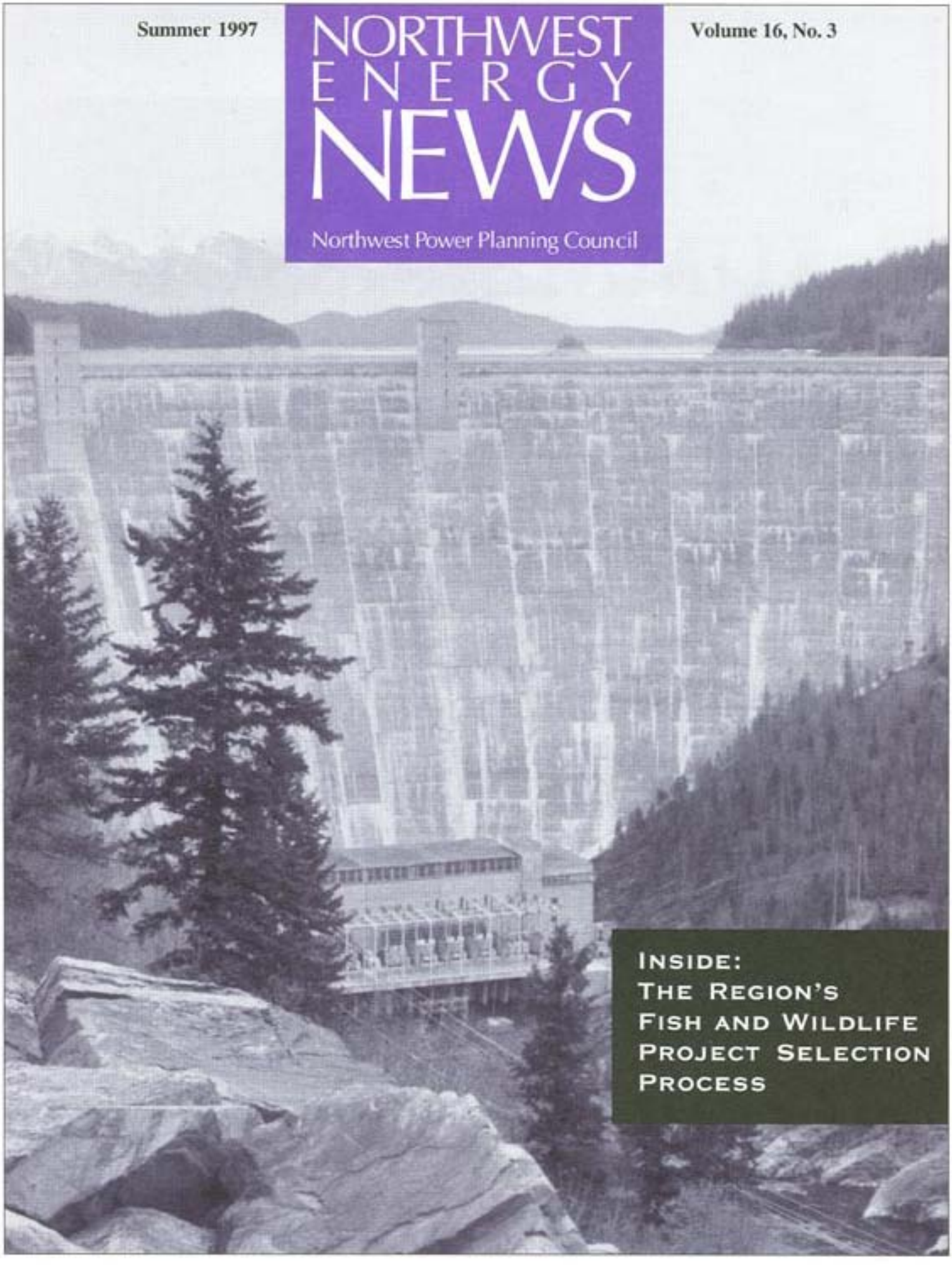
Summer 1997

NORTHWEST ENERGY NEWS

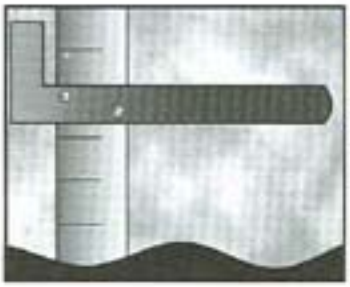
Northwest Power Planning Council

Volume 16, No. 3



INSIDE:
THE REGION'S FISH AND WILDLIFE PROJECT SELECTION PROCESS

SUMMER ISSUE



This issue's cover photograph of Hungry Horse Dam is by Carlotta Collette.

Interview:

Representative Elizabeth Furse

Oregon's congresswoman announces she'll quit Congress, but stay active on salmon issues.

with Carlotta Collette

Elizabeth Furse was born in Kenya and raised in South Africa, two places where the environment, both natural and political, is a powerful teacher. "When you're raised in places like that," she says, "you are very much aware that you're a small part of the whole scene." That observation notwithstanding, Furse and her family played fairly large parts in the scenes they encountered in Africa.

Her family was moved to South Africa at the start of World War II, when Furse was 2, because her father, an officer in the British Navy, was sent to command the dock at Cape Town. Cape Town was a major troopship port when the Red Sea was closed during the war.

After the war, Furse's mother became active in protests against apartheid. She was a co-founder of the women's anti-apartheid organization called "Black Sash." Fifteen-year-old Elizabeth demonstrated alongside her mother when the group marched on the House of Parliament in Cape Town. This was extremely dangerous, even for British women. "I saw very clearly the brutality," she recalls, "which for the first time in my experience was directed at white people."

Those demonstrations in South Africa were the first protests in what was to become a very active political career. Furse has been a supporter of civil and human rights ever since, moving from anti-apartheid demonstrations in South Africa, to farmworker support in Southern California, to work on Native American treaty rights in the Pacific Northwest.

Portrait by Stephen Hayes

Her first move was from Cape Town to London, where she met and married an American. The young couple moved to Southern California in 1958. At that time, Cesar Chavez, founder of the United Farm Workers union and organizer of the grape boycott that gained national attention in the 1960s, was just beginning his life-long effort to improve farmworker conditions. Furse worked with Chavez and also with a self-determination organization for young women in Watts, a largely black neighborhood in Los Angeles.

From Southern California, she moved to Seattle where she was to become active on American Indian treaty issues. "There was a war going on on the Nisqually River," she recalls, the war over Indian rights to fish. "The whole issue in the newspaper was that these were Indians fishing illegally," Furse explains. "That was not the truth at all."

Furse studied the issue, met with some of the tribal leaders, including Billy Frank Senior, who was then 102 years old, and got involved. They formed a group called Citizens for Indian Rights, which later became the National Coalition to Support Indian Treaties. "We were pretty successful for a small group," she says.

From Washington, Furse moved down to Oregon, where the state's Legal Services Corporation had a program for Native Americans. Several Oregon tribes had lost their tribal status, as well as their lands, in the Termination Act of 1954. Furse worked to have them reinstated, shepherding through Congress three pieces of legislation that succeeded in returning tribal status to the Grand Ronde, Coquille and Klamath tribes.

Her concern over government funding priorities and the disproportionate amount that goes toward military spending led her to create the Oregon Peace Institute in 1985.

Furse decided to run for Congress in 1992, when then-Oregon Congressman Les AuCoin quit to run for the Senate. "I looked at the candidates who were running in his district," she remembers, "and I thought no one would be talking about the issues I think are important. And because I can't bear to do anything at less than 110 percent, we won. Then we were stuck."

"Stuck" in the Congress, Furse quickly won praise as a bipartisan able to work well on numerous issues with representatives from either political party. "If you talk to people," she says, "I think they'll say I'm not a bomb thrower." She has focused on several key areas: public health, especially diabetes and infant mortality; cutting military spending ("I'm the only member of Congress that has for four years in a row managed to get a cut in military spending on a bill on the floor."); and protecting the environment.

It is her love for the environment and her intent to focus more on other issues dear to her heart that led Furse to announce this spring that she will not seek a third term in Congress.

"I truly believe that this job is a public service," she explains. "If you want to keep coming back to your district, you are always hopping on planes. If I stayed in office, I would tend to stay in D.C. more because of the strain of travel. But I promised when I ran that I would be from Washington County, not Washington D.C., and I really meant that."

Her experience has taught Furse that "you can make differences wherever you are, whether in Congress or not." In fact, she maintains, "Sometimes you're a bit more free to make a real difference outside of Congress. When you get elected, you think there are three or four issues, and those are the issues you really want to work on. But there are thousands of other issues that you really have to pay attention to because they are issues your constituents care about. As much as I found it absolutely fascinating, I also found it completely overwhelming. So I'm looking forward to focusing.

"I'm also looking forward to spending more time with my family. My family didn't move with me to D.C. With most women, when they're elected their families don't move with them. When men are elected, their families move. I have a little grandson, and I'd like to be part of his raising."

Furse and her husband, attorney John Platt, live west of Portland, Oregon, where they own and operate Helvetia Vineyards.

Q You have on several occasions raised the issue that Northwesterners should play a key role in governing the Columbia River hydropower system, particularly as it relates to salmon recovery. Could you explain why and how you would approach it?

A In my view, governance of the river, by definition, re-

quires the three sovereigns: the states, the tribes and the federal government. There may be thousands of stakeholders, but for the decisions, you've got to have those three who have the authority. I would like to see those three sovereigns get locked in a room together to develop a single [salmon recovery] plan. I don't think they'll get 100 percent agreement on everything, but maybe 80 or 90 percent. Then they can seek arbitration or develop some model to resolve the final differences.

I don't think you can have utility industry restructuring in the Northwest without settling river governance. It's got to be resolved first because there's no certainty without it. I can see no way around it. I don't *want* there to be a way around it. I think it's absolutely essential. How do we talk about subscription [for power sales], how do we say to the river users that we're going to do this or that, how do we talk to the power companies if we don't know what's planned? I think certainty comes with the governance decisions.

I'm very pleased that [Oregon] Governor John Kitzhaber has called a series of meetings. I wrote to all the governors and all the tribes and to the federal government four years ago and again this year, asking for a meeting of the sovereigns.

I think the tribes, rightly or wrongly, do not feel included in a way that is meaningful. I want tribes to be treated as sovereigns, not just to be consulted. They really have the big stick. They have the power to sue under the trust responsibility [a federal doc-

I don't think you can have utility industry restructuring in the Northwest without settling river governance.

trine regarding actions between sovereign nations]. It's an enormous power. I think they've been very restrained. Without meaningful involvement, they are much more likely to file a lawsuit. They've sued in the past. They will again, I believe.

Q Would you amend the Northwest Power Act to add tribal representation on the Council?

A Well yes, if all things were equal, but you don't want to open legislation up because then more amendments get introduced.

Q Do you think the tribes want a seat on the Council? Or will they want something that's equal but outside the Council?

A That's an excellent legal question: do they give up sovereignty by being on the Power Planning Council? Or do we instead say: "The Power Planning Council speaks for the states, the tribes speak, then the federal government. Then they all come together, and we have a decision."

There needs to be a structure that acknowledges that the Power Planning Council is one group, not the whole thing.

Q How will Bonneville's role be affected?

A By the very nature of the change in the power industry, Bonneville is going to have to change. Bonneville is going to have to understand that it's not in the driver's seat anymore. Gas companies are going to be the driving force in the energy industry.

I think we're going to look at the dams very differently. People will not accept the terrible cost of salmon if they don't have to rely on those dams for all their electricity. People will want to adjust the dams to a more natural river flow.

There needs to be more oversight, especially of Bonneville's fish and wildlife budget. I would like to see an economic analysis of the fish and wildlife program. I may even call for a hearing on that. I'm not sure I'd get one, but it'd be nice to see each agency come in and say, "This is what we do with our part of the budget." Then we'd go back and say, "What did we get for that? What

does the Corps' budget get us? Does Bonneville's budget get us anything?"

I'd like to see some smaller-scale projects funded. I'm not a scientist, so mark what I say as just prejudice. I believe we should do more outplanting [seeding hatchery-bred salmon in streams]. I believe that worrying about these "museum" species fish might not be the answer. Maybe we're going to have to do some things that are just small experiments rather than just huge, grandiose things. I'm concerned that we not start on a path that by 1999, when a decision is to be made, we're already too invested if we find it's the incorrect choice.

I believe the whole brouhaha with Canada over the fish is a wake-up call to us. Why should Canada and Alaska restrict their fishery if we continue to destroy ours? Now that the chairman of appropriations is an Alaskan, he's going to ask those questions, too. Although I'm not thrilled that all the political power is in Alaska right now, at least we might find a strong voice that says, "Fix the Columbia River because we're not going to fix it on the backs of our fishermen."

Q Have you thought about how we might fund fish and wildlife recovery without Bonneville?

A First, it's a federal responsibility, in part, because of treaties and the responsibility to have a fishable surplus, which we're not providing. So there's a Treasury obligation. If we can separate the WPPSS debt [for terminated Washington Public Power Supply System nuclear projects]

It's time to stop playing politics — who's up and who's down — and start worrying about the general good.

from fish and wildlife expenditures, there's a public willingness to step up to the plate. But there's not the same willingness to fund WPPSS.

Is it a line item? Well, this Congress just voted for nine more B-2 bombers than anyone had asked for. That's $27 billion over 20 years. You could get a lot of salmon for that. So is it an obligation? Is it a priority? We reckon 60,000 jobs have been lost in the salmon industry. People will argue with that figure. But are those jobs just as important as jobs at McDonald-Douglas? Yes. I think we have to prioritize. I think the public will pick up some, but I think the federal government's obligation remains.

Q What is your appraisal of the federal agencies performance on salmon recovery in the Northwest?

A I think Randy Hardy [Bonneville's retiring administrator] tried hard to educate members of Congress. He came in at a very hard time for Bonneville. I think he probably felt constantly under attack. I'm not thrilled with everything Bonneville does, but I'm particularly not thrilled with what NMFS [the National Marine Fisheries Service] does.

I don't think there's an understanding at NMFS that there's a history here of resentment and concerns that NMFS has over the years played the heavy hand. Then new directors come in, and they act like they can start without all the history to deal with. I think NMFS has to understand that we have to have local solutions. That means consulting at the regional level, but it also means involving state and tribal sovereigns in the decisions.

I quite frankly don't think that NMFS understands that tribes are sovereigns. I think they see them as another "user group." It's understandable that the general public might feel that, but it is not acceptable that a federal agency feels that. I think there's a lot of resentment about that.

Q How would you change that? What would you have them do?

A I would want them to get a good communicator. Somebody who's willing to sit down and say, "Show me what works. How can we make this work?"

We need somebody who can go to different agencies and bring them together. Somebody who would not feel threatened about the three sovereigns. Someone who could say, "Yes, we are only one of three." Somebody who would keep working on this thing with a sense of urgency. Probably someone higher than Will Stelle [regional director for NMFS].

We used to talk about the "salmon czar," but what we need is a "salmon communicator." Someone who could meet regularly and explain to people what's going on, how the money's being spent, and what we are getting for our money and effort. I do think people would feel more comfortable if they understood where the money is going.

Q What do you think about the recent move to get the Council to help Bonneville cut its expenses?

A I'd like to see whether the Council thinks it can do that. Will they have enough control over Bonneville? When Bonneville rears its little head and says, "We're the federal agency," then it's going to be very hard.

This is the kind of thing I would like that salmon communicator to do — bring those agencies together and say, "Now we're going to decide, we as the three sovereigns, we as a group, are going to decide." Then I think you get some accountability. I was very pleased to see the tribes forced accountability into the memorandum of agreement [regarding a cap for Bonneville expenditures on fish and wildlife recovery].

Q What are your feelings about renegotiating the memorandum of agreement?

A Well I'm cautious. I'd like to see the current memorandum of agreement played through a bit more before we consider a new one. Let's force some things to work before we start to change it. It's rather the way I feel about national restructuring of the utility industry. The states should do what they need to do. Then there are going to be three or four issues where we'll all have to say, "You know, those are national. You really can't deal with this state-by-state."

I think the memorandum of agreement has to work, and people have to be committed to making it work, then let's see what needs to be changed. But whatever happens, it cannot be done politically. There's too much political pressure. People are playing up their own agenda rather than the fish agenda.

My bottom line is I'd like to see one recovery plan. The three sovereigns must be accountable to that one plan. And there must be a system of arbitration that everybody agrees to. Then we really will know what we're spending money on. We'll have a long-term view of it — not just this year or next year's harvest.

I don't want us to just think of the Endangered Species Act recovery. I want to see harvestable surplus, not just preserving "museum fish." I have fishing families all the way down the river who have spent their lives and their families' lives doing this. I don't mean we should maintain livelihoods just because they were there, but we could have livelihoods for those people.

The public is deeply, deeply interested in salmon. Everyday people can't always go to public hearings, for example, so their voice is not always heard. But salmon are an icon of this area. People are sick when they think the salmon are disappearing. It's not like spotted owls to them because salmon are an icon of what's right and what's wrong in our environment, our communities. Northwest citizens need to be considered in all this decision-making.

People lose complete trust of decisions when they feel they are not a part of the decisions, when no one has come to them to explain why they made the decisions. It's just a headline in the paper when the next disaster occurs. More should be invested in simple, clear communication, where people are — on the Internet, for example. As people lose faith in government organizations, they will not trust their decisions and they won't pay for those decisions. It's ridiculous to believe that people won't understand. It's time to stop playing politics — who's up and who's down — and start worrying about the general good.

RESERVOIR RULE

MONTANA DEFENDS RESERVOIR LEVELS AT LIBBY AND HUNGRY HORSE DAMS TO PROTECT THE STATE'S FISH.

by John Harrison

In Northwestern Montana, in the upper reaches of the Columbia River Basin, two large dams generate power for the West Coast grid and provide flood control — not only for Montana, but also for the lower reaches of the basin hundreds of miles away. Hungry Horse Dam is on the South Fork Flathead River near Glacier National Park. Libby Dam is on the Kootenai River.

There is an irony in their operation because while the dams were built primarily for downstream benefits, such as flood control and power generation, they have caused impacts to upstream fish, such as bull trout and white sturgeon, as well as to wildlife. "When the elevation drops, huge areas of substrate are exposed at the head ends of the reservoirs," said Brian Marotz, fisheries program officer for the Montana Department of Fish, Wildlife and Parks. "It looks like a lunar landscape," he said.

The same thing can happen, on a smaller scale, along riverbanks downstream as the water level rises and falls repeatedly with releases from the dams.

"As a result, the shoreline is not wet long enough to become a truly aquatic environment, and not dry enough long enough to become a terrestrial environment," Marotz said. "So it is really low in productivity of food organisms."

Repeated flooding and exposing of riverbanks downstream of the dams has the same effect, he said. Production of food organisms declines, and sometimes the areas where fish spawn are suddenly exposed. When that happens, the eggs will die if they dry out. A shot of cold water from a dam can lower the downstream river temperature rapidly, and that also can inhibit fish spawning, Marotz said.

That the problem wasn't attacked sooner — Hungry Horse was completed in 1952 — is just an example of what Marotz calls frontier thinking. "I think there was a sense that natural resources were unlimited," he said. "In any case, it wasn't until later that people started to notice things like the sudden influxes of cold water from dam releases, and the decline in insect and fish production."

For years, Montanans grudgingly accepted these impacts as a consequence of dam operation. There were benefits, as well — water recreation and tourism in the reservoirs and, in the case of Hungry Horse Dam, a big share of the electricity for western Montana utilities and large industries, including an aluminum smelter. But in 1980, 26 years after the completion of Hungry Horse and five years after the completion of Libby, an opportunity arose to address fish and wildlife impacts. The opportunity was in the Northwest Power Act, a law passed by Congress in 1980 that created the Northwest Power Planning Council.

The Act directed the Council to prepare a program to protect, mitigate and enhance fish and wildlife, and related spawning grounds and habitat, of the Co-

Illustration by Stephen Sasser

lumbia River Basin that have been affected by the construction and operation of hydroelectric dams. Importantly, the Act directs the Council to do this in a way that assures the region an adequate, efficient, economical and reliable power supply. The Act stressed balance — balance between the needs of fish and wildlife and the needs of the hydropower system.

The Council recognized the importance of addressing Hungry Horse and Libby dams in its first fish and wildlife program, completed in November 1982. That program called on the U.S. Bureau of Reclamation, which operates Hungry Horse Dam, and the U.S. Army Corps of Engineers, which operates Libby Dam, to consult with the Council and the Montana Department of Fish, Wildlife and Parks to develop "...operating procedures which will limit the drawdown of Hungry Horse and Libby reservoirs for power purposes to protect resident fish to the fullest extent practicable." Subsequent versions of the fish and wildlife program, in 1984 and 1987, reiterated this language and added the involvement of the Confederated Salish and Kootenai Tribes, whose reservation includes the southern half of Flathead Lake and whose ceded area includes the drainages of the Kootenai and Flathead river systems.

The Council envisioned a five-year effort to develop dam operating guidelines known as "biological rule curves." The term comes from the appearance of the guidelines plotted on a graph, with reservoir elevations above sea level on the vertical axis and a one-year time period on the horizontal axis. Plotted this way, the flows of an undammed river would curve from higher flows in the spring, when the mountain snowpack melts, to lower elevations in the summer, fall and winter. Reservoir operations, however, can be different because water is stored and released during fall and winter for hydropower production.

"At Libby Dam, the river's hydrograph was totally reversed," said Joe Dos Santos, fisheries manager for the Salish and Kootenai tribes. "The Kootenai flowed high in the winter for power generation, and that was totally opposite the natural regime."

Similarly, the reservoirs behind Libby and Hungry Horse dams rose and fell with the demands of flood control and hydropower generation. With the direction provided in the Council's fish and wildlife program, Montana's state and tribal fish and wildlife managers developed operating procedures to moderate the drawdowns. These original "biological rule curves" — the curves more closely approximate natural river flows — were completed in the late 1980s.

"They went over like a lead balloon," Dos Santos said. "We focused on the biological needs of the fish. Implementing those rule curves would have meant a lot of lost hydropower revenue. So we were told to try again."

The second try was completed in 1994 and amended into the Council's current fish and wildlife program that year. "We took a broader look at the problem," Dos Santos said. "We took the original biological rule curves and linked them with the realities of flood control and power production. In the end, it was a compromise — not optimal biological conditions, but the best we could get."

These were called "integrated rule curves" because they tried to integrate flood control, power production and biological protection.

After 12 years of work, the operating guidelines finally were in place — unfortunately, just in time to be overpowered by new guidelines in the 1994 to 1998 biological opinion on hydropower operations prepared by the National Marine Fisheries Service. The biological opinion directs the operation of federal dams in lieu of a recovery plan for endangered Snake River salmon under the federal Endangered Species Act.

To help juvenile Snake River salmon migrate more quickly to the ocean, the biological opinion calls for water releases from three major water storage projects, including Hungry Horse and Libby dams, to boost Columbia River flows downstream of the confluence with the Snake.

To provide these flows, the biological opinion allows for Hungry Horse and Libby dams to be drafted 20 feet from full pool — if needed for summer flow augmentation by August 31 each year. That's actually an improvement from previous years, when drawdowns had been much deeper. The integrated rule curves, on the other hand, call for drafting the two reservoirs in the spring, but then allowing them to refill to near full pool and stay at that level through the summer.

"We built the computer models

Letters TO THE COUNCIL

Dear Energy News,

I feel compelled to respond to the article in your spring 1997, issue entitled "Making a River from a Reservoir."

The article's subheadline sets the stage for its content: "It's economic impacts versus fish benefits in the debate over lowering the reservoir behind John Day Dam." The debate on drawing down the John Day reservoir in an effort to aid salmon recovery is not centered on economics versus fish benefits, but on fish benefits exclusively.

We know very little about any potential benefits to endangered Snake River salmon resulting from a spillway crest or natural river drawdown of the John Day reservoir. Such drawdowns may make the river channel narrower, but whether this would translate to more fish remains unproven. Researchers at the University of Washington School of Fisheries believe juvenile salmon survival actually decreases under a spillway crest or natural river drawdown.

The biological impact on other fish and wildlife, however, is more certain. A John Day pool drawdown would dry up 95 percent of the marsh and riparian habitat in the mid-Columbia region and would destroy the wetlands of the Umatilla National Wildlife Refuge, important rearing habitat for fall chinook.

It is presumptuous to state the John Day drawdown issue as an economic issue. The economic costs and benefits of the proposal can come later. First we must focus on the biological aspect of the proposal, assessing its aid or harm to endangered salmon.

Sincerely,

Bruce Lovelin
Executive Director
Columbia River Alliance

Dear Energy News,

I can't believe that anyone here in the beautiful Northwest could even contemplate removing our dams.

We have the cleanest air, and the least expensive hydroelectric power in the world.

Go back East and see the black air they have from their coal-fired power plants. Look at one of their electric bills. Their rivers are polluted, they aren't taking care of their own territory or their natural resources, then they have the audacity to come and want us to remove our dams.

They claim that it is to save the salmon and other fish. It seems to me that there is a multitude of things causing our fish runs to decrease. The El Nino, foreign ships setting off our coasts catching fish, nets covering the river. During the El Nino, the fish were all going North. Alaska had an overabundance of fish. Rivers with no dams were not getting fish runs. (I just read the coho salmon are coming back to the point of having a catching season. They made it over the dams.)

Our number one priority should be our clean air, water to raise food for the world, and enjoy and protect our land. Let the "so called" environmentalists work to clean up their messes back East, and leave us alone.

The dams are also preventing much flooding and protecting our homes and businesses.

SAVE OUR DAMS!!!!

Yvonne Long
Clarkston, WA

The Region's Fish and Wildlife Project Selection Process

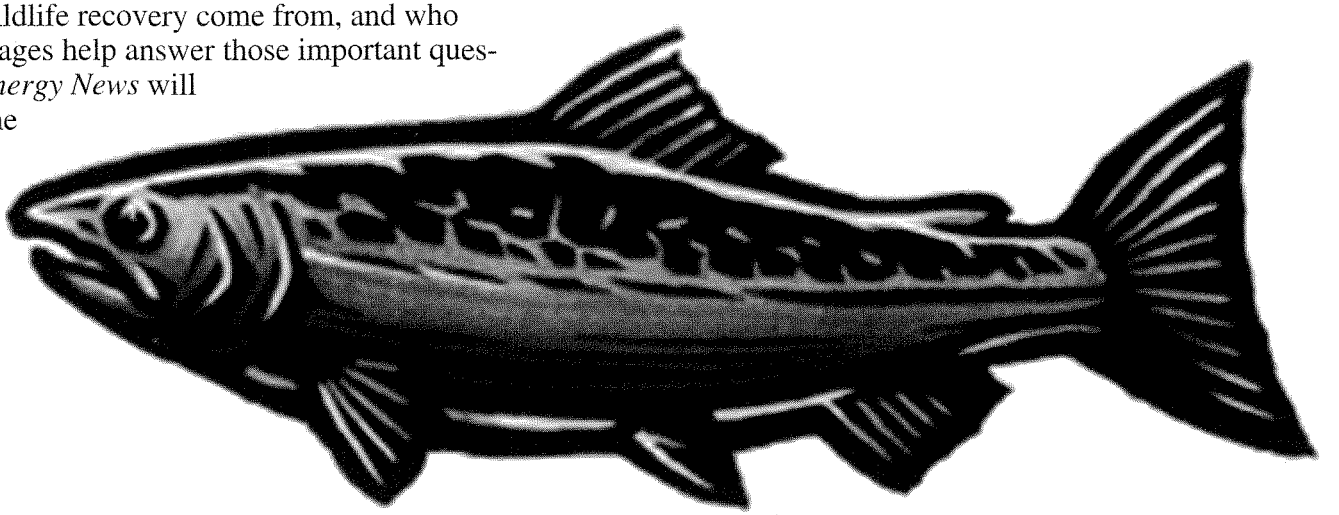
How would you use $127 million every year to save the Northwest's salmon and other fish and wildlife? It may sound like a question you never thought you would have to answer, but as planners and managers implement changes to the Northwest's fish and wildlife recovery effort, public opinion has been an important consideration.

Everyone agrees that $127 million is a lot of money. Unfortunately, mitigating all the changes development has made to the Columbia River Basin's fish and wildlife populations is a lot of work.

Numerous species of fish and wildlife were affected by the construction of the 31 federal dams that dot the landscapes of Idaho, Montana, Oregon and Washington. And numerous states, agencies, tribes and governments are involved in making decisions about what to do about it.

So, where does the money for fish and wildlife recovery come from, and who decides how it is spent? The following pages help answer those important questions. The Autumn issue of *Northwest Energy News* will carry information about which projects the Council selects at its September meeting.

To learn more, turn the page...



HOW PUBLIC MONEY HELPS SAVE SALMON AND OTHER SPECIES

THE NORTHWEST'S FISH AND WILDLIFE PROJECT SELECTION PROCESS

Through the Northwest Power Planning Council (an agency of the four Northwest states), the Columbia Basin Fish and Wildlife Authority (an agency of the region's state, tribal and federal fish and wildlife managers) and the Bonneville Power Administration, the Northwest reviews, selects, and implements publicly funded projects designed to protect and restore fish and wildlife.

Why? Because salmon and other fish and wildlife are an important part of the Northwest's heritage. In addition, treaties with Northwest Indian tribes reserved the tribes' rights to fish in the river. The United States and Canada also have a treaty that commits the United States to rebuilding Columbia River salmon runs. To fulfill treaty obligations, the United States must find a way to restore the species that have been affected by dams and other development.

That's where the Bonneville Power Administration comes in. Bonneville is a federal agency that markets electricity produced by the federal dams in the Columbia River Basin. A portion of the money Bonneville earns from selling electricity is dedicated to paying for projects designed to protect and enhance salmon and other fish and wildlife populations.

Under a 1995 agreement negotiated by the federal government, the region's tribes and Bonneville, the current fish and wildlife budget allocates approximately $127 million annually to these projects (about 3 percent of Bonneville's average annual revenues of approximately $3 billion). Because Bonneville is a federal agency, the project money must be allocated in a public process. What follows is a short description of that process.

THE FISH AND WILDLIFE PROGRAM

The Northwest Power Planning Council works with tribal, federal, state, regional and local governments; as well as industry, environmental groups and interested citizens to define the region's fish and wildlife recovery goals and to develop a framework for reviewing and selecting fish and wildlife recovery projects. Each project paid for with money from the Bonneville Power Administration must be consistent with the Council's program. To ensure the program is based on the most up-to-date information, it is reviewed at least once every five years. The Council currently is considering ways to update the 1994 program.

Once the goals and regional framework are in place, the region's fish and wildlife managers and the public suggest specific measures to help the region meet its fish and wildlife goals.

PROJECT PROPOSALS

The Power Planning Council reviews and approves project selection criteria developed by the region's fish and wildlife managers through the Columbia Basin Fish and Wildlife Authority. Once the criteria are approved, Bonneville solicits specific project proposals from fish and wildlife agencies, universities, local governments and others. The Basin Authority, the Council, Bonneville, Trout Unlimited and the Public Power Council then hold a public review of the proposals to help the region's fish and wildlife managers refine and prioritize the recovery projects.

The region's fish and wildlife managers then undertake the challenging task of developing a list of the highest priority projects, which they forward to the Power Planning Council and to a group of independent scientists called the Independent Scientific Review Panel.

SCIENTIFIC SCRUTINY

Based on a recent amendment to the Northwest Power Act, the Council created an 11-member panel of independent scientists to review fish and wildlife recovery projects recommended by the Columbia Basin Fish and Wildlife Authority.

All 11 scientists were nominated for the panel by the National Academy of Sciences. The panel is designed to ensure that the Council obtains sound, objective scientific input into its decisions about fish and wildlife recovery measures in the Columbia River Basin and that public funds are used for only the most scientifically credible projects.

The Independent Scientific Review Panel reviews the projects to ensure they:

- Are consistent with the Council's fish and wildlife program;
- Are based on sound science principles;
- Benefit fish and wildlife; and,
- Have clearly defined objectives and outcomes with provisions for monitoring and evaluating results.

PUBLIC REVIEW

Following the scientific review, the Council analyzes the recommended projects, conducts public consultations and invites comments on the projects themselves and on the scientific review.
During the 1996 process, the Council received comments from parties as diverse as the Public Power Council, the Columbia River Alliance, Oregon Trout and Bonneville. The Council accepts public comments for at least 30 days after receiving the managers' recommendations.

The fish and wildlife managers then have an opportunity to review the comments and make changes to their recommendations.

COST-EFFECTIVENESS REVIEW

The Northwest Power Planning Council must determine whether the proposed projects are cost-effective. The Council conducts its own analysis, and also established an Independent Economic Analysis Board to provide advice on and improve cost analysis of fish and wildlife recovery measures. The board's advice helps the Council conduct annual cost-effectiveness reviews of the proposed projects.

APPROVING PROJECTS

When the Council is satisfied the proposed projects are consistent with the goals and objectives of its fish and wildlife plan, are based on sound science principles, employ cost-effective measures, consider ocean conditions, and have been thoroughly reviewed by the public, it recommends that Bonneville fund them. Bonneville has sole authority to select project contractors, define the scope of work and negotiate budgets and contract terms. Bonneville employs a staff of contract officers and project managers to write, oversee and manage individual projects recommended by the Council.

PROJECT OVERSIGHT

To ensure its plan is effectively implemented, the Council periodically selects individual projects for additional review. Last year the Council used its continuing oversight process to reduce the cost of several projects by hundreds of thousands of dollars and to redirect the savings to other worthwhile efforts.

ECONOMICS AND PROPOSED PROJECTS EVALUATING COST-EFFECTIVENESS

COUNCIL RESPONDS TO CONGRESSIONAL CONCERNS

A recent amendment to the Northwest Power Act requires the Northwest Power Planning Council to conduct a cost-effectiveness evaluation of proposed fish and wildlife projects before those projects receive funding.

To conduct the cost-effectiveness evaluation for proposed 1998 projects, the Power Planning Council called on its panel of nine independent economists, the Independent Economic Analysis Board, to assist the Council's staff in the development of a cost-effectiveness methodology.

As a first step, the staff is working with the economists on a cost-effectiveness methodology. The draft methodology analyzes the possibilities and challenges associated with conducting a cost-effectiveness review for fish and wildlife projects.

To begin implementing the cost-effectiveness methodology, the Council is initiating a number of actions to ensure fish and wildlife projects make the best use of public resources and to satisfy the Power Act amendment. Those actions include:

- Implementing an independent scientific review to provide guidance regarding which projects are likely to provide the most benefits to fish and wildlife. The independent science review also will focus attention on monitoring and evaluation of projects, another step to more effective management of the fish and wildlife program.
- Conducting an independent audit of the contracting process the Bonneville Power Administration uses to award and manage project funds. The audit will help the Council ensure that proper controls are in place at every step of project implementation and that the information necessary to ensure project accountability is readily available.
- Developing a comprehensive array of project and fish and wildlife program costs, including out-year budget needs.
- Supporting Bonneville's use of an independent contractor to provide a check on the accuracy of capital cost estimates for construction-related projects and to provide suggestions for how to cut those costs while achieving the same objectives.
- Continuing individual project reviews, in which questions about the scope, effectiveness and other issues related to specific projects are scrutinized by the Council and its staff.
- Considering recommendations for further cost-effectiveness reforms in the project selection process from the Independent Scientific Review Panel, the Independent Economic Analysis Board, the contracting audit and the public. Examples of these recommendations might include greater emphasis on independent peer review, competitive bid procedures, eliminating potential or perceived conflicts of interest, and improved monitoring and evaluation.
- Working with the Drawdown Regional Economic Group to refine estimates of the opportunity costs of various recovery alternatives. That is, the broader economic effects of recovery actions on power, navigation, irrigation, and the rest of the region's economy.

SCIENTISTS REVIEW RECOMMENDATIONS OF FISH AND WILDLIFE MANAGERS

A group of 11 independent scientists has offered its critique of the Northwest Power Planning Council's fish and wildlife project selection process and the recommendations of the region's fish and wildlife managers.

As the scientists review a project, they look to make sure it is: 1) consistent with the Columbia River Basin Fish and Wildlife Program; 2) based on sound scientific principles; 3) beneficial to fish and wildlife; and 4) has clearly defined objectives and outcomes with provisions for monitoring and evaluating results.

Hatchery Funding Questioned

One of the most controversial recommendations the panel made in this year's review was that the Council not approve funding for new fish hatcheries in the Columbia River Basin until the impact of such facilities on wild fish and the ecology of the Columbia River is better understood. The scientists called for a comprehensive review of existing hatcheries to gain a better understanding of some key components, such as the ecology of the Columbia River and its estuary, the basin's carrying capacity (the maximum number of fish it can support) and other limiting factors that influence salmon survival. The scientists also said the Council needs a more complete understanding of the habits and life cycles of wild and naturally spawning fish populations in the Columbia River Basin to better predict the potential impacts of new hatcheries on those fish.

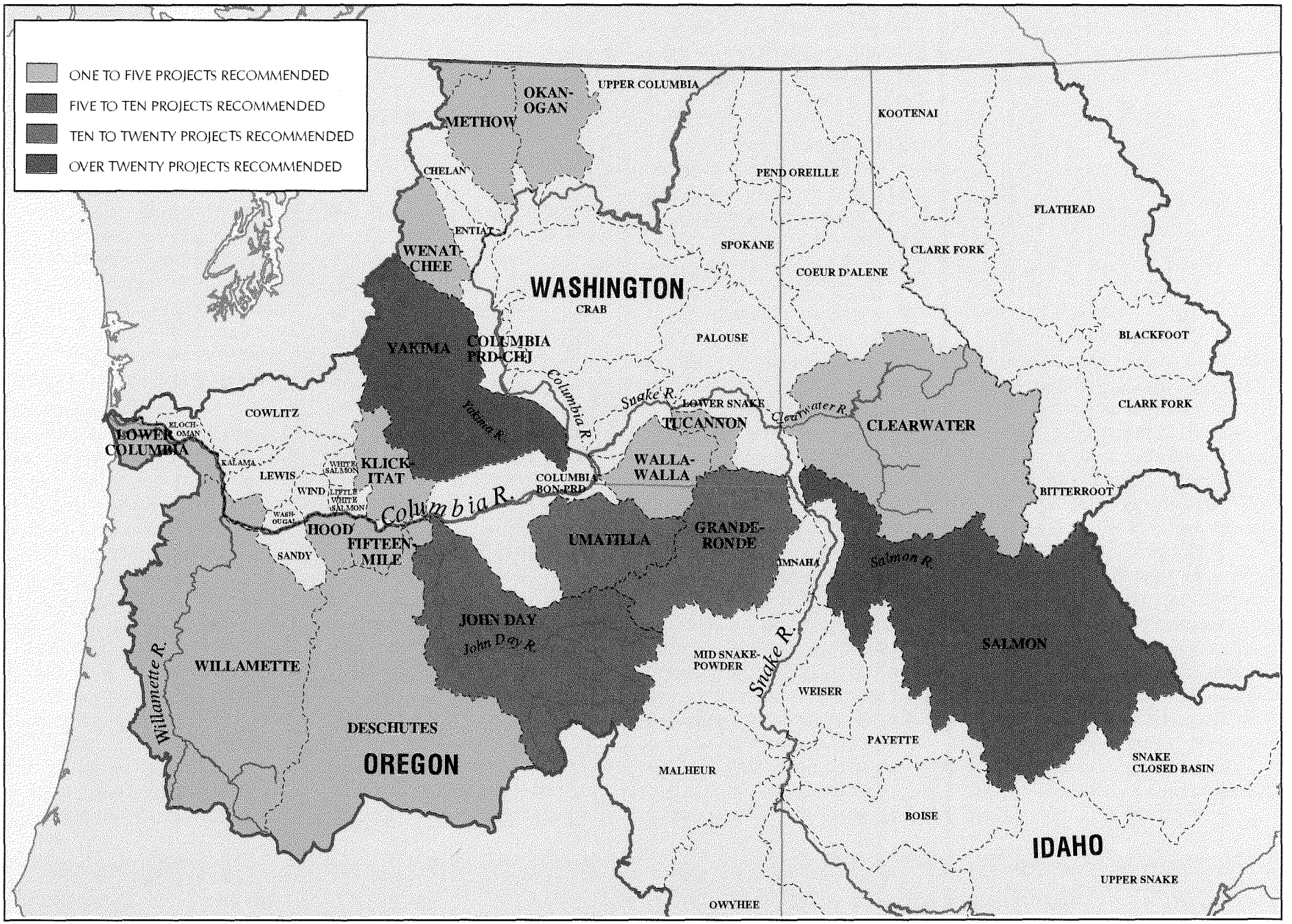
The Panel suggested that the Council evaluate proposals for the building of new hatcheries, allowing them to go forward only if the proponents demonstrate that they have addressed those parts of the Council's fish and wildlife program that deal with protection of wild and naturally spawning fish.

Additional Concerns

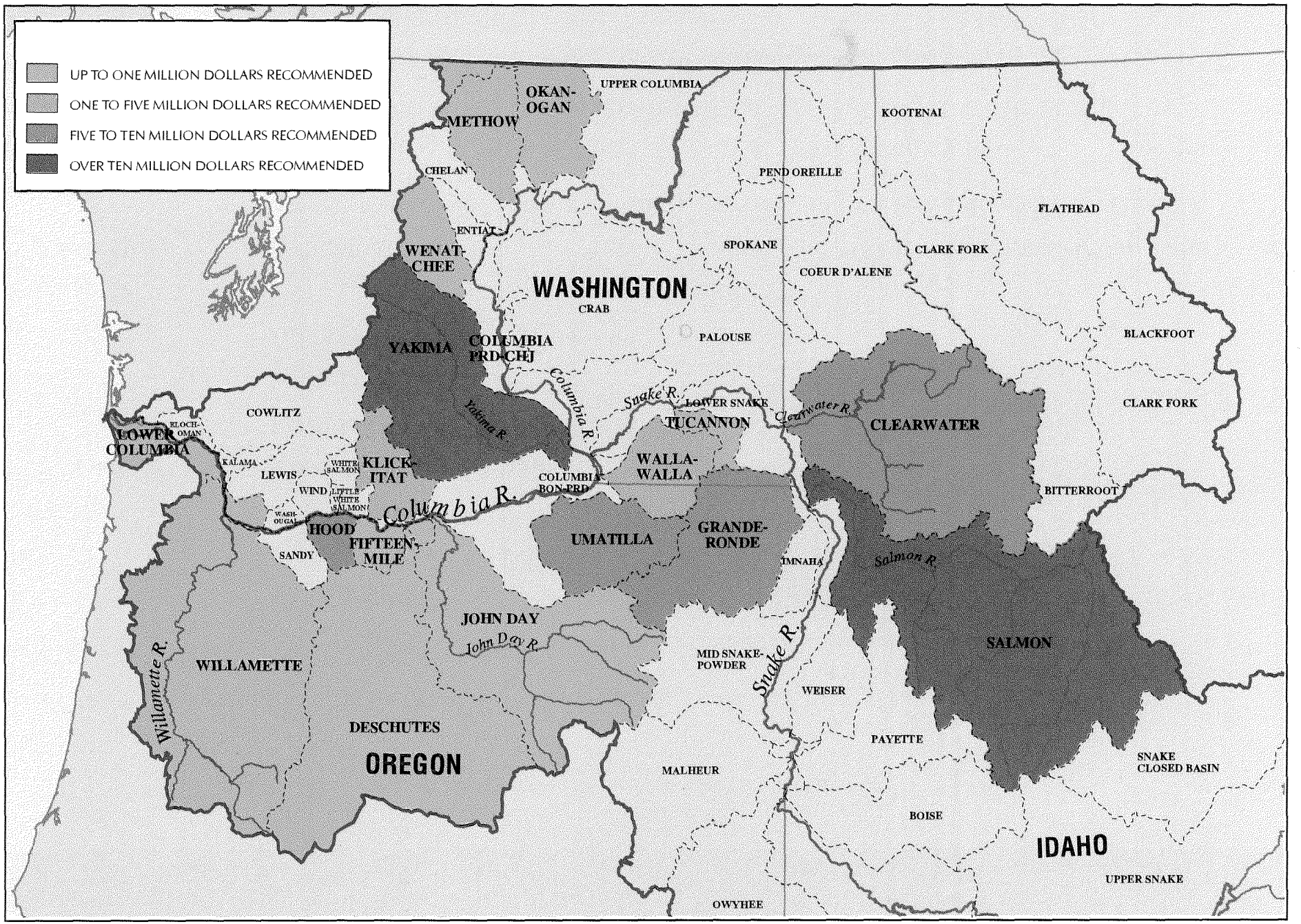
The hatchery issue was just one of 35 recommendations the scientists made to the Council. Among their other recommendations:

- The Council should implement a competitive grants program as part of its fish and wildlife program.
- The fish and wildlife program should recognize and emphasize sustaining a "normative ecosystem," including not just resident and anadromous fish, but also wildlife such as bald eagles, seabirds, marine mammals, river otters and bears, as well as less conspicuous wildlife such as songbirds, bats and burrowing rodents. The term "normative" refers to ecosystems in which there has been development, but where sufficient natural characteristics exist to sustain fish and wildlife populations.
- Acquisition of land and land easements should continue to be given high priority in the fish and wildlife program because habitat is necessary for wildlife populations and the needed amount and quality can be quantified reasonably using habitat evaluation procedures.
- All monitoring, migration-related research and other management activities should be coordinated and integrated across agencies and tribes through explicitly stated and complementary measures.
- Specific mechanisms should be developed to coordinate the Council's fish and wildlife program with other programs that have a significant impact on fish and wildlife and their habitat in the Columbia River Basin.
- Projects that substitute one species for another should be approached cautiously, especially those involving non-native species, as their implementation may pose significant threats to native populations. Individual substitution projects should therefore be reviewed by an artificial production review panel prior to being authorized.
- Increased attention and priority should be given to research designed to evaluate effectiveness of habitat repair measures in terms of direct assessment of wildlife populations and their ecology.
- Additional scientific criteria should be added to those currently in use to prioritize mitigation project proposals.

Proposed Fiscal Year 1998 Anadromous Fisheries Projects
Number Per Subbasin In the Columbia Basin



PROPOSED FISCAL YEAR 1998 ANADROMOUS FISHERIES PROJECTS
DOLLARS PER SUBBASIN IN THE COLUMBIA BASIN



FISH & WILDLIFE PROJECT SELECTION PROCESS

TIMELINE

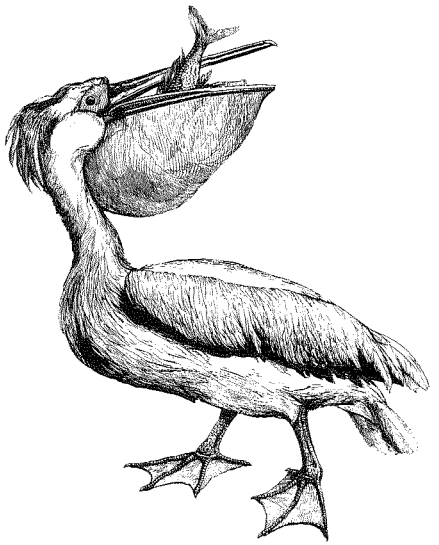
Here are the key dates in the process of selecting projects for Fiscal Year 1998:

December 1, 1996 to February 1, 1997	Columbia Basin Fish and Wildlife Authority reviews Fiscal Year 1998 projects.
March 7 to April 7	New project proposals prepared and submitted to the Basin Authority.
June 1	Basin Authority submits projects to Council and Independent Scientific Review Panel.
July 15	Independent Scientific Review Panel submits its review to the Council.
July 15 to August 28	Cost-effectiveness review Review of ocean conditions Public comment Additional Council review.
August 29 to September 9	Columbia Basin Fish and Wildlife Authority revises its recommendations as necessary, based on public comments, scientific review and cost-effectiveness review.
September 15	Council decides which projects to recommend to Bonneville.
September 16 to October 1	Bonneville negotiates with project contractors.
October 1	Fiscal Year 1998 begins.
Ongoing	Council conducts individual project reviews, management audits.

FISH AND WILDLIFE SPECIES OF THE COLUMBIA BASIN

COUNCIL PROGRAM HELPS MORE THAN SALMON

The Northwest Power Planning Council's Columbia River Basin Fish and Wildlife Program is designed to protect, mitigate and enhance fish and wildlife, and related spawning grounds and habitat, of the Columbia River Basin that have been affected by hydroelectric dams. A partial list of the fish and wildlife species that annual projects are designed to help includes:



Anadromous fish

Spring, summer and fall chinook salmon
Coho salmon
Sockeye salmon
Chum salmon
Steelhead

Resident fish

Rainbow trout
Bull trout
Lahontan trout
Westslope cutthroat trout
Redband trout
Brook trout
White sturgeon
Burbot
Kokanee salmon
Walleye
Yellow perch
Largemouth bass

Wildlife

Elk
Black bear
Cougar
Mule deer
White-tailed deer
Pygmy rabbit
River otter
Grizzly bear
Bighorn sheep

Birds

Great blue heron
Northern spotted owl
Ruffed grouse
Band-tailed pigeon
Bald eagle
Sharp-tailed grouse
White pelican
Swainson's hawk
Ring-necked pheasant
Black-capped chickadee
Mallard duck
Readhead duck
Peregrine falcon
Pileated woodpecker

FISCAL YEAR 1998 COLUMBIA BASIN FISH AND WILDLIFE AUTHORITY

RECOMMENDED PROJECTS AND EXPENDITURES

Summary By Columbia Basin Subregions (for more information, visit the Power Planning Council's Website: www.nwppc.org. Click on "F&W Project Selection Process")

PROJECTS NOT RELATED TO A SPECIFIC GEOGRAPHIC AREA

Program Category	Fiscal Year 1997 Actual	Fiscal Year 1998 Requested By Project Sponsors	Fiscal Year 1998 Recommended By CBFWA
Anadromous Fish	$9,721,959	$12,588,904	$11,294,904
Resident Fish	$0	$0	$0
Wildlife	$7,600,000	$6,107,565	$6,156,565
Program Coordination	$6,719,500	$7,239,857	$7,239,857
BPA - Non-Discretionary	$0,000	$3,380,000	$3,380,000
Total	$24,041,459	$29,316,326	$28,071,326

MAINSTEM COLUMBIA AND SNAKE RIVERS

Program Category	Fiscal Year 1997 Actual	Fiscal Year 1998 Requested By Project Sponsors	Fiscal Year 1998 Recommended By CBFWA
Anadromous Fish	$22,307,088	$28,442,565	$24,398,365
Resident Fish	$2,294,400	$2,650,000	$2,156,700
Wildlife	$452,000	$455,000	$305,000
Program Coordination	$0	$0	$0
BPA - Non-Discretionary	$0	$0	$0
Total	$25,053,488	$31,547,565	$26,860,065

COLUMBIA RIVER BASIN FROM MOUTH TO BONNEVILLE DAM

Program Category	Fiscal Year 1997 Actual	Fiscal Year 1998 Requested By Project Sponsors	Fiscal Year 1998 Recommended By CBFWA
Anadromous Fish	$94,077	$340,600	$212,600
Resident Fish	$47,800	$85,000	$85,000
Wildlife	$251,000	$2,046,800	$1,045,000
Program Coordination	$0	$0	$0
BPA - Non-Discretionary	$0	$0	$0
Total	$392,877	$2,472,400	$1,342,600

COLUMBIA RIVER BASIN FROM BONNEVILLE DAM TO PRIEST RAPIDS DAM

Program Category	Fiscal Year 1997 Actual	Fiscal Year 1998 Requested By Project Sponsors	Fiscal Year 1998 Recommended By CBFWA
Anadromous Fish	$33,651,512	$46,989,874	$41,866,055
Resident Fish	$0,000	$0,000	$325,000
Wildlife	$600,000	$1,700,000	$1,700,000
Program Coordination	$0	$0	$0
BPA - Non-Discretionary	$0	$0	$0
Total	$34,251,512	$48,689,874	$43,891,055

COLUMBIA RIVER BASIN FROM PRIEST RAPIDS DAM TO CHIEF JOSEPH DAM

Program Category	Fiscal Year 1997 Actual	Fiscal Year 1998 Requested By Project SponsorS	Fiscal Year 1998 Recommended By CBFWA
Anadromous Fish	$1,290,800	$1,446,000	$1,306,000
Resident Fish	$0	$0	$0
Wildlife	$0	$0	$0
BPA - Non-Discretionary	$0	$0	$0
Total	$1,290,800	$1,446,000	$1,306,000

FISCAL YEAR 1998 COLUMBIA BASIN FISH AND WILDLIFE AUTHORITY

RECOMMENDED PROJECTS AND EXPENDITURES

Summary By Columbia Basin Subregions (for more information, visit the Power Planning Council's Website: www.nwppc.org. Click on "F&W Project Selection Process")

COLUMBIA RIVER BASIN ABOVE CHIEF JOSEPH DAM

Program Category	Fiscal Year 1997 Actual	Fiscal Year 1998 Requested By Project Sponsors	Fiscal Year 1998 Recommended By CBFWA
Anadromous Fish	$0	$0	$0
Resident Fish	$7,479,350	$9,518,520	$9,905,700
Wildlife	$950,000	$2,353,000	$2,016,000
Program Coordination	$0	$0	$0
BPA - Non-Discretionary	$0	$0	$0
Total	$8,429,350	$11,871,520	$11,921,700

LOWER SNAKE BASIN BELOW HELL'S CANYON DAM

Program Category	Fiscal Year 1997 Actual	Fiscal Year 1998 Requested By Project Sponsors	Fiscal Year 1998 Recommended By CBFWA
Anadromous Fish	$17,072,293	$30,269,666	$27,765,973
Resident Fish	$764,792	$1,307,000	$1,697,600
Wildlife	$1,500,000	$411,393	$411,393
Program Coordination	$0	$0	$0
BPA - Non-Discretionary	$0	$0	$0
Total	$19,337,085	$31,988,059	$29,874,966

UPPER SNAKE BASIN ABOVE HELL'S CANYON DAM

Program Category	Fiscal Year 1997 Actual	Fiscal Year 1998 Requested By Project Sponsors	Fiscal Year 1998 Recommended By CBFWA
Anadromous Fish	$0	$0	$0
Resident Fish	$4,261,220	$675,000	$1,555,000
Wildlife	$3,000,000	$3,450,000	$3,450,000
Program Coordination	$0	$0	$0
BPA - Non-Discretionary	$0	$0	$0
Total	$7,261,220	$4,125,000	$5,005,000

GRAND TOTALS

Program Category	Fiscal Year 1997 Actual	Fiscal Year 1998 Requested By Project Sponsors	Fiscal Year 1998 Recommended By CBFWA
Anadromous Fish	$84,137,729	$120,077,609	$106,843,897
Resident Fish	$14,847,562	$14,235,520	$15,725,000
Wildlife	$14,353,000	$16,523,758	$15,083,958
Program Coordination	$6,719,500	$7,239,857	$7,239,857
BPA - Non-Discretionary	NA	$3,380,000	$3,380,000
Total	$120,057,791	$161,456,744	$148,272,712

FISH AND WILDLIFE PROJECT SELECTION IS NO SIMPLE TASK

A LIST OF ANSWERS TO COMMON QUESTIONS

Q. Where does the $127 million spent on fish and wildlife projects every year come from?

A. Under a 1995 agreement negotiated by the Bonneville Power Administration, the federal government and the region's tribes, Bonneville must dedicate an average of $127 million a year to implementation of the Council's fish and wildlife program. Bonneville is a federal agency that obtains revenues by marketing the electricity produced from the federal dams in the Columbia River Basin.

Q. Who decides which projects to fund?

A. Projects are reviewed by the region's fish and wildlife managers through an organization called the Columbia Basin Fish and Wildlife Authority. The Authority provides recommendations to the Power Planning Council. The Council uses a group of independent scientists to review the recommendations. After the scientific review, the Council conducts a cost-effectiveness evaluation to ensure the projects make the best use of the public's money; considers the impacts ocean conditions might have on the projects' success; and, solicits public comments. After the Council finishes its review, it makes recommendations to the Bonneville Power Administration. Bonneville then selects contractors to do the work.

Q. How many projects receive money from Bonneville every year?

A. The number of projects varies depending on the cost of those selected. For Fiscal Year 1997, about 400 project proposals were reviewed. Ultimately, only 224 were recommended for funding. Many major initiatives, for example, construction of a new hatchery, are made up of several individual projects. For this reason, the actual number of major projects is less than 224.

Q. What are the criteria for determining which projects receive support?

A. The fish and wildlife managers are responsible, through the Columbia Basin Fish and Wildlife Authority, for developing the criteria for reviewing and prioritizing projects designed to implement the region's fish and wildlife plan. Detailed descriptions of the criteria used are available from the Authority. Generally, the criteria include: priority species; cost considerations; project integration and partnerships; cost-effectiveness; consistency with the Council's fish and wildlife program; long-term manageability; connectivity with existing efforts and scientific viability.

Q. Who are project sponsors accountable to once their projects are approved?

A. Bonneville has sole authority to oversee contracting and management of projects. However, the Power Planning Council periodically selects projects for additional scrutiny. In addition, ongoing projects are reviewed annually.

Q. Can a project be altered once it has received funds?

A. Project sponsors may make small changes in their project (plus or minus 10 percent of particular budget line items) after consulting with Bonneville. For larger changes, a project must go back for review by the fish and wildlife managers and the Power Planning Council.

Q. Does the public have any say?

A. Absolutely! Because Bonneville is a public agency, fish and wildlife project money must be allocated in a public process. The Northwest Power Planning Council encourages public comment on the managers' and scientists' project recommendations.

Compiled by—
Mari Bartoo Jacobson

COUNCIL DECISION IN SEPTEMBER: APPROVED PROJECTS IN THE NEXT ISSUE OF ENERGY NEWS.

Oregon is First

by Carlotta Collette

Industry leaders and environmentalists create nation's first new power plant carbon dioxide standard.

Former Oregon State Senator Joyce Cohen believes "the best things take about six years to develop." If Cohen is right, the legislation signed in June by Oregon Governor John Kitzhaber is ahead of its time in more ways than one. House Bill 3283 requires that carbon dioxide emissions from new gas-fired power plants be reduced by 17 percent — that's 17 percent below the cleanest gas plant technology in use today. It's the first legislation of its type in the United States, probably in the world. Cohen, now one of Oregon's representatives on the Northwest Power Planning Council, is excited about it for a number of reasons, not the least of which is the fact that it grew out of an idea she worked on four years ago when she was on the state's Senate Energy Subcommittee.

At that time, Oregon was looking at ways to adapt its state power plant siting regulations to fit both the restructuring of the utility industry and growing concerns about human-caused climate changes that could have severe ecological and economic consequences. Oregon already had some of the nation's most rigorous facility siting restrictions, including one that required power plant developers to demonstrate a need for the output of their proposed plants before the plants could be approved. This so-called "need-for-power standard" also required consideration of climate change impacts from proposed plants. The standard rarely prevented plant construction — a proposed nuclear plant was the exception — but it was considered an impediment to open competition by utilities and independent power plant developers.

"Some utilities and independent developers want to build power plants that are essentially on speculation — with the intent to sell the power on the open market," says Sam Sadler from Oregon's Office of Energy, one of the organizations that worked on the new legislation. "The need-for-power standard was in their way."

"There were technicalities about the need-for-power standard that made it pretty much impossible for independent devel-

Illustration by Stephen Sasser

House Bill 3283 requires that carbon dioxide emissions from new gas-fired power plants be reduced by 17 percent.

opers to gain approval for a plant," says Peter Evans, director of marketing and development at U.S. Generating Company, developer of Oregon's largest thermal power plant.

Pete West, an economist with the Renewable Northwest Project, a Portland-based group that also worked on the new law, puts it a little stronger. "When we were first looking at this, the utilities and developers wanted to gut Oregon's facility siting laws," he says. "The utilities wanted some rules, because they'd been regulated all along and were pros at the rules. The independent power producers wanted no rules. They wanted an open marketplace. Environmentalists wanted new rules."

The Senate Energy Subcommittee recommended that a task force be created to explore alternatives. It was created in 1995. "The task force was one-half of a compromise," says West. The other half was an exemption from the need standard for up to 500 megawatts of new gas-fired power plants. Because several developers sought the exemption, Oregon's Energy Facility Siting Council determined it would award the exemption to one developer who would win that opportunity through competitive bidding.

It was called the "best of batch" bidding, and its goal was to find the cleanest plant. There was opposition to the competitive approach from a number of venues, most arguing that the exempt plant should be the first one that applied, not the cleanest. But the "best of batch" approach had broad support, including that of the Energy Facility Siting Council.

Four developers were interested. One dropped out, but the three that remained proposed plants that would be considerably cleaner than any gas-fired power plant built in Oregon to date. "The proposals were radically different in how they would protect air quality," says West, "but they were all able to provide the mitigation to get the need-for-power exemption. They provided a realistic market test of mitigation. They also included local economic benefits to host communities."

Developers of the winning plant, the Klamath Cogeneration Project, plan to reduce or mitigate 30 percent of their carbon dioxide emissions. They also addressed land-use impacts and water quality in their proposal. "Klamath won because it provided the most assurance that there'd be protections in place. Their proposal was the most complex," adds West.

The bidding process demonstrated that power plant developers could and, more importantly, would meet higher environmental standards if compelled to. Plus, it was clear they could do so without endangering their competitive advantage.

"As an economist, I found a lot of things revealed through this process," says West. "We got a significant amount of environmental protection out of it without adding an extra burden to the developers. In fact, the developers had access to information that non-profit environmental groups don't have, so they were able to come in with important innovations we'd never have known about," he adds.

With the "best-of-batch" results in hand, the utilities, developers, environmentalists and state power planners went back to the table to draft legislation. "It was a hard fight," recalls West.

Because all the participants had what could be viewed as veto power on any deal, they had to cooperate. The one goal they shared was the need to have something they would not have to rewrite in two years. The trade-off they negotiated was to repeal the need-for-power standard for all power plants and adopt a carbon-dioxide emissions standard for fossil-fueled power plants.

West says, "The turning point in the negotiations came when U.S. Generating Company, which was the runner-up in the best of batch bidding, agreed to support the environmentalists' proposal."

U.S. Generating's Evans explains, "We had said for a long time that we were willing to support a carbon dioxide standard as an alternative to the need-for-power standard. This was a good compromise," says Evans. "Everyone worked hard to find common ground, to balance divergent views. People were willing to spend the time to make some-

thing that was workable for all sides."

In fact, when it came time to defend the proposed legislation before the Senate, West says utility and other industry representatives asked the environmentalists to stay away. "They knew they would be more successful without us, and they were right. They carried the bill and got it passed."

Council Member Joyce Cohen is delighted that the change finally came: "This is another example of Oregon's long-term diligence in caring for its natural resources in cost-effective ways. It reflects the public's foresight and concern for both the state's environment and its economy."

"Power plant developers can certainly use the fact that a plant meets the Oregon standard to their advantage," says Evans. "As more people are able to choose their power supplier, I believe they'll want to protect the environment. We'll thump our chests on this – we can point to the standard and say our plants meet it."

The new law appears to be having an early effect on developers to the north as well. Staff at the Oregon Office of Energy report that at least one developer proposing a plant for the Puget Sound area has asked for details about the Oregon standard. They want to be able to promote their project as the cleanest one in Washington.

Oregon's Carbon-Reducing Law and the Oregon Climate Trust

House Bill 3283, which was signed into law on June 27, 1997, by Oregon Governor John Kitzhaber, requires that net emissions of carbon dioxide from new gas-fired power plants be 17 percent lower than emissions from the cleanest currently operating plants. As new, more efficient power plant technologies become available, the rules ratchet down; that is, net carbon dioxide production from future plants would have to be 17-percent less than that of the state-of-the art plant available at that time.

Developers have three ways to meet the standard:

1. By building an efficient, clean-running plant. "A good power plant will get them halfway to the standard," says Sam Sadler from the Oregon Office of Energy.

2. By building an efficient plant that also uses some of its heat to run an industrial process, an operation known as cogeneration. This enables the plant to make more use of its heat and offsets the need to burn fuel to generate heat at the industrial site.

3. By offsetting the carbon dioxide with such efforts as reforestation, which sequesters the carbon in soil and wood, and releases the oxygen. Developers can take a "monetary path" to offsetting their emissions by paying into a qualifying fund 57 cents per ton of carbon dioxide that needs to be offset. For a typical power plant, the offset fee would be about $3 million.

In July, the Oregon Climate Trust was formed by the state of Oregon, the utility industry and the environmental community. The Oregon Climate Trust will determine how to invest offset fees paid by developers. The Trust has received initial funding from PacifiCorp and Portland General Electric, the state's two largest utilities; and from the three major power plant developers in Oregon — U.S. Generating Company, the Klamath Cogeneration Project and the Hermiston Generating Project.

Members of the board of the Trust:

Peter West, chair; economist and policy analyst, Renewable Northwest Project

Terry Edvalson, vice chair; chair of Oregon's Energy Facilities Siting Council

Nicole Cordan, secretary; program co-chair, Natural Resources Law Institute, Northwestern School of Law, Lewis and Clark College

John Bohling, treasurer; senior vice president of electric generation, PacifiCorp

Anna Goldrich, former executive director, Oregon League of Conservation Voters

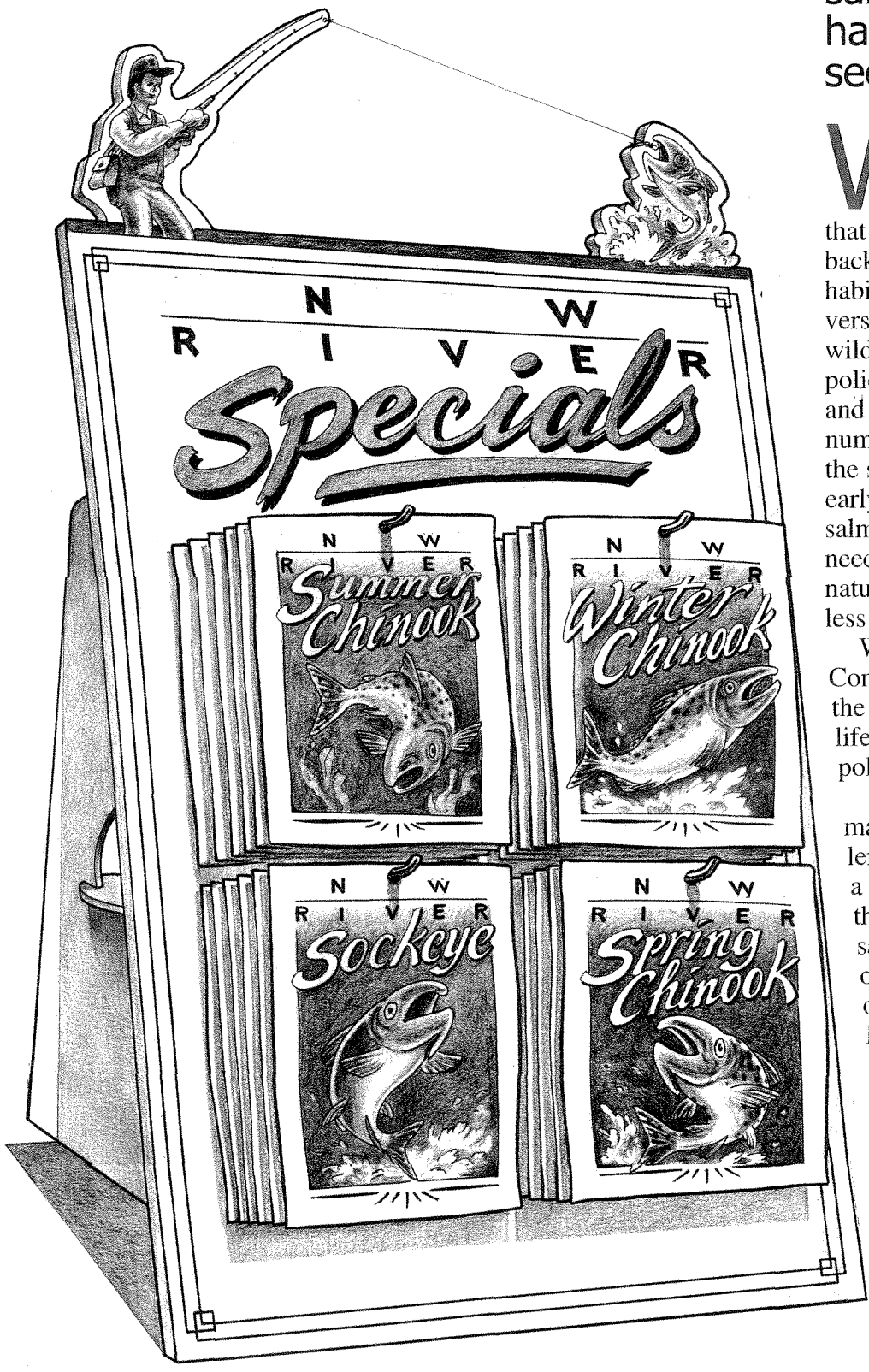
Susan Anderson, director, city of Portland Energy Office

Dave Yaden, head of strategic planning for Tri-Met and former director of Oregon Department of Energy

Where Salmon are Clients, Not Products

by John Harrison

Washington proposes an aggressive new policy that puts wild salmon first, hatcheries second.



NWPPC file illustration by Jerry Kruger

Washington's Department of Fish and Wildlife is proposing a new policy that would emphasize harvest cutbacks and restoration of spawning habitat to protect the state's diverse but dwindling populations of wild salmon. The gist of the new policy, announced earlier this year and discussed and debated at a number of public meetings around the state through the spring and early summer, is that the state's salmon management practices need to focus more attention on naturally spawning salmon and less on hatchery production.

Washington's Fish and Wildlife Commission, which sets policy for the Department of Fish and Wildlife, will vote on the new salmon policy late this summer.

"We are admitting that our management has been a problem, and we are recommending a very conservative approach in the future to protect wild salmon," Bern Shanks, director of the Washington Department of Fish and Wildlife, told the Northwest Power Planning Council at a recent meeting. "We need to change. We are going to incorporate recent scientific information to ensure that our hatcheries are not damaging the wild stocks."

Washington's Legislature ordered the new policy in 1993, but there was little

progress in developing it until Shanks took over the department in July 1996. At that point, the policy already was two years tardy. The Legislature had asked that it be completed by 1994, in light of the fact that most of the state's salmon populations clearly were in trouble.

Today, the draft Salmonid Policy addresses the state's past failures with candor and self-examination. In the introduction to a draft environmental impact statement on the draft policy, the Department writes:

"We conducted an examination of our ancestor agencies, the Washington Department of Fisheries and the Washington Department of Wildlife, in attempting to understand how we had become so integral a part of an acknowledged resource management failure. ... In our self-examination we were forced to concede that the resource [the salmon] was not always our client in a myriad of past actions."

According to the document, the state's fish and game agencies allowed fishing to continue when it should have been stopped, failed to actively enforce fish passage and water diversion screening laws in the rivers and streams where salmon spawn, and failed to stop the construction of culverts that now block about 3,000 miles of streams to access by salmon. Perhaps most damning, the draft policy admits these failures were rooted in the fear of retaliatory actions by the Legislature and landowners.

The document describes the state's past actions — or inactions — as "folly," and adds: "We know that in order to be successful, the resource must be our exclusive client. Considerations such as loss of regulatory authority or budgets can no longer be factored into resource management decisions."

"Considerations such as loss of regulatory authority or budgets can no longer be factored into resource management decisions."

At his meeting with the Power Planning Council, Shanks made it clear that business as usual is not in the best interest of the salmon. "In Washington, we have 12 separate salmon stocks either listed or facing listing [under the federal Endangered Species Act]," Shanks said. "In my opinion, this is going to be the biggest and most difficult public policy area we have in natural resources for the next few years."

Salmon hatcheries and spawning habitat are key issues addressed in detail in the proposed wild salmon policy, and there is a reason. "Most of what we are emphasizing is what we can do something about — harvest and hatcheries," Shanks said. Those areas embody the key authorities of the state's fish and wildlife agency. Also, Shanks said Washington's draft policy is modeled on a similar policy in Oregon. This makes sense because the two states share a border — and salmon — in the Columbia River, he said.

The proposed policy establishes three general guidelines for salmon management:

1. Protect native stocks and natural production of salmon, especially where conflicts with non-native species and stocks occur.

2. Stocks that are threatened or endangered have a higher immediate priority than healthy stocks or species.

3. Stocks with higher ecological, cultural or economic value generally should have higher priority than stocks or species of lower value, provided all remain self-sustaining populations.

The draft policy calls for managing hatchery fish and wild fish separately, not as a mixed stock. That's a big change from current practice, which allows harvest of up to 90 percent of all salmon. The high harvest rate reflects the abundance of hatchery-bred fish, but takes a disproportionate toll on the smaller numbers of wild fish. In the future, Shanks said, the state should set harvest rates for all salmon to reflect the abundance of wild fish. That would mean a cutback of as much as 30 percent over current levels.

Habitat improvements are more difficult for his agency to direct, Shanks said. "Our regulatory mandate for habitat is limited."

Nonetheless, the draft policy addresses water quantity and quality, and physical conditions such as the structure of river and

stream channels, the presence or absence of pools and riffles in spawning habitat, installation of protective screens at irrigation water withdrawals and dams, and the impacts of municipal and industrial water withdrawals. The draft strategy spells out performance standards and includes strategies to achieve those standards.

Because the state's authority is limited to the area within the normal high water mark of rivers and streams, the draft policy emphasizes the importance of partnerships between landowners and government. Locally based watershed improvement strategies will be a high priority if the policy is approved.

Rules for salmon hatcheries and harvest would be changed. For example, Shanks said a fundamental component of the draft policy is to mark all hatchery-bred fish. Usually, this means clipping the small adipose fin, which is on the underside of the fish near the tail. Thus, fishers can distinguish wild fish from hatchery fish by the presence or absence of the adipose fin.

Harvest management is a big problem, said Sam Wright, a biologist and aide to Shanks. "Currently, there are 89 wild salmon populations being overfished — by design — in hatchery fish management zones. Thirty-seven of these are in Puget Sound, 20 are along the Washington coast and 32 are in the lower Columbia River," Wright said. "By species, these include 37 chinook populations, 42 coho populations and 10 chum populations." Of these, coho salmon are in the most danger, he said.

> "We are going to manage this resource for the fish, not the fishermen. If we manage it properly for the fish, the fish will take care of the fishermen."

More than 3,000 miles of coho spawning habitat are blocked to salmon passage — "not a mile of that is being used now, and it could be," he said. "This seriously impacts our ability to pursue effective habitat management in the future. It's unrealistic to ask people to manage habitat when you're not putting fish in there to use that habitat."

Habitat improvements and harvest cutbacks are closely intertwined, Wright said. "This is a fundamental, mandatory principle: If you are going to have fish and wildlife in the future, each population must be able to replace itself on a sustainable basis," he said. "If harvests are expected, each population must not only be able to replace itself, it must also produce surplus production for harvest. We have the opportunity to make better decisions than we made in the past, given the same information."

But the state agency won't be successful without the support of others, Shanks said. He sees the involvement of Northwest Indian tribes as crucial to the state's success.

"The implementation of any plan requires the concurrence of our co-managers, the tribal governments," he said.

Shanks envisions rebuilding salmon-bearing watersheds "from the ground up," with the cooperation of local and tribal governments, landowners and other interested parties. Some of this work likely will require authorization through state legislation, and also financial incentives to landowners, he said. Underlying this effort is concern for the long-term health of the wild salmon populations.

"We are going to manage this resource for the fish, not for fishermen," Shanks said. "If we manage it properly for the fish, the fish will take care of the fishermen. That's a fairly fundamental shift in our management policy.

"In Washington, there is enormous interest and concern over the fate of salmon, and an underlying awareness that what we are talking about is defining the future of this state and this, our most fascinating and adventuresome natural resource," he said. "I firmly believe that the people of Washington are going to insist that we do an adequate job in the conservation and recovery of the salmon stocks. Obviously, there is a lot of work to do."

www.all-the-news.org and then some

A short list of useful Internet resources on energy, fish, wildlife and other things.

by Carlotta Collette

Some days I wonder how we got along before we had the Internet's homepages, data bases and on-line directories. If anything, there is too much information available on the Internet. Because the old adage, "don't believe everything you see in print," applies doubly to what you might read off web sites, and because some sites bury real information behind a dozen advertisements, it is useful to have at least a short list of sites to go to first. If you are trying to stay informed about the electricity industry and/or the Northwest's fish and wildlife recovery efforts — the key areas of responsibility of the Northwest Power Planning Council — check out these sites:

■ **www.nwppc.org** Start with our own homepage. We update our site almost every day, adding new publications, issue papers, press releases, etc., to keep electricity consumers in the region informed about and involved in planning for the region's electricity future and its fish and wildlife recovery efforts. From our site, you can comment on issues before the Council, download or just read nearly all our publications, and even run a computer simulation of the consequences of changes in dam operations. We include on our site links to each of the four Northwest state homepages — Idaho, Montana, Oregon and Washington — from which you can learn more about each state government, track state legislation, even acquire tourism information. Also at our site is a Directory of Organizations, including: state and federal agencies, Indian tribes, utility groups, utility regulators, etc. Where possible, we've added links to the homepage of each organization.

■ **www.newsdata.com/enernet/** This site was created and is maintained by the NewsData Corporation, which also publishes Clearing Up, a weekly newsletter that has been tracking the Northwest energy scene for nearly two decades. Known as "NW EnerNet," the site reports on energy and fish and wildlife recovery efforts somewhat more broadly than the Council's site. EnerNet includes several on-line "magazines," including *con.web*, which reports on conservation and renewable resource activities in the Northwest, and *NW Fishletter*, which covers salmon recovery and other fishery news. This is a good site to visit regularly, as you would read your daily newspaper. It also includes numerous excellent links to other relevant sites.

■ **www.streamnet.org** An outgrowth of the rivers assessment research done for the Northwest Power Planning Council in the 1980s, streamnet began as a data base of river reaches and their fish and wildlife or other ecosystem characteristics. Not for entertainment surfing, streamnet is packed with details, probably more than most people care to know. On the other hand, if you want to know which fish spawn in a specific river mile in the Columbia's watershed, or something equally specific, chances are good you'll find it here. This site has maps and other details about projects under review for funding through the Council's Columbia River Basin Fish and Wildlife Program. If you go to the Council's homepage and click on fish and wildlife project selection, you'll eventually end up here.

■ **www.icbemp.gov** This is the homepage of the Interior Columbia Basin Ecosystem Management Project, which is sponsored by the U.S. Forest Service and the Bureau of Land Management. The Project, through an open public process, is developing a new management strategy for public land administered by the two agencies in eastern Oregon and Washington, Idaho, western Wyoming, western Montana and portions of northern Utah and northern Nevada. Included at this site are schedules of public meetings, teleconference opportunities, a regular newsletter and access to documents related to the project.

■ **www.keil.ukans.edu/** This biodiversity and biological collections web server links to an amazing collection of sites around the world. Pick a species, flora or fauna, and this site will link you to universities, research laboratories, museums, publications, etc., all over the world that have information about that species. Pick a

science: botany, mycology, geology, etc., this site has data bases on them all. A general science web site, this one is a great background resource.

■ **www.pnl.gov** This site is offered by the Pacific Northwest National Laboratory, which is operated by Battelle Memorial Institute. I visit it for research news and for its links to energy and other research-related sites. Because the laboratory is part of the U.S. Department of Energy, it contains numerous links to other federal sites. It also links to many regional newspapers, science journals and other media.

■ **www.westgov.org/wieb** Another good West Coast site with broader links is this one, operated by the Western Interstate Energy Board, under the auspices of the Western Governors' Association. Industry news, links and good feature material make this site one to visit on a fairly regular basis.

■ **www.eren.doe.gov** and **www.eia.doe.gov** Among the more useful federal sites are these two Department of Energy locales: the site operated by the Energy Efficiency and Renewable Energy Network, and the one operated by the Energy Information Agency. Both are updated regularly, contain a comprehensive set of links and provide a depth of information.

■ **www.usgcrp.gov** This is the federal government's site for research on global climate change. It includes, among a number of terrific resources, links to other government information systems and research projects. For example, you can search for ecology and biology data contained in data bases at the Department of the Interior, or educational resources at the Department of Energy. The links are not comprehensive, but there is more than enough material to keep a researcher busy for some hours.

From our site, you can comment on issues before the Council, download or just read all our publications, and even run a computer simulation of the consequences of changes in dam operations.

■ **www.energyonline.com** Up-to-date information on restructuring in the utility industry is hard to find. This site is a good place to look. Updated daily by a private consulting firm, the site provides news; restructuring blueprints from various states; links to futures markets, pricing and regulators homepages; and access to industry-specific software. People at the Council who track restructuring recommend this site.

■ **www.magicnet.net/~metzler/index.html** This otherwise obscure site is an excellent link to utilities, publications, news and other data from the utility industry. It is known officially as "The Utility Connection," and it covers all sorts of utilities — water, electricity, gas, etc.

■ **www.thomas.loc.gov** This is one of the most accessible of the numerous federal Internet sites. It is most useful for tracking legislation, but it includes links to all other branches of government, including the White House (**whitehouse.gov**). This is a good entry point for other government information, including each of the branches and departments of the government. Every agency, including the Bonneville Power Administration (**bpa.gov**), the U.S. Fish and Wildlife Service (**fws.gov**), the National Marine Fisheries Service (**nmfs.gov**) and the U.S. Army Corps of Engineers (**usace.army.mil**), has a site. All of them can be reached through the "thomas" site. You can also reach the Government Printing Office (**gpo.gov**) and download or order publications. Another site that is widely recommended is the federal statistics data site (**fedstats.gov**), but I find this less "user-friendly" than some other sites.

■ **www.igc.apc.org/igc/econet/index.html** The Institute for Global Communications has created a set of five web sites each dedicated to an aspect of worldwide communications. The site called "econet" includes sections on energy, wildlife species and habitat, which in turn, link to resources all over the world. This site could easily take up an afternoon and an evening, so wait for rain or winter and bring a cup of tea and snacks. This site is loaded. You can "surf" from newspaper to newspaper or go directly to a major research institute and "dive" into their data base.

■ **www.findlaw.com** The Council's legal division recommended this site for researching laws, court opinions and regulations. It has separate state, federal and international sections, as well as an excellent search vehicle that links to other sites. For example, a search for "American Indian law" produced links to a large number of other Internet homepages that focus on legislation relating to Indians, tribal laws, treaties and more general information about various tribes.

I said above, this is a very short list. Out of the millions (is it *billions* yet?) of sites, Council staff use these most regularly, particularly as entry points to other sites.

SHORTS

West Coast

Portland laundromat first to install new efficient washing machines. The completely renovated laundromat, "The Posh Wash," replaced old washers with new front-loading machines that use about half the water, energy and detergent of conventional washers. The new washers, made by Maytag, are expected to save the laundromat $5,500 a year or more, as well as cut water use by about a quarter million gallons per year. Long in use in Europe, this style of machine is only recently entering the U.S. market. In the Northwest, some retailers are offering a $130 rebate to consumers who purchase the machines. While the commercial operation was not eligible for the rebate, a 35-percent tax credit was available through the Oregon Office of Energy. (Source: City of Portland Energy Office.)

B.C. Hydro may be violating NAFTA by exporting hydropower that kills salmon, says a coalition of U.S. and Canadian fishing and environmental groups. The North American Free Trade Agreement includes a side agreement regarding environmental standards. The coalition is arguing that the utility is violating that agreement by selling electricity from dams that are operated to maximize hydropower generation at the expense of migrating salmon. U.S. hydropower is generated at dams that release water timed to protect salmon. In British Columbia, the dams store water when the salmon most need it. The water is released later to generate electricity. The group is asking that the International Council on Environmental Cooperation investigate its allegations. The International Council was established to address incidences where countries lower their environmental standards to increase international trade. (Source: *Pacific Fishing.*)

Northern California coho listed as threatened while Oregon's alternative recovery plan spares that state a listing. Officials of the National Marine Fisheries Service in late April said they prefer to have states adopt their own recovery plans, as Oregon did, rather than apply federal protection, which almost certainly has broader implications. In the case of the California coastal coho, about 700 miles of coastline and as far inland as 150 miles upstream will be affected with restrictions on logging, irrigation and other activities that could hurt the threatened fish. (Source: *Los Angeles Times* Internet web site: www.latimes.com.)

Nation

Federal government plans to cut its energy bills by retrofitting its buildings. The plan is expected to lower federal energy bills by about a quarter, saving approximately $1 billion a year after all of the government's 500,000 buildings are renovated. Previous similar proposals have fallen short of targets, but the government intends to avoid problems of the past by hiring contractors through a streamlined process and paying them over time out of the energy savings. Contracts to perform the first $750 million worth of work have already been awarded to improve the efficiency of federal buildings in Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon and Washington. (Source: *The New York Times.*)

Race-winning electric car doubles the range of previous electric vehicles. In the ninth annual "Tour de Sol," a competition designed to promote new electric vehicle technologies, a converted Geo Metro traveled 249 miles without needing a recharge. The car used a battery that General Motors Corp. will use in its EV-1 car. The world record range is 373 miles, but that record was set in a custom-made vehicle. The Metro is a production model. Cars in this year's race also reached faster speeds than in previous years, an indication that the electric car technology is advancing. The winning car, with the same equipment, including an onboard charger, sells for $88,000. Without the charger or long-range battery the car sells for $33,995. (Source: *The Oregonian*, Portland, Oregon.)

World

New solar technology achieves record efficiency of 10.96 percent conversion. The new technology uses a light-sensitive dye bonded to a semiconductor to move an electron and create a positive charge that is discharged through an electrolyte. Known as the "Graetzel cell," after its inventor, Dr. Michael Graetzel of the Swiss Federal Institute of Technology, the new technology is expected to be a major breakthrough in solar photovoltaics. The first application to be commercialized will be a transparent version on Swatch watches. Large-scale commercial production is expected to begin in Australia late in 1997. A primary application is likely to be in architectural glass. (Source: *Photovoltaic Insider's Report.*)

Illustration by Stephen Hayes

CALENDAR

September 11-12 Electrical Utility Mergers, Acquisitions, Strategic Alliances, World Trade Center, Portland, Oregon. For more information, contact Law Seminars International, 206-567-4490.

September 12 Third Annual Endangered Species Act Conference, Lewis & Clark College, Portland, Oregon. For more information, contact Northwestern School of Law Continuing Legal Education Coordinator, 503-768-6672.

September 16-17 Northwest Power Planning Council Meeting, The Park Plaza, Helena, Montana. For more information, contact the Council's central office at 800-222-3355.

September 24-26 Deregulation: Reflections, Projections, Marriott Hotel, Portland, Oregon. For more information, contact the Western Electric Power Institute, 503-231-1994.

September 29-30 Competition in California: Ready Or Not, Here We Come!, San Diego Mission Valley Hilton, San Diego, California. For more information, contact Energy NewsData, 206-285-4848.

October 17-18 Native Americans, Time, and the Law, Lewis & Clark College, Portland, Oregon. For more information, contact Northwestern School of Law Continuing Legal Education Coordinator, 503-768-6672.

October 27-29 Sustainable Building Northwest Conference and Trade Show, Seattle Center, Seattle, Washington. For more information, call O'Brien and Company, 206-842-8995.

October 28-29 Northwest Power Planning Council Meeting, Holiday Inn Westbank, Idaho Falls, Idaho. For more information, contact the Council's central office at 800-222-3355.

December 9-10 Northwest Power Planning Council Meeting, Council central office, Portland, Oregon. For more information, contact the Council's central office at 800-222-3355.

TELL US WHAT YOU THINK

The Northwest Power Planning Council is currently redrafting both of its major planning documents: The Columbia River Basin Fish and Wildlife Program and the Fourth Northwest Conservation and Electric Power Plan. Your advice and opinions are invited on both efforts.

Columbia River Basin Fish and Wildlife Program

The process of amending the Columbia River Basin Fish and Wildlife Program is just beginning. A draft framework for the program is being developed. In **November 1997**, the Council plans to invite recommended changes to the program. Recommendations would be due in February 1998. Comments on the recommendations would be accepted through **March 1998**. Between **April and June**, the Council would compile a draft program based on the recommendations. The draft fish and wildlife program will then be released for public comment in **July 1998**, with a close of comment scheduled for **September**. The Council plans to make its decision on the new program in **November 1998**.

Fourth Northwest Conservation and Electric Power Plan

The Council released its Draft Fourth Northwest Power Plan in March 1996, but held comment on the draft open until this spring to incorporate recommendations from the yearlong review of the Northwest energy system conducted in 1996. In August, the Council approved release of an addendum to the draft power plan that incorporates recommendations from the energy system review and suggestions for ways to implement those recommendations. The Council intends to take comment on the addendum through **October 31, 1997.** Hearings to take comment have been scheduled to coincide with regular Council meetings:

September 16-17, Helena, Montana (Park Plaza)
October 7-8, Portland, Oregon (Council Offices)
October 28-29, Idaho Falls, Idaho (Holiday Inn Westbank)
A hearing in Washington has yet to be scheduled.

For More Information

Copies of the current Columbia River Basin Fish and Wildlife Program (publication #94-55) and the framework discussion paper (publication 97-2), as well as the Draft Fourth Northwest Power Plan (publication 96-5) and the Addendum to that draft (publication #97-7) are available on the Council's Internet web site, **www.nwppc.org**, or call and request them from 1-800-222-3355.

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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.

NORTHWEST ENERGY NEWS

Northwest Energy News is printed with soy-based inks on recycled paper that is 50-percent de-inked fiber, including 10-percent post-consumer waste.

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Involvement Coordinator: Jim Middaugh
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COUNCIL PUBLICATIONS ORDER FORM

Please send me a copy of the following publications of the Northwest Power Planning Council. Not all publications are available immediately, but they will be sent to you as soon as possible. Nearly all Council publications are also available at *http://www.nwppc.org* or use the new automated information service: call 1-800-222-3355 and ask for extension 700.

Publications

☐	97-1	Competitive Energy Services Strategies in the Northwest: A Partial Eclipse of the Moon (prepared for the Northwest Power Planning Council by Jim Nybo and Ted Fanigan, November 25, 1996.
☐	97-2	An Integrated Framework for Fish and Wildlife Management in the Columbia River Basin, April 10, 1997
☐	97-5	1997 Directory of Organizations
☐	97-7	Addendum to the Draft Fourth Northwest Conservation and Electric Power Plan
☐	ISAB 97-4	Review of the Lake Pend Oreille Fishery Recovery Project
☐	97-TB10	Summary of August 14, 1997, Transition Board meeting
☐	97-8	1997 Annual Report to Congress
☐	97-9	Summary and Guide for Public Comment for the Fiscal Year 1998 Fish and Wildlife Project Selection Process
☐	97-10	Draft Fiscal Year 1998 Annual Implementation Workplan Columbia River Basin Fish and Wildlife Authority, June 4, 1997
☐	97-11	Fiscal Year 1999 Budget and Fiscal Year 1998 Revisions
☐	97-12	Draft Staff Paper: Methods of Economic Analysis for Salmon Recovery Programs
☐	ISRP 97-1	Review of Columbia River Basin Fish and Wildlife Authority Program - report of the Independent Scientific Review Panel, July 15, 1997

Mailing Lists

Please ***add*** my name to the mailing lists for the following publications. (Note: please do not check if you already are receiving them.)

☐ ***Northwest Energy News*** (this quarterly magazine)
☐ ***Update*** (public involvement newsletter)

Please ***delete*** my name from the mailing lists for the following publications (please include the 12-digit number next to your name on the mailing label).

☐ ***Northwest Energy News***
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(Or call the Council's central office, 503-222-5161, or toll free 1-800-222-3355.)

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Power Planning
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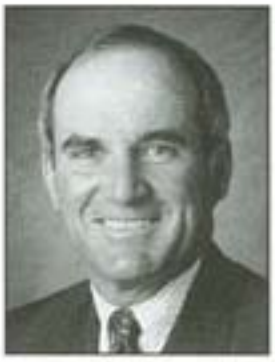
from the CHAIR

In late July, Randy Hardy announced that he is leaving the helm of the Bonneville Power Administration. Hardy richly deserves all the praise being accorded him. An ex-naval officer, he navigated Bonneville through some very rough seas.

Hardy took Bonneville a considerable distance toward establishing itself as a key player in the new utility marketplace. But the fact is, right now, Bonneville can barely compete with power rates being offered by its competitors. Yes, the federal agency has the low-cost electricity generated at Columbia Basin dams, but it also has enormous nuclear power plant debts, and fish and wildlife recovery costs that factor in to price its power above the market. For the long term, Bonneville's electricity could still be a very good buy: when the nuclear debt is paid off; when there is certainty about fish and wildlife expenditures; and when the agency's other expenses have been reduced. That's what we are counting on, and that's the direction the region must now steer toward.



To that end, the Council has begun meeting and consulting with Bonneville, its customers and others in the Northwest about the agency's cost structure. Our goal is to reassure current and future customers who are considering subscribing to Bonneville's power that the agency will be stable and efficiently run.

At the same time, the Council is about to decide which fish and wildlife recovery actions Bonneville should fund this coming year. Our decisions follow nearly a year of prioritizing by fish and wildlife managers, review by independent scientists and public comment. It is the Council's intent that this process receives the widest possible scrutiny. We simply cannot afford to waste time or money on efforts that will not produce fish.

The key to all of this is accountability. Northwesterners take pride in our ability to manage our own power system. We relish our right to make decisions *here*. But with that right comes the grave responsibility to make *prudent* decisions. If we fail to do so, if our decisions are unwise, the future of the Bonneville Power Administration, and the public benefits Bonneville brings us, could be in peril.

John N. Eichart