.)

## NATION

**Minnesota is considering withholding payments to the federal Nuclear Waste Fund.** Arguing that money in the fund could be used to offset the federal deficit instead of for nuclear waste storage, the Minnesota Department of Public Service has recommended that Minnesota utility regulators put the one-mill-per-kilowatt-hour charge into a separate account within the state rather than send it to Washington D.C. Minnesotans pay about \$17 million each year into the federal fund, which is supposed to go toward storage and disposal of nuclear waste beginning in 1998. U.S. electricity consumers as a whole pay approximately \$600 million annually into the fund, which currently amounts to about \$12 billion. Minnesota is one of 20 states and numerous utilities that sued the U.S. Department of Energy over the Department's failure to identify and begin development of a waste storage and treatment site. In late July, federal courts ruled in favor of the states. Congress responded by ordering a new approach to the siting issue. The Minnesota Public Utility Commission is expected to decide this fall on whether to withhold the funds until the issue is resolved. (Source: *Western Energy Update* and the Minnesota Department of Public Service.)

**California legislators vote to completely transform the state's electricity industry.** The legislation includes a 20-percent rate break for consumers, rescues utilities from stranded investments, creates an independent transmission-grid operator and provides hundreds of millions of dollars to support renewable resources and conservation. The rate break and relief from stranded investments will be underwritten in part by bonds, backed by the state's Infrastructure and Economic Development Bank. Half the funds



for renewables, conservation and low-income programs will come from a 3.3 percent meter charge, the other half also will come from the state. The legislation was adapted from the California Public Utilities Commission's 1995 electric industry restructuring decision. Full text of the decision can be found on the World Wide Web at <http://www/sen.ca.gov/#legislation>. (Source: *Clearing Up*.)

**Magnuson Act revisited, renamed, reauthorized.** After nearly four years of often bitter argument, the Magnuson-Stevens (after new sponsor, Alaska Senator Ted Stevens) Act was approved unanimously by the Senate and reluctantly by the House. The new legislation, which some observers say is the "greenest" law passed by the 104th Congress, focuses on stock rebuilding, tighter management of harvests and habitat protection. (Source: *National Fisherman*.)

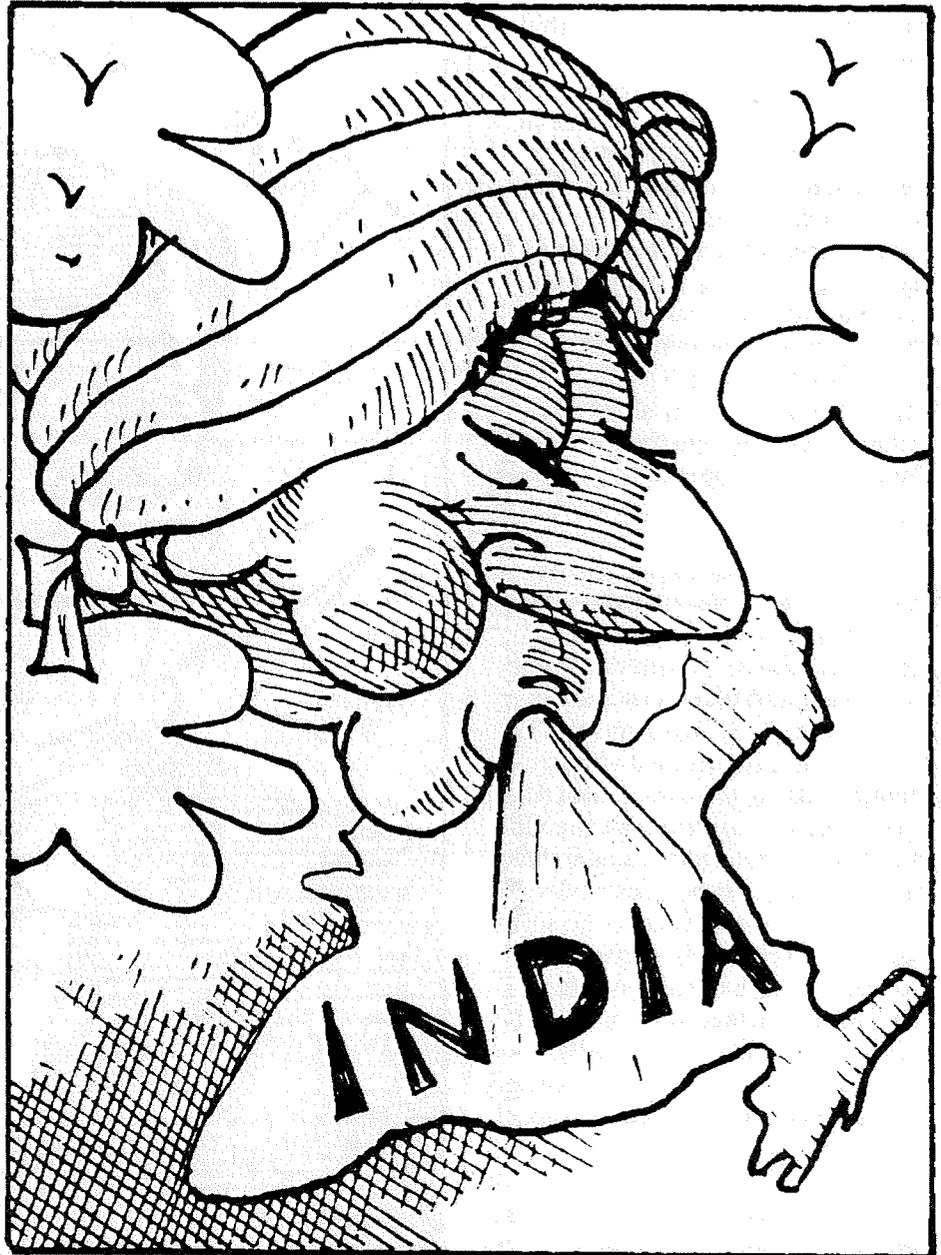
# SHORTS

**Nuclear test facility to be powered with solar energy.** In a novel resource turnabout, the Nevada Test Site, home to federal research on nuclear technologies, will soon be obtaining its electricity from the largest photovoltaic electric plant in the country. The Corporation for Solar Technology and Renewable Resources, the project's developer, has chosen the team of Amoco/Enron Solar to build the 10-megawatt facility. The Corporation has set a goal of developing 100 megawatts of solar power in Nevada. (Source: *Western Energy Update*.)

## WORLD

**China and India are likely to push world energy use up 60 percent by the year 2015,** according to a report by the Energy Information Administration. Carbon dioxide emissions are also expected to climb 54 percent during this same period. Leaving Japan out of the equation, energy use in Asia is projected to grow by 150 percent by 2015. Energy use in the United States and Japan is expected to increase by 32 percent. Natural gas will probably fuel most of the increases, while the supply of nuclear energy is expected to decline. (Source: *The Energy Newsbrief*.)

**India turning to wind to power a portion of its new energy growth.** India, with the capability to generate about 20,000 megawatts of electricity from the wind, has added 730 megawatts of wind power in just the past four years. The country's goal for its current five-year plan (1992 through 1997) was to develop 500 megawatts. The plan is to build a total of 2,000 megawatts of new renewable resources during the planning period, but other renewables are behind schedule. (Source: *Wind Energy Weekly*.)





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The Northwest Power Planning Council is required by an Act of Congress to develop a program to protect, mitigate and enhance the Columbia Basin's fisheries and a regional electric energy plan that provides a reliable electricity supply at the lowest cost. For further information, see Pacific Northwest Electric Power and Conservation Act-Public Law 96-501.



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- (96-13) Council By-Laws
- (96-12) Fiscal Year 1998 Budget and Fiscal Year 1997 Revisions
- (96-11) 1996 Annual Report
- (96-10) Report to Congress: Fish and Wildlife Governance and the Columbia River Hydropower System
- (96-9) Draft Results of the Fish and Wildlife Managers' Review and Assessment of Fiscal Year 1997 Projects
- (96-7) 1996 Directory of Organizations
- (96-6) Return to the River: Restoration of Salmonid Fishes in the Columbia River Ecosystem (report by the Independent Scientific Group requested by the Northwest Power Planning Council)
- (96-CR21) Comprehensive Review Meeting Summary: October 31, 1996
- (96-CR20) Comprehensive Review Meeting Summary: October 17, 1996
- (96-CR19) Comprehensive Review Meeting Summary: September 19, 1996
- (96-CR18) Comprehensive Review Steering Committee Draft Proposal
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## *from the* **CHAIR**

**O**n September 19, the Steering Committee of the Comprehensive Review of the Northwest Energy System released its draft recommendations for the future of electricity in the region. Since then, my colleagues, Todd Maddock from Idaho, Mike Kreidler from Washington and Roy Hemmingway from Oregon, and I have been representing our governors at hearings throughout the region. We have heard from hundreds of Northwest citizens, all of them concerned that the energy system they have come to rely on is changing.

Their concern is warranted. The changes under way in the electric utility industry are enormous, and the benefits from competition can be considerable, but they aren't assured. I am convinced that this review has been helpful in charting a good course for us, and I believe that a regional consensus on how to proceed is an absolute imperative, given the certainty of legislative action in the next Congress.



Chuck Collins and the Steering Committee members have spent the better part of a year wrestling with the complexities of our power system and attempting to find ways to secure the benefits of a newly competitive industry for all Northwesterners. They are to be commended for their diligence and persistence, their willingness to tackle these very difficult issues and, most important, their willingness to seek out compromises that can move the region forward.

If we can take the next step together — if we can agree on a proposal that will best serve the Pacific Northwest — we stand a good chance of preserving our greatest natural resource, the Columbia River, for our citizens.

*John H. Elchert*