Editor's Notes

An Anniversary Special
Five Years with
The Northwest Power Act

This special issue of Northwest Energy News is the cooperative effort of the Power Planning Council's public information staff and all of the people we interviewed. Interviews were conducted by Ruth Curtis, Steve Engel, Beth Heinrich (Idaho), Judi Hertz (Oregon), Dulcy Mahar and myself.

This issue is also the debut of our new art director, Portland graphic artist Stephen Sasser. Sasser's work as half of the design team, Nance-Sasser (with Lyn Nance, his wife), has been featured in Oregon publications, on numerous posters and album covers and in many gallery exhibitions.

In our last issue, we ran a photograph of the new fish ladder at the Wapato Dam on Washington's Yakima River. We called it the U.S.S. Wapato, which is what the locals in the Yakima area have nicknamed it. Unfortunately, we mixed up the pictures. The one below is the real Wapato Dam west branch fish ladder. It's easy to see why the locals think of it as their resident battleship.

COVER ILLUSTRATION: Northwest artist Anton Kimball created the birthday cake cover for this special anniversary issue.

-C.C.

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To assist the electrical consumers of the Pacific Northwest to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

It’s been said that one’s task, regarding the future, is not so much to foresee it, as to enable it. On December 5, 1980, President Jimmy Carter signed an historic piece of legislation that was to have a profound effect on the Pacific Northwest. Public Law 96-501, the Pacific Northwest Electric Power Planning and Conservation Act, was designed to provide for the future electrical energy needs of the citizens of the four Northwest states of Idaho, Montana, Oregon and Washington. The Act carried a second mandate; to protect, mitigate and enhance those fish and wildlife in the Columbia River Basin threatened by the development of the region’s great hydroelectric system. A third, equally important emphasis of the Act called for carrying out these plans and programs with the full participation of the citizens of the region.

If it’s true that success has many parents, but failure is an orphan, the Northwest Power Act must be a success. Nearly everyone interviewed for this special issue admitted to laboring hard and long to produce a piece of legislation that met the needs of the broadest of constituencies.

Illustration by Arnon Marshall
**What the**

**A Hemmingway Retrospective**

Here's a story they tell about how Roy Hemmingway broke the news to Oregon's governor that the Northwest Power Act had passed. He is said to have told Vic Atiyeh, "I've got good news and bad news. The good news is, we got everything we wanted. The bad news is, so did everyone else."

Oregon's Hemmingway was one of two Northwest Power Planning Council members who were actively involved in the creation of the Act. Gerald Mueller, though not involved to the degree that Hemmingway was, is the other Council member who was there when it all began in the late 1970s.

Hemmingway confirms the "good news, bad news" comment. "Every group worked to get protection for its interests in the Act. What was not clear was how those interests would work together once the Act was passed and all the changing circumstances of the real world had to be dealt with. While the public and investor-owned utilities, the direct service industries and the Bonneville Power Administration locked in protection for themselves, I was afraid their commitment to the welfare of the region as a whole got weakened."

It all began in 1977 with a bill backed by the Pacific Northwest Utilities Conference Committee [PNUCC]. "When a regional bill first got publicly talked about — this was the PNUCC bill — the utility system alone was to do all the planning," Hemmingway recalls.

"Governors Judge [Montana] and Evans [Idaho] both advocated a

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regional siting council, a sort of 'gating' body that would decide whether a plant proposed by the utilities was acceptable. After the PNUCC bill was scrapped, Senator Henry Jackson introduced another bill in August 1978. This bill first had the idea of a plan for the region which would determine how much conservation, coal, and other resources would be needed. But it had Bonneville doing the forecast and the plan," Hemmingway adds.

"When Governor Atiyeh [Oregon] took office he started talking about what the states should do with regard to this bill. His aide Lee Johnson [former Oregon attorney general] suggested the idea of the council. He has sometimes been credited for the idea, but Lee was the first one.

"Governor Atiyeh liked the idea of a regional body to do forecasting and power planning, and Lee and I started a tour around the four states to see if there was interest among the governors to propose a joint set of amendments that would embody the idea of a regional council. He and I made a trip together to Montana to see Governor Judge. Lee met with Governor Evans, and Atiyeh and I flew up to see [Washington governor] Dixy Lee Ray. Hemmingway remembers that meeting as "fascinating."

During the PNUCC bill, the Northwest states, with the exception of Washington, had participated in the discussions on the bill. As Hemmingway puts it, "One cannot say Governor Straub [Oregon] and Dixy had a warm relationship." In fact, they had clashed a number of times. Atiyeh, however, appeared determined he was going to have a good relationship with Governor Ray.

Hemmingway was prepared for Governor Ray to reject the council idea. He assumed she would prefer the utilities to do the planning. Governor Ray was on record saying she didn't think government should have a bigger role than it already had. "Governor Atiyeh told me not to be so pessimistic," notes Hemmingway. Atiyeh met with her alone for about 20 minutes, then called in Hemmingway to give her details.

"Dixy was absolutely charming," Hemmingway says. "This image I had of Dixy Lee Ray as the Dragon Lady didn't prove to be true. I had known Vic from the legislature, but he had been in the minority party and hadn't carried much legislation, so I didn't get to know his skills. It dawned on me that day that here was a man who had made a great success selling Oriental rugs. He had the kind of soft salesmanship that this business required. He and Dixy got along just fine. If it had been any other Oregon governor, that relationship would have been strained."

With Ray on board, Atiyeh called together representatives from every state to draft amendments for the bill. "We had a pool going on how many votes the bill would get. I don't think anyone guessed high enough," Roy Hemmingway.

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**April 1979**
- S. 885, The Pacific Northwest Electric Power Planning and Conservation Act introduced to the Senate by:
  - Henry M. Jackson (WA)
  - Warren G. Magnuson (WA)
  - Frank Church (ID)
  - Mark Hatfield (OR)
  - James McClure (ID)
  - Bob Packwood (OR)
- S. 885 is identical to S. 3418 of the 95th Congress. Amendments are introduced from the Governors of the four Northwest states. Bill sent to the Energy and Natural Resources Committee.
- Representative Al Ullman (OR) and 11 other members introduce S. 885's companion bill, H.R. 3508.

**Spring Summer 1979**

House and Senate committees study and hold hearings on bills.

**June 1979**

Additional amendments to S. 885 proposed by Senator Packwood.

**Aug. 3, 1979**

S. 885 passes Senate by voice vote. Referred jointly to the House Subcommittee on Energy and Power (Committee on Interstate and Foreign Commerce) and the Subcommittee on Water and Power Resources (Committee on Interior and Insular Affairs).
Jackson bill now before Congress. "Those amendments were the genesis of the Council. That's where I met Gerald Mueller," Hemmingway adds. "Over the next several weeks we hammered out amendments dealing with the Council, model conservation standards, and guarantees of protection for the state siting and rate-making processes."

The governors submitted their amendments in April 1979. Hemmingway was given the full-time responsibility by Atiyeh to lobby the bill. After a while, the other states felt comfortable with him speaking for the states as a whole. During the next two years, Hemmingway spent more than six months in Washington, D.C. The bill passed the Senate easily in August of 1979 on a voice vote with the entire Northwest delegation behind it.

Meanwhile, in the House, the bill had two separate referrals. Traditionally power bills went to the interior committee. But Representative John Dingell's energy and power subcommittee of the commerce committee got the bill as well. "Very few dual referrals ever get out onto the floor," Hemmingway says. The House bill had to have four separate votes to survive, two subcommittees and two full committees before it went to rules and the floor. "When the bill finally did clear both committees, we had to get all of the recommendations reconciled in a process like a third committee."

"Public power was a very reluctant bride." Roy Hemmingway

"As far as lobbying was concerned, there were two arenas we concentrated on. One was what was going on in Congress and trying to find ways to keep Representative Jim Weaver from killing the bill. The second was public power. Public power was a very reluctant bride. And everyone understood if any major group opposed the bill, it wasn't going to survive. Public power, along with the governors, had a big role in killing the PNUCC bill, and they were not happy with the bill that had come out of the Senate," Hemmingway explains.

A lot of groups opposed the legislation, particularly the environmentalists. They saw public power as the place to kill the bill, so there was a lot of focus on public power. Public power understood something important though. Without a bill, Bonneville was going to allocate their power supply and that was going to lead to huge litigation — bigger than anything we have seen since the Act passed. Generally, public power liked the idea of the council because it meant someone besides Bonneville — with the investor-owned utilities and direct service industries whispering in its ear — would do planning.

"But as we got out of the commerce committee, thanks to amendments and the realization of the need for a new regional blueprint, public power began supporting it. The amendments it took to win public power's support probably resulted in a bill more complicated than it should have been. Some public power utilities wanted to make a condition for support of the bill that WPPSS [Washington Public Power Supply Sys-

March 1980
Representative Al Swift (WA) introduces H.R. 6677, which follows S. 885's format, but revises text to eliminate some ambiguities.

May 1980
House Committee on Interstate and Foreign Commerce reports to House on S. 885 and recommends passage with H.R. 6677 as an amendment. The amendment replaces the text of S. 885 with H.R. 6677. Also approved are Representative John Dingell's (MI) fish and wildlife amendments.

Sept. 1980
House Committee on Interior and Insular Affairs recommends passage with similar amendments.

Sept.-Nov. 1980
For five days, House of Representatives considers S. 885.

Nov. 17, 1980
S. 885 passes House. Vote is 284-77 with members from the Northwest supporting it 11-4.

Nov. 19, 1980
Senate agrees to House's amended version of S. 885 by voice vote.

Dec. 5, 1980
President Jimmy Carter signs into law the Pacific Northwest Electric Power Planning and Conservation Act.
tem nuclear plants] 4 and 5 be grand-fathered in. The only deception I heard was that some advocates of the bill were telling public power that 4 and 5 were a foregone conclusion," he recalls.

"This was an issue because the question being asked was where else are we going to get the power: The answer, of course, is conservation. But to the utilities with their large stakes, it seemed 4 and 5 were the answer."

Virtually every environmental group in the Northwest and Washington, D.C., opposed the bill. Hemmingway believes these groups opposed the bill because it gave Bonneville authority to guarantee financing for nuclear plants. Environmentalists envisioned this would guarantee more nuclear plants. At the time, the environmentalists did not believe the Council represented a serious constraint to Bonneville. Nor did they believe the criteria in the Act for cost effectiveness were going to prevent Bonneville from acquiring nuclear plants, according to Hemmingway.

By the time the bill got out of its committees in September 1980, the majority of the Northwest House delegation was supporting it. When it got to the floor, Weaver proposed and discussed numerous amendments to it.

"We actually lobbied every member in the House," Hemmingway recalls. "After a series of delays, the bill passed 284-77 in November. We had a pool going on how many votes the bill would get. I don't think anyone guessed high enough."

Now, five years after the bill was signed into law, Hemmingway has some strong opinions on how it is working. "What I didn't anticipate, other than the surplus, was that Bonneville would not play a leadership role in the region. By leadership role, I mean being the agency that forges union and consensus in the region. On the whole, although it is not universally true, Bonneville has protected itself as an institution more than it's furthered the regional interest.

"There will be a time in the future when a central institution with the authority Bonneville has been given will be needed. Bonneville may not be in a position of trust in the region to play that role.

"As for the Council, I think it needs to keep its focus on the long-term interest of the region. That focus has been diminished by Bonneville and some utilities. During the surplus they have taken a much shorter-term perspective. There is a real temptation when you are the only one pushing an agenda to argue points on someone else's agenda. The Council has to keep in mind its long-term agenda is the real agenda. The Council is going to be much more of a long-range, point-the-way body."

Addressing the Act, itself, Hemmingway says, "A lot of people have said the Act doesn't work because we're under different circumstances than contemplated at the time the Act was put together. I don't think that's true. The Act really created a new constitution in the Northwest for the dwindling existing energy supply and for planning for new resources. Whether we are closer to surplus or deficit isn't all that relevant when you're planning for the long term.

"I was relieved that we weren't faced with imminent deficit. Planning would have been done on a crash basis. We wouldn't have had the deliberation we went through for the model conservation standards. That deliberation will really pay dividends.

We had the opportunity to develop a blueprint for the future that has achieved such a broad consensus that some people believe the consensus has always been there, that it was a natural outcome of the 1980s. But," he emphasizes, "the idea that we'd rely on conservation and flexibility to meet resource needs was not an established regional principle prior to the Act."

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**January 1981**
Governors of Idaho, Montana, Oregon and Washington appoint a transition team to coordinate the formation of the Northwest Power Planning Council.

**November 1982**
The Northwest Power Planning Council adopts the Columbia River Basin Fish and Wildlife Program.

**April 1983**
The Northwest Power Planning Council adopts the Columbia River Basin Fish and Wildlife Program.

**October 1984**

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**December/January 1986**
His introduction to Washington, D.C., was inauspicious to say the least. A friend had invited Gerald Mueller to stay with him and had given him the address of his place on A Street. "I didn't know there were two A Streets, so I got into a cab and went to one of them. Rich had told me to walk in, so I tried to open the door. Someone yelled out 'Whaddya want.' So I got back in the cab fairly quickly."

"I was only 30. I had never been to Washington. Everything was marble; the doors were too high; there were these magnificent staircases. Then you'd find the staff packed like sardines in offices. We had to use cafeterias for conferences.""I was only 30. I had never been to Washington. Everything was marble; the doors were too high; there were these magnificent staircases. Then you'd find the staff packed like sardines in offices. We had to use cafeterias for conferences."

Back in 1977, Mueller, now a Northwest Power Planning Council member from Montana, was working for the state of Montana in the utility siting division of the Department of Natural Resources. Because of that, one day he was invited to a meeting in the governor's office.

"There, Hugh Smith, an attorney for the Pacific Northwest Utilities Conference Committee, described the PNUCC bill and told us how great it was. I didn't think too much of that. But the next day Frank Ivanic (then a city councilman from Portland, Oregon) showed up. Here we are way out in Montana and this guy from Portland shows up. That impressed us."

"He said the bill was a bad deal and we'd better read it," Mueller remembers. "We had more meetings, and the more we learned about the bill, the more we didn't like it."

In May of 1978, just after Mueller had joined the lieutenant governor's staff, he was invited to an energy conference in Seattle. It was supposed to include all four Northwest governors as part of a panel. Since Governor Judge couldn't go, he sent his lieutenant governor and Mueller, who was asked to prepare the speech. "One of the things the lieutenant governor said was that it would be real nice to have some politically accountable body charged with electrical energy planning." Mueller adds.

Sterling Munro, then administrator for the Bonneville Power Administration, was the moderator of the governors' panel. Mueller recalls that Munro and some of the other representatives were not particularly warm to the idea of a council. They thought it would be too political.

"Sometime later, the states started meeting and — partly due to their lobbying efforts — the PNUCC bill didn't pass. The next version of the bill made Bonneville a super agency. After that, the states got together seriously. We made a decision early on — a good decision — to focus only on the Council and how resources are selected. We drafted amendments that were signed by all four governors," Mueller explains.

"The bill wasn't going anywhere in the Senate until we showed up with the governors' package of amendments. We divided up into war parties and took key congressmen and senators. I was told it was the most heavily lobbied bill of the session."

"As soon as we got the four governors' signatures, the bill began to zip. The council concept got stronger. Senator (James) McClure put a lot of teeth into the idea, and (Mark) Hatfield beefed up the conservation aspects," according to Mueller.

"At this point, the bill had some fish and wildlife provisions, but nothing like the 4(h) section it ended up with. When it went to the House it had to have two provisions. First, protection for preference [see box, page 28]. A rate test was created which said public utility rates after the bill could be no higher than if the bill had not passed. Second, and (Congressman John) Dingell was instrumental in this, it had to have fish and wildlife protection." Mueller recalls a series of negotiations with utilities, tribes, and agencies resulted in the 4(h) sections of the Act.

When the bill passed out of committees, the two committee versions had to be reconciled. "Meanwhile, Congress went home, so the bill didn't get out of the House. When they came back, it was a lame duck session, and ordinarily you don't get much out of that," Mueller adds.
“Environmentalists never had been on board. The only thing we could get out of them was ‘we don’t trust you.’ They foresaw the region would be swamped with thermal plants. They didn’t think the bill would do what it said it would do.

“I was surprised at how intact the Council ended up being. Roy and I lost one battle which, frankly, I’m glad we lost. The original bill called for a Council of four. We thought it’d be the governors. We argued that expanding the Council would bring in special interest people — that you’d have a fish member, an environmentalist, a business member, labor, etc. As it turns out, the governors didn’t appoint special interests. Although sometimes it’d be nice to have only four people to agree on something,” he reflects with a grin.

The bill that finally passed had state support. “There really was a coalition of interests, with the exception of the environmentalists,” Mueller says.

Because of a smaller staff back home, Mueller could not put the time in Washington, D.C., that Roy Hemmingway could. “I’d lobby, then go home. I always had to call Roy to see what had happened. When it passed, I had to call him and listen to the celebration over the phone.”
"The business of energy is so important to the Northwest that it simply cannot be conducted with no participation by the states."

Senator Dan Evans
We always worked toward what I call “Evergreen consensus.” We tried to avoid voting until we could find out each person’s objections on an issue. One by one, we narrowed areas of difference. Of course, there were votes and not all unanimous. But on the fish and wildlife program and the power plan we had total unanimity. I think that was very important, especially the first time around.

The Council was one of the most rewarding experiences I’ve ever had. It’s rare that anybody gets to step in and be handed a clean piece of paper, a new and untouched enterprise, and set the course. It was a rare privilege. We had eight remarkable people who were willing to fight for an important new set of principles. The result was a lot better than it might have been.

We were in uncharted territory. A lot of concern was expressed at the time—especially by utilities who worried about the new player on the block, and about Bonneville’s new role. I know some utilities were afraid we might interfere with their well-established relationships. And we did. But the end result was to make things better.

Bonneville has assumed some new responsibilities foreign to their traditional ones, and carried them out well. I think we were very fortunate to have as perceptive a person as Peter Johnson at the head of Bonneville. I think he's done a very good job—and a very good job of working with the Council.

I told him back then that I thought the relationship between Bonneville and the Council should be one of creative tension. And it has been.

The fish and wildlife program has worked very well—not just the technical plan but in the growing relationship between the tribes and the many agencies. They recognized that they all had to work together to achieve their purposes. And that working relationship has made it possible to conclude agreements in areas the Act doesn’t cover, such as the U.S./Canada Salmon Treaty and issues concerning coastal streams and Puget Sound.

Lately there's been a new set of problems. Of course, everyone has had to shift gears to handle the surplus, instead of the shortages we expected. But there are also very different circumstances now surrounding the relationship between publicly and privately owned utilities. One of the current large difficulties is the question of whether public and private utilities are going to be able to work together to secure future supplies of power.

We may be at the point in the next couple of years where we need to have an extensive series of hearings on the Act, to see how it’s working and what potential there is for modifying and improving it.

Everybody is reluctant to meddle, but I think we’re getting closer to that time. After five years—after this power plan is approved—it may be time for a good review. We ought to take another look at the exchange and the end goals of the Act. We may want to revisit the relationships the Act initiated — how the investor-owned utilities and public utilities are fitting together, and so forth.

We need to continue efforts to protect and enhance the fish and wildlife of the Columbia Basin. I think the start has been a good one. We have a good chance to see a major restoration of fish on the Columbia. It may take a long time, and we may not live to see it. But it’s well underway.

I’m pleased that the Council did respond to the Act to produce a respectable fish and wildlife program and power plan. The fish and wildlife program will work. The power plan is a little more difficult, but the Council has contributed to everyone looking at new alternatives. In those respects, it’s been a very fine start.

I think we’re at the point where we have agencies in place and working together, and we’re not very likely to run into serious electrical power problems such as we had in the ’70s. I think we’ll have sufficient supply and reasonable pricing.

The Act was a landmark, and it is now being looked at much more strongly by other states and regions. I’m working on a piece of legislation that will make it easier for states to join together to do this kind of planning, without extensive compact considerations. People in New England, the Midwest and the Southeast are quite interested. We should be introducing a bill sometime next year.

"We may be at the point in the next couple of years where we need to have an extensive series of hearings on the Act, to see how it’s working and what potential there is for modifying and improving it."

Senator Dan Evans
JOHN D. DINGELL, U.S. Representative from Michigan, has long been known for his work on behalf of the nation's fish and wildlife resources. In 1980, when the Northwest Power Bill came before the House Committee on Energy and Commerce, which he chairs, he was instrumental in incorporating language calling for equitable treatment for the Northwest's fish and wildlife affected by the development and operation of the federal hydropower system.

The Pacific Northwest Electric Power Planning and Conservation Act has worked far better over its five years than I had hoped. Many things have contributed, including a reasonably cooperative spirit in the Northwest, together with a recognition of changing energy and natural resource needs. Very close Congressional oversight has also played a role, particularly our hearings in September 1984 involving many Northwest players and the Federal Energy Regulatory Commission [FERC].

The provisions of the Act requiring sound energy planning, with emphasis on alternative energy sources and energy conservation, have been beneficial. Although still needing continuing close scrutiny in their implementation, the fish and wildlife provisions have proven a model. Indeed, I think those provisions are sufficiently well-crafted so that I have been striving to see similar statutory language adopted nationally in legislation on hydroelectric power relicensing, which we are now considering.

"The Pacific Northwest Electric Power Planning and Conservation Act has worked far better over its five years than I had hoped."  

John D. Dingell

AL SWIFT, U.S. Representative from Washington, was instrumental in gaining passage of the Northwest Power Act in 1980.

The benefit of hindsight, five years after passage of the Northwest Power Act, brings into sharper focus the strengths of the Act, as well as areas that may require further work on a regional basis. Nevertheless, without denying that more work needs to be done, those of us who worked for its passage can take great pride in our work, especially in the mechanisms for public participation, and in the creation of the Northwest Power Planning Council.

The Council has served as a national model for comprehensive and cost-effective regional power planning. Other regions now look to the leadership of the Pacific Northwest with a noticeably jealous eye; and legislation has been introduced that would allow the formation of similar power planning councils in other regions.

In addition, the balance struck between power planning and fisheries management has worked well, and should be a source of additional pride.

Finally, for the first time, conservation was viewed as an energy resource, establishing a precedent which the rest of the nation is beginning to follow.

The years ahead will present unique challenges and difficult situations. Because of the solid bedrock provided by the Northwest Power Act and the Northwest Power Planning Council, we in the Pacific Northwest can, with confidence, build on the stable foundation we have put in place over these last five years.

"Finally, for the first time, conservation was viewed as an energy resource, establishing a precedent which the rest of the nation is beginning to follow."  

Representative Al Swift
JIM WEAVER represents Oregon's Fourth District in Congress. He chairs the interior subcommittee on mining, forest management and Bonneville Power Administration. Weaver also served on the interior committee at the time the Act was being legislated.

There were three things I wanted at that time. I wanted the Bonneville Power Administration to be held responsible to the people of the Northwest; I wanted to get as much energy as we could from conservation and renewable resources; and I wanted to make sure there were cost-effectiveness restrictions on any new projects.

Meanwhile, the famous — or infamous — Northwest Power Bill was being negotiated in secret by utility interests, and it didn't involve any of those aims. That bill — in 1977 — was simply to finance nuclear plants. It proposed a 17-member advisory commission with no authority, made up entirely of representatives from utilities.

I was responsible for killing that bill. I sat in on the water and power subcommittee and I stopped that bill. And I fought fire with fire by proposing a bill of my own. My bill included an independent council with representatives elected by the people of the Northwest. It was similar to the Power Planning Council but with more authority. And I had provisions for conservation, renewables, and cost-effectiveness.

So they went back to work — the lawyers and the utility people and Bonneville. They took provisions from my bill and wrapped them around the old Northwest power bill. They used the idea of a council, and some parts about renewable resources and conservation. But not cost-effectiveness, because that wouldn't fit in with nuclear power. Then members of Congress said to me, "This is just like your bill. You'll support it now, won't you?"

Well, I forced them to put cost-effectiveness restrictions into the bill. But I still didn't like the bill, and I still don't. And I don't know of anyone who does. Everybody hates it. Public utilities, private utilities, industry, everybody. They're like the five blind men feeling the elephant, and each of them hates a different part of the elephant.

I filibustered against that bill, you know. I was only the second person in the history of the House to filibuster a bill on my own, and the other one was my great-grandfather, James Weaver, in 1877. I submitted all kinds of amendments. They were good amendments, too. People would like the Act much better if my amendments had been adopted. I wanted to kill WPPSS [nuclear plants] 4 and 5. Not just because I'm antinuke. I don't like nuclear energy, but I felt the Northwest couldn't afford to spend $50 billion on anything. I was sure that if we built those plants, electricity would go up and people would use less, and we wouldn't need those plants or be able to pay for them.

And I wanted Bonneville run by a regional board of directors elected by the people — not appointed by the governors. I wanted any major projects subject to a vote of the people. That was one of my key amendments. There were about 20 key amendments. I would have settled for any of them, and gotten out of the way of that bill. But they just ran over me finally. They know now that I was right.

The Act is a disfigured, idiotic piece of muck, with a few pretty little stones in it — like the Power Planning Council. The best thing about [the legislation] was you guys.

I'm not sure the Act's had a great deal of effect, except it's screwed up a lot of things. It was a can of wiggly squiggly worms, a halfway deal that didn't do the job. The whole power situation in the Northwest is not working. Bonneville is neither fish nor fowl. It's not answerable to the ratepayers of the Northwest because it's a federal agency. But it's not answerable to Congress because it's self-financing. It's just sitting out there without any checks or balances. It's just the worst of all possible worlds.

I'm proposing a bill that would do away with the Northwest Power Planning Council and replace it with a representative authority — the Pacific Northwest Power Authority. It would be an actual board of directors that would take over Bonneville, do the hiring and firing. The members would be elected proportionately, with two representatives from Oregon, three from Washington, and one each from Idaho and Montana.
“The Act survived to deliver benefits only because Bonneville and the Council found ways to adapt its terms to today’s energy world.”

Peter Johnson

Remember the enthusiasm that greeted passage of the Pacific Northwest Electric Power Planning and Conservation Act in 1980? Bonneville had its work cut out for it as the agency mobilized to execute power sales contracts and launch new conservation and resource acquisition programs.

Without benefit of precedent, BPA and the Northwest Power Planning Council would have to test a new relationship. This separation of the planning and executing functions was unprecedented in the Northwest, and probably anywhere else.

BPA would also play a leadership role in launching programs to “protect, mitigate, and enhance” the Columbia River fishery.

All of this and more we would have to accomplish under tight deadlines prescribed by the Act. Those were times of perceived shortages of electricity, and the Act would dictate the nature of the region’s response. By 1985, we were to have all provisions of the law in operation. Congress was confident that BPA could do it. A few skeptics said “bureaucratic inertia” would forestall us.

As 1985 drew to a close, we observed the accomplishment of most of the objectives of the Act. I suspect the year expired with little public notice of how far we have come in so short a time. And that’s all right. It means we have done our job: the machinery of the Act is running smoothly, delivering benefits.

The progress of the last five years is remarkable in view of the changes in our utility environment. The circumstances underlying the Act began shifting and quaking almost as soon as the law was set in place. The tremors of change grew violent, and some feared the regional planning scheme would crumble. The Act survived to deliver benefits only because Bonneville and the Council found ways to adapt its terms to today’s energy world.

I don’t need to recount the many changes we have seen. The biggest mistake any of us could make at this point would be to falter in the pursuit of efficiency. The Power Planning Council has adopted a policy of acquiring capability. It’s a streetwise approach that works in a time of surplus, and will prepare the region to meet future needs.

As we finish [the first five years under the Act], so we begin. Many new challenges lie ahead as we seek to broaden the principles of regional cooperation embodied in the Act. Although the Act did not anticipate surpluses of energy, it helps the region to focus and plan as “one utility” in solving its resource problems. That’s a principle that will help maintain loads and resources in trim, whether they tip to surplus or deficit.

Under the Act, our utility community established a new equilibrium — a balance of interests in the federal Columbia River power system. It has laid the groundwork for a new, more efficient way of doing business.
STERLING MUNRO was an aide to Senator Henry Jackson until he became administrator of the Bonneville Power Administration in 1978. He served as administrator of Bonneville until 1981. He is now a vice president and director of public power financing for the investment banking firm of John Nuveen, Inc.

When I became administrator in January 1978 there had been several proposals [of a bill] made by PNUEC and by others. Snohomish PUD had made some amendments. But, really, no legislative action had been taken. I don't think there was much optimism that there would be any action.

The first sign of action was when the Northwest senators reached agreement on a set of 12 principles. A key concept in this agreement was that Bonneville purchase authority was fundamental to leveraging the assets of the federal system. Another central principle was that the states of the region should have a role in shaping decisions that would be made. And there had to be some means of resolving disparity over rates. It was agreed that something be done to bless the residential and farm ratepayers.

Finally, we had a bill that was drafted by members of Congress, not by utilities.

Bonneville functioned in a legislative service capacity, providing objective analysis. Not everyone views it that way, of course. There was a considerable amount of competitiveness over the issues involved. We were, at the time, trying to continue what we viewed as some effective joint planning and decision making that had developed in the region among public and private utilities, different states and interests. We also hoped to expand and improve this kind of activity.

It was clear that the utilities themselves, while critically involved in the decision-making process, really could not be the only decision makers. It was important and desirable to get elected representation involved — not only in Congress but at state and local levels. Also, certain interest groups had become antagonistically involved; the region needed to have a mechanism for hearing them.

Utilities had proposed a decision-making council made up of utilities. I always thought that wasn't going to work. Just as war is too important to be left to the generals, these energy matters need civilian oversight. I did, however, support a structure that would give Bonneville a place on the Council. I liked that notion because I thought there was a risk otherwise that you might end up with separate, competing and conflicting interests. They might not work collegially and effectively to reach decisions for the good of all.

But everybody else thought of Bonneville as a 100-foot gorilla that ought to be kept in a titanium cage.

The structure arrived at in the Act was to keep the parties separate and apart, but forced to pay attention to each other — all of which has been in the process of evolvement, with varying degrees of success. Mostly success, though, I think.

The question becomes, how do you identify where the region wants to take itself? And, how do you get there? It's a grand notion. How it gets done is not that easily described — how a whole region looks upon itself, and makes collective judgments, and deals with individual ambitions. It happens — even if it's not all that predictable or organized.

Like any other entity composed of people, a lot depends upon the people — depends on what those human beings do. I think, by and large, the region's been well-served by the people who have had the responsibility [of serving on the Council]. We've been pretty lucky in those people. It seems to me they acted as individuals, with more independence than was expected when the Council was structured.

The framers of this Act came up with what I think is quite a remarkable instrument, and quite an accomplishment for the Northwest as a region. I'm not sure that it's widely enough appreciated that this Act is and can be a very effective set of mechanisms for good decisions. Other areas of the country should envy it. Maybe they do.
About a year before the Act was actually passed, I wrote an Anadromous Fish Law Memo on the fish and wildlife considerations in the pending legislation. I recall looking over some of the drafts on the House side and talking to some people who were back in Washington at the time trying to lobby various congressmen. Senator [Frank] Church had put in a little blurb about fish at the last minute. I felt that that wasn’t enough. There were some better ideas being floated around by Congressman [Don] Bonker, [Jim] Weaver and the General Accounting Office. And Congressman [John] Dingell [Michigan] took this stuff pretty seriously.

There were late night and early morning conversations trying to line up people. There was one time when I was having a hard time trying to get through to someone to get some enforcement language in. By the time I finally got through to him, he said there just wasn’t any way there was one word that was going to be changed. Of course, I feel the lack of enforcement language in the Act is one of the Achilles’ heels of the legislation.

Section 4(h) 10 and 11 were never specific enough for me. We still don’t know whether the Council’s program is advisory or mandatory. The federal implementing agencies have different opinions.

“IT seemed to me that whoever was appointed to this Council wasn’t very likely to have much fish and wildlife expertise and would wonder what the heck they were doing with fish and wildlife. But, Dan Evans knew about fish, and he made a big difference.”

Michael Blumm

I was worried too about the Council itself. It seemed to me that whoever was appointed to this Council wasn’t very likely to have much fish and wildlife expertise and would wonder what the heck they were doing with fish and wildlife. But, Dan Evans knew about fish, and he made a big difference.

The fish and wildlife program is harder to do than the other stuff. It involves a lot of players; it’s complicated; it’s not as certain. If you put in a certain amount of conservation in a certain number of homes or commercial buildings or industries, you know you’re going to get some returns. You don’t know that in the fish and wildlife area. You’ve got to wait at least four years [the average life cycle of the salmon] and then “El Nino” can come along and screw up everything. So, it’s just more uncertain, and it requires a kind of institutional
The utility industry, even Bonneville, couldn’t refute them. They were overwhelmed. And the Council, by and large, took those recommendations to form the basis for the program. Those 1981 recommendations have been the engine, a really critical part of the process ever since.

The Act really created a whole new institutional framework, not just by creating the Council, but also by coalescing the fish and wildlife interests around the Council, and making them better managers of the resource. Before the Act came out, the fisheries scene, at least institutionally, was chaos. The Bonneville Power Administration, until 1976, believed it didn’t have any authority over fish issues. They said, “We just don’t deal with fish.”

So, every year the fish and wildlife agencies and tribes would go to the Corps of Engineers and ask for water for the spring migration — what we now call the water budget. They met around a negotiating table where the operators had all the control. The Corps could refuse requests, and not even explain the basis for the refusal. It was a closed process.

The creation of the Act and the Council turned that around. Not as much as I would have liked. I fault the Council for not being more serious about pushing the water budget, for example.

But, the Council has such an open process that even Bonneville just had to react to it. The decision-making doors have been pushed open in the region and lots of entities who didn’t think they could influence decision makers, like the Indian tribes, have been relatively successful. Certainly far more successful than they ever were before.

But all the promises that were made haven’t really been fulfilled yet. I think there’s been a lot of good faith. But there’s been an underestimation of the challenge of really changing river operations to produce a co-equal partnership. That really hasn’t happened yet.

The one thing I fear now is the intertie. The intertie will make fish passage provisions more difficult. If we don’t take care of ordering a certain amount of spills at various projects, those aren’t going to be available after the intertie is upgraded and we’ve got the capacity to sell more power south.

The Council has been much more effective than the old river basin commissions, which were also interstate bodies. I think the reason why is because the Council has some authority over the agencies — an admittedly uncertain amount. The river basin commissions were just advisory bodies and they just produced a lot of paper. The Council can do something. It has done something. It’s written a plan and it’s had some success with implementing that plan.

I think that what the Northwest has to show the rest of the country is a working model of how to deal with long-standing problems on a shared jurisdictional basis.

The Council wasn’t given an easy chore, especially on the fish and wildlife side. I would suspect that sometime in the next decade or so, when some intractable problem confronts Congress or a number of states, somebody’s going to look to the Pacific Northwest and see what an open process and shared decision making can do. Hopefully we’ll have something to show.

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Michael Blumm
The Indian tribes were not too concerned about the power stuff in the Act. We said, "You can do what you want with the power, but we have our treaty rights here, and dam proposals have never been taken into consideration those rights." The power bill language had to be careful so our treaty rights wouldn’t be forgotten.

Then the Council was formed, and Dan Evans became chairman. He took some convincing—not a lot, but some—to make a model area for the fish and wildlife program. We suggested the Yakima River Basin. He took our idea and went further with it. Section 900 of the program [the section specifically addressing work to improve fish runs in the Yakima] was his answer.

You see, we don’t have any hatcheries in the Yakima system, so it’s pretty much wild stock here. Our problems were with irrigation canal dams. Thousands and thousands of our spring chinook ended up in the fields every year because there weren’t screens on those dams.

We went to the Bonneville Power Administration and said, "We’ll back everything you want on the power side, if you’ll give us the money to correct the problems on the Yakima.”

The tribes didn’t think the money would be readily available, but already about half of the work in the Yakima River Basin is completed. In 1977 we counted only 50 salmon reds in the Yakima Basin. In 1985 there were upwards of 1,500. We are seeing the salmon return.

Now it’s time to improve the large Columbia River dams. The bottom line overall is the water budget for the Act, but make sure there are fish ladders and protection for our runs.”

Sure enough, the other dams went in up the river. The fish weren’t protected.

We realize electric power is important, but when people came here in wagons there was no electric power. They didn’t need this power. Sure, we need it now, but we need our fish, too. It is time that the watershed must be protected.

If it weren’t for the Act, we’d be back where we were in the 1970s. We’re very thankful that the power people listened.”

Bill Yallup
To give you an example of the way the power bill was worked in D.C., I was called one night, at about 6 p.m. Pacific time, to be at a meeting with Congressman John Dingell at 8:30 a.m. East Coast time. Thinking I'd only be gone for a meeting, I took my briefcase and caught the "red eye" that night. I ended up staying three weeks. My client had to outfit me. I hadn't even a change of clothes. The demands on people working this bill were like that.

The power interests involved in negotiations on the power bill hired me as a mediator for two reasons: they knew Congressman Dingell wanted fish and wildlife protection in the legislation, and they lacked background in all the complex details of fish management and fisheries negotiation. They couldn't talk knowledgeably to the fisheries people themselves, and they felt I could.

"The Act is the strongest law that exists regarding the Columbia River fisheries."

Bill Wilkerson

My goal as a lawyer was to bring fisheries up to equal partnership with power interests in the region. The Columbia River salmon losses were enormous. The fish and wildlife interests were in desperate need of authority to protect the resource. It was important to give the Power Planning Council that authority.

The Northwest Power Act was a clear statement from Congress that "enough is enough." The Columbia River runs had been largely ignored for years. The Power Act broadened the responsibility of the power interests, of the Bonneville Power Administration, the Army Corps of Engineers, the Bureau of Reclamation and others to consider the basin's fish and wildlife when they make their decisions. The Act strengthened the fisheries. The Act is the strongest law that exists regarding the Columbia River fisheries.

The Council was most effective when it pushed us all into cooperation. The fish and wildlife agencies and the tribes reached a consensus on more than 95 percent of the recommendations that were incorporated into the Columbia River Basin Fish and Wildlife Program, thanks to the Power Planning Council. The Council cajoled fish and power interests into reaching agreement. It helped all of us organize and design a program.

I think the Council remains effective, but would be more effective if it assumed the role it had of bringing people to the table and beating their heads until agreement was reached. Who better is there to facilitate this than the representatives of the four states? The law gives them plenty of authority, but they haven't been as aggressive since the program was finished.

"Getting people to see that the laws have changed, that they can't keep doing things the way they always did, is hard work."  
Bill Wilkerson

The only real negative I'd articulate is that the implementation is a bit slower than many of us had hoped it would be. That's not entirely the Council's fault. Getting people to see that the laws have changed, that they can't keep doing things the way they always did, is hard work. There is so much contentiousness among the various interests. Everything is still a debate. If there are going to be fish for anyone— the fisheries, the power people, or anyone else— there will have to be cooperation on everyone's part.

I'm concerned about apparent power struggles in the region. Congress set the requirement that we work these things out. We need everyone's commitment to make this work. We need the Corps and Bonneville, too. We've proven we're stronger if we pull together.
I find it astonishing that no accurate account of salmon and steelhead losses exists for the Columbia Basin. By not knowing what we have lost, it is easier to lose it all.

The Council’s fish and wildlife program is the largest fish and steelhead restoration program in the world, yet the local media have failed to cover it and, as a consequence, the public is unaware of its value. This is a problem. It is a problem because special interests can capture the program, steering the investment of $750 million to serve their purposes.

The traditional solution to salmon and steelhead problems on the Columbia Basin has been to produce more and more fish in hatcheries, at greater and greater expense. The Council’s fish program is not a single solution program. It is broad based, it is aimed at true fish restoration through habitat improvement, adult and juvenile protection, and agency cooperation. There is too much emphasis on harvest by the agencies. They have lost sight of their mission as resource managers. Good resource management nurtures the resource; it is concerned with the long-term health of the fish runs. The numbers will take care of themselves if we manage for the long-term persistence of the runs.

But somewhere along the road we have come to rely on hatcheries as the source of fish, and we think of management as producing more fish for harvest. The first priority is rebuilding the health of the resource base, and harvest is a byproduct of management, not its goal.

“Good resource management nurtures the resource; it is concerned with the long-term health of the fish runs.”

Bill Bakke

Recovering a salmon run seems easy, and it would be, except for the fierce provincial politics of fisheries. There is a strong bias among managers to serve the harvesters rather than the reproductive needs of the salmon resource. The states and federal governments have traded the salmon off to grow apples, to overcut the watersheds, to produce energy. Each agency fulfills its mission as if it were unconnected to anything else. This has caused a once rich and bountiful ecosystem to collapse.

The traditional answer to this crisis is to abandon the rivers and invest in technology. But it hasn’t worked, and it won’t work because the true solution is not technological; it is social. We know what needs to be done to rebuild the salmon runs; it’s just that we lack the will to do it in the way that it must be done.

“Recovering a salmon run seems easy and it would be, except for the fierce provincial politics of fisheries.”

Bill Bakke

The Council’s fish and wildlife program is the last opportunity we have to stem the destruction of anadromous and resident fish in the Columbia Basin caused by hydropower dams. If the Council fails to adopt a biological objective while striving to achieve a numerical goal to recover losses, we will have lost the best opportunity ever given us to restore a diverse resource and fall far short of expectations.

The Council’s fish and wildlife program is imaginative and unique because it is focused on the natural resource. The priority given to system-wide planning and wild stocks of salmon and steelhead is a responsible and defensible position. I believe that the Council recognizes that these priorities will result in real restorative gains for the fish resources of the basin.

The Council’s program to restore salmon and steelhead runs on the Columbia will work and it will give us long-term benefits that can be relied on. The Council is working from an ecological perspective which stands in sharp contrast to historical salmon management that views salmon as a product, a crop, and relies on the hatchery to fix a broken ecosystem.

Congress made a mistake giving BPA control over the fish program funding. That control has slowed progress and gives ultimate power to the big fox over the barnyard.
When the Northwest Power Act was being considered, the tribes took the position that there had to be strong fish protection language in the Act. We saw the Act as a way to systematically address problems, particularly salmon problems, that were caused by the construction and operation of the dams. There have been a number of acts that deal with certain aspects or specific problems with fish and wildlife, but there was nothing that dealt with the whole thing in a systematic manner. That was what we saw as the opportunity in the Act—if the language was proper.

The tribes—the Yakimas, the Umatillas, the Warm Springs and the Nez Perce—succeeded in getting language in the Act that, in some cases, was more stringent than the fish and wildlife agencies wanted.

The degree of cooperation and communication that you see now between the tribes and the states, you would never have seen in 1979. The directors of the state fisheries agencies would not be in the same room with the tribes. It was a continuous battle.

Once the Act was passed, the agencies and tribes worked through an ad hoc committee to come up with the recommendations that were submitted to the Power Planning Council, that then became the fish and wildlife program. There was no coordinating body that included both the agencies and the tribes, so we just formed that ad hoc committee.

“The degree of cooperation and communication that you see now between the tribes and the states, you would never have seen in 1979.”

Timothy Wapato

Then we saw somewhat of a lessening of emphasis on the fish—I don’t know if there’s a lessening of commitment—but more and more attention is being paid to the power side. From the tribal standpoint, we are still urging the Council to be equally as strong on the fish side as on the power side. We see part of our role as urging the Council to maintain its total responsibility. It would be too easy for the Council to water down these issues to the lowest common denominator. We won’t let that happen. We just live down the street.

But, I think the Council is doing pretty well. I think with this new amendment process [see page 39] we should give as few and as specific amendments as possible, not a shopping list of things. We were basically very happy with the original program—but we knew it had to be amended, and it was. We are probably the strongest supporters and advocates of the Power Council in this process. We have been from the start.

We’re looking now at the losses and goals work. I think we’ll probably have some disputes over losses, and we’ll almost certainly have some disputes over goals. The tribes probably hold a lot of trump cards when it comes to that, because the tribes are the owners of that resource. State and federal agencies

TIMOTHY WAPATO is executive director of the Columbia River Inter-Tribal Fish Commission, which represents the Yakima Indian Nation, the Umatilla Indian Tribes, the Warm Springs and the Nez Perce.
are only managers of their 50 percent. They've already indicated a willingness to trade theirs off for other resources like power or irrigation. They aren't going to trade theirs off. They've already lost too much.

"From the tribal standpoint, we are still urging the Council to be equally as strong on the fish side as on the power side."

Timothy Wapato

We're at the stage now where we really have to start implementing the Act. It's five years since the signing, four years since the Council was set up, three years since the first program was written. It's time to stop dragging our feet and get down to implementing it. It's true it's a new game for everyone, and we have had some showcase projects going, but they are just showcases. It's time to get some real work underway.

The whole climate has changed dramatically. There's much more cooperation, much more working together. Now we need to focus it and get some things done.

"It's important the Council not pit states against each other."

Pat Graham

The success of the Council is that the members represent not just their own states, but the region as a whole. We [Montana] participate in a regional restoration program. I hope people appreciate this effort to balance the needs of the region. It's important the Council not pit states against each other.

Thanks to the Council, the public is recognizing what the true costs of power are. It's time to balance our energy appetites against the loss of fish and wildlife.
Our major concern about the Act, and the reason that we did not support it, in the final analysis, was that it looked like it contained the prospect for a complete bail-out of the Washington nuclear units 4 and 5. Which, incidently, was anticipated by the Washington Public Power Supply System and was one of the reasons why they liked the Act. I think no one was more surprised than they were when the bail-out didn’t materialize.

In the final analysis, of course, the Northwest Power Planning Council determined the region didn’t need any more coal or nuclear plants. Hindsight shows that our concerns have been made moot because the Council has proved to be an independent executive board for regional power planning. In retrospect, I’m more than happy to admit that I’m glad the Act passed.

There were many good things about the Act. For example, it is useful to have express statutory authority for the Bonneville Power Administration to invest in electrical energy conservation and small-scale renewable resources. That was something which Bonneville, at least, claimed a lack of authority to do, and it was paralyzing utility investment in conservation throughout the Northwest region.

“In retrospect, I’m more than happy to admit that I’m glad the Act passed.”

Ralph Cavanagh

I think the most important issues over the next five-to-ten years are going to involve inter-regional power transfers. That means the transmission system between the Northwest and the regions surrounding it; the relationship between Northwest utilities and the utilities surrounding the region in Canada, California and points east. I think the Council is going to have to become involved in that process much more extensively than it has in the past. And I am encouraged by the Council’s proposed West Coast Energy Study in the draft plan.

But there are many contexts that the Council has been wary about, that it is going to have to accept as its normal business. For example, one of those is the conditions governing access to the intertie to move power in and out of the region. That access has become a more important source of leverage, in terms of resource development in the Northwest, than the guaranteed purchase authority. Bonneville has on the resource development side under the Northwest Power Act.

If the Council ignores the terms and conditions under which resources are developed for export, or if the Council somehow takes the view that that’s not its proper concern, then there’s the danger that the Council could become increasingly irrelevant from the standpoint of guiding resource development in the region. I unabashedly take the view that the Council should have a very important role in that development.

“I think that the Northwest Electric Power & Conservation Plan is acknowledged as an international model for least-cost power planning and for regional planning.”

Ralph Cavanagh

I think that the Northwest Electric Power and Conservation Plan is acknowledged as an international model for least-cost power planning and for regional planning. In the electric power business, both of those are crucial new concepts. The least-cost notion means evaluating all resource alternatives, including conservation, on a level playing field and using the cheapest first.

The regional notion, which the rest of the country hasn’t caught up with yet, but I think soon will, is that if you look at how power managing utilities are organized as power marketers across state lines, state boundaries are really obsolete. Planners and regulators have to catch on to that idea.

There are some utilities that take the view that the plan is out there, it’s interesting, it looks nice on a shelf, and it need not necessarily have anything...
JIM BLOMQUIST worked for the Sierra Club during legislation of the Act. He spent 27 weeks of 1980 in Washington, D.C. “For a while,” he says, “I was the only lobbyist on behalf of non-utility and non-government interests.” He is now the Sierra Club’s Northwest representative.

I learned something about how the political process worked when Congress was amending the Transmission Act in 1974. When we tried to include conservation provisions we were told to forget it, the skids were greased. It was clear Bonneville was the group everyone was listening to. There was no independent judgment by Congress. The attitude was, “Bonneville has always provided energy, the energy is cheap, so let’s do what they say.”

In 1976 everyone was talking about how there had to be a new purchasing arrangement [for new resources]. We saw a real opportunity to make conservation a part of any legislation.

Sierra Club and several Northwest environmental groups convened a meeting to figure out what we wanted. One of the people there was a fellow who had been a lobbyist for the Oregon Environmental Council—Roy Hemmingway. We determined that cost effectiveness should be the test of new resources, and that there should be a regional council and a 30-year plan.

As the year went on, Bonneville moved ahead and held secret regional meetings to draft a bill—secret in that they were not known about or open to the public. It was our impression that Bonneville’s involvement in legislation had to be approved by the U.S. Office of Management and Budget, and that the meetings had to be open. We wrote letters and those meetings became open. A whole series of public drafting meetings followed.

When the bill went before the House Committee on Water and Power, it was our impression that it was still a bill to buy thermal power. We also believed that it violated all the anti-trust laws of the United States and that it placed planning in the hands of a privileged group of people. Frankly, it was an awful piece of legislation, and an embarrassment to the Northwest congressional delegation. We stopped that bill dead in the committee.

The utilities tried to resurrect it, but utility involvement had tainted the product. Sterling Munro then became head of Bonneville, and he had one set of marching orders from Senator Henry Jackson: to produce a piece of legislation. He worked semi-publicly and quite a bit privately.

We worked for the next several years in Congress to fight that bill. Its major flaws are there to this day, and they are time bombs, waiting to explode. The worst provisions, and the ones I would still like to see amended, are the purchase guarantees for power plants, and the rate pool structures.

Purchase guarantees protect utilities from the risks of building new facilities—but risk is a way of ensuring that people take their projects seriously, that they exercise due control to keep costs down.
As for the rate pools, they do nothing to encourage conservation. Power is sold at a melded rate, averaging the costs of all the different resources. The only real incentive to conserve energy is for rates to reflect the true cost of producing power.

We proposed separate rate pools for federal hydropower and for new thermal resources. Every utility would get an allocation of the cheap hydropower. But if they weren’t aggressive in conserving energy and they exceeded their hydro allocation, they would have to buy from the more expensive thermal pool.

The last five years have produced many of the intended benefits of the Act—not because the Act produced them, but because the times did. The collapse of WPPSS [nuclear projects] and the collapse of load growth created a conservation trend based on skyrocketing rates. But the law didn’t create this trend, it resulted from economics and the poor activities and management of the utilities over the years.

People expected the Council to be a positive leadership force in the region. But over the last couple of years I’ve seen a return to Bonneville calling the shots. Public concern about energy planning has diminished, and the Council is getting to be more of an insiders’ game. The people who want Bonneville to purchase WPPSS plants that will never operate are in the driver’s seat—not the public.

It’s a tough game to keep up with. And I don’t think it’s a fair game. Public interest groups are outnumbered and outspent. The total budget for the Northwest Conservation Act Coalition probably doesn’t represent the retainer for Pacific Power and Light’s attorney.

If we can’t put a new birth of public enthusiasm back into the process, I think we should consider intervenor funding, or some other method to reach groups and make sure both sides have equal access to resources.

A great frustration is that Bonneville and the Council have headed more and more toward making the issues complex and obscure. The central issue they should ask the public about is, should Bonneville have energy conservation programs or thermal generation.

We need to recognize that people are not experts, but people are in charge of this country. We need to design decisions around people.
We knew we had to stay out of hopeless fights if we were going to meet the people's need for electricity. And everything we looked at said we'd have power shortages in the 1980s. The direct service industries were getting their termination notices, and 85 percent of them were in public power territories. They were going to come knocking on our doors. We were all tied to the regional grid—it was obvious to most of us that if one customer was short, all were going to be short.

It just seemed to a lot of us—public and private utilities, industries and so forth—that there had to be a means of melding all the regional power efforts into a regional power supply. We saw the possibilities of saving energy in Washington that could be used in Idaho. We saw the federal dams and transmission systems as a potentially tremendous asset to underwrite financing for new steam plants. We recognized the benefits, but had no way of putting it together.

Hence, the first versions of the Regional Power Act. 

The publics thought it would be all right for the investor-owned utilities to share in low-cost federal power if they didn't impinge on the preference clause [see box, page 28], or seriously affect the cost or amount of power available. PNUCC put together the first version of the bill, in 1976. That set off some severe arguments. Snohomish (County PUD) said it violated preference—that the preference rate pools weren't large enough, for one thing. That issue split the parties and delayed us.

"We had to stop fighting between states, between public and private utilities, between utilities and industry. We had to avoid letting those old power wars get started again."

Ken Billington

KEN BILLINGTON is a former executive director of the Washington Public Utility Districts Association; he was active in developing the consensus that created the Northwest Power Act. Billington is now retired and writing a book about his life in public power.
In December 1976 about 18 utilities met in Spokane with [then U.S. Senator from Washington, Henry] "Scoop" Jackson. He said, "We've gotta settle this thing down. We'll be torn apart by factors outside of ourselves." So every time there'd be a squabble about something or other, some family fight, we knew we had to keep moving ahead or we'd run out of power. We had to stop the fighting between states, between public and private utilities, between utilities and industry. We had to avoid letting those old power wars get started again.

In the middle of the legislative process you had the fomenting of the WPPSS problems. Inflation and the increase in construction costs were producing scary numbers.

Questioning the Supply System brought forth public awareness that there should be greater public involvement in power industry matters. State governments and other groups started to get into the act. Quite a few interest groups too... bless 'em—as a onetime public power activist, I can understand 'em. Conservation outfits. Fish people. Environmentalists. Ratepayers. A local government study group that wondered who was going to pay for enforcing building codes. All of these voices started to get into the congressional legislation.

This kind of clamor made it clear that the region had to have a stronger type of planning arrangement which would be of a non-utility nature. The issue of greater state control came up, and it moved gradually toward equal representation among the states.

I had to like the movement toward decisions by the people for the good of the people. And I pushed hard for having this positive Northwest voice to plan and administrate Bonneville activity. But, you know, responsibility for the power supply still rests with the utilities. If the lights go out, the customers aren't going to call you folks at the Power Planning Council. And you have to be careful of shifting the situation so there's responsibility in the utilities' hands and authority in the Council's hands.

CHIP GREENING is a Portland, Oregon attorney. At the time the Power Act was being lobbied he was the manager of the Public Power Council.

The amendments we proposed to S.B. 885 were intended to make sure that preference rights for the public power companies were protected. I think if we had waited one more year, the problems would have taken care of themselves and we wouldn't have needed legislation. If the process had dragged on one more year, two things would have occurred: the extent of the surplus would have become known, and the increase in WPPSS costs would have been factored into Bonneville's rates. That would have meant that the rates of the publicly owned utilities would go up and there would have been no more pressure from the investor-owned utilities because of the retail rate disparity.

Those two factors would have eliminated the coalition for a bill. Planning was an important part of the bill, but no one would have passed a bill just to do better planning.

A lot of concerns about the planning and fish and wildlife issues would have happened anyway because the utility world was changing. The utilities could no longer ride roughshod over the public interest.

“Planning was an important part of the bill, but no one would have passed a bill just to do better planning.”

Chip Greening

Under early leadership, the Council got into an anti-utility frame of mind which has in recent years turned around. The Council now seems to be listening to the utility industry because the utilities are acting in the best interests of their customers.

Some public interest groups are slow to pick up on the fact that the utilities do not want to build coal plants, nor do they want to spend a lot of money on power generation. The utilities and the Council are slowly coming to realize that they have a lot in common.
When the legislation was being lobbied, one legislator said there was more lobbying on the Regional Act than there was on the Alaska Pipeline. There were so many intensely-held views and interests from one small section of the country.

There was no real benefit to public power from the Act. The investor-owned utilities are sucking hundreds of millions of dollars out of the Bonneville coffers. The direct service industries got a special rate deal. But public power can’t point to anything it got from the Act.

**JIM BOLDT is executive director of the Washington Public Utility Districts Association.**

I joined in resolutions supporting early concepts of the bill. But there were those of us who opposed it because they feared it would break preference. They felt it would be the camel’s nose under the tent. Allow that, and pretty soon you’ve got the whole camel in your lap.

I was concerned at the time about how the Council staff would grow, and how their role in the Act would increase. I saw the utilities’ domain and prominence in power planning leaving. I really lost my respect for the concept of the regional power council when the deal was cut for two members from each state—giving Montana equal weight with Washington, and so forth. That cooled me down on it personally and concerned a lot of our members.

But [Council Executive Director] Ed Sheets has put together an exceptional group of people—although they want to keep decisions too close to home. Still, the Council has been able to balance its decisions and handle issues intelligently. I’ve been pleasantly surprised.

It’s these personalities on the Council that have allowed it to work as well as it has. But now the veterans are leaving the Council and we’re entering a second era.

The only disappointment I have with the Council is the mixed signals it keeps sending on the model conservation standards. That waffling has cost the Council in its relationship with at least part of the utility industry. I think it could have been handled more carefully. Instead, we keep hearing, “Yes, there’s a surcharge. Wait a minute. No surcharge. Well, maybe in 1986. No—we’ll do it in ’89. Go beat up the legislature now and get a code.

There’s no indoor air quality problem. Okay, there is an indoor air quality problem.

The best thing about the Act has to be the fish and wildlife part. That has to be number one. I am so proud to have been party in any little way to helping protect this resource for future generations.

The greatest disappointment is the failure of conservation. Conservation has simply lost its horsepower. We have failed to convince ourselves that it is a resource. We have failed to sell it—even though we have the ambition to sell other resources.

I like the Council’s outreach—the way they’re getting involved in the intertie and talking with other regions. They weren’t timid. They went out and got what they needed to put the plan together.

**Preference, exchange and DRPA: Some Crucial Definitions**

"Preference was and is the root of the [rate] disparity in the Northwest." — Bill Robertson

The terms "preference" and "exchange" are mentioned by many of the people quoted in this issue of Northwest Energy News. Both concepts have to do with the statutory right of utilities to purchase electrical energy from the Bonneville Power Administration. This electricity has a relatively low price because most of it comes from hydropower generated at dams built decades ago. The price was extremely low up until 1979, when the Washington Public Power Supply System nuclear plants were included in Bonneville’s rates.

There are two kinds of preference in Bonneville’s charter: the superior right of public utilities to obtain Bonneville’s hydropower; and the regional preference that gives investor-owned utilities in the Northwest the opportunity to buy the power before it is offered to out-of-region customers.

When Bonneville did not renew investor-owned utility energy contracts in 1973, because it expected a shortage of electricity by 1983, investor-owned utilities believed they could no longer count on firm access to the cheap federal power. The investor-owned utilities began building their own generating resources—mostly coal and nuclear plants. Electric power from these new developments cost far more than the federal hydropower. Rates from investor-owned utilities climbed to double those of public utilities.

"Roy Hemmingway and Company were running around, and DRPA was threatening." — John Frewing

The State of Oregon, served primarily by investor-owned utilities, responded by forming a new public agency which, in essence, was intended to turn the entire state into a public utility district. The Domestic and Rural Power Authority (DRPA) would have purchased preference power from Bonneville and brokered it to the operating utilities for distribution to residential and farm ratepayers.

The exchange provisions of the Northwest Power Act were intended to restore rate parity for residential and small farm customers of the investor-owned utilities. These provisions permit Bonneville to buy electricity from those utilities at the average system cost of generating it (a cost based on the total expenses incurred by the company). In turn, the investor-owned utilities can buy Bonneville’s low-cost electricity at the same rate as public utilities. Most of the dollar difference of this arrangement was to be paid by the direct service industries (primarily aluminum companies)—who agreed to the arrangement, according to most sources, because they sorely wanted the long-term contracts and reliable energy supply that the Act would guarantee them.

Not all parties express satisfaction with the way the exchange is working. In 1984, largely in response to direct service industry complaints, Bonneville disallowed certain expenses claimed by the investor-owned utilities in computing their average system cost. This decision lowered the price Bonneville has to pay investor-owned utilities for electricity—and raised investor-owned utility rates.

Only three investor-owned utilities now participate in the exchange: Portland General Electric, Pacific Power and Light, and Utah Power and Light (in Idaho).
I can remember reading the Act for the first time on a very hot and sunny day, reclining on a lawn lounger in my back yard. It took a hell of a long time to read and I got quite a sunburn doing it.

I put together a study of PGE's perspective on the Regional Power Act. We concluded that a lot of things were left unsaid in the Act — left to later fights. In particular, the 7(f) [new resources] rates and the power exchange provisions were open to much interpretation.

Another thing that caught my eye in 1980 that hasn't yet been tested was the idea of quantifiable environmental costs. There's been no test because there's been no large central station acquisition since the Act was passed.

PGE had three interests in the Act: (1) rate matters; (2) sharing the risk in constructing new plants; (3) keeping open opportunities for expansion of our business.

How did our hopes turn out? We're not in agreement with Bonneville's determination of our average system cost in calculating exchange rates. But nobody's ever happy with those kinds of decisions. On the whole, the Act has certainly helped our rates.

Unfortunately, while the Act offered rate benefits to residential and small farm customers, it did not help the existing commercial and industrial customers of investor-owned utilities. At the margin [where profitability becomes an issue], rates can influence decisions by those companies to stay or go.

With regard to construction of plants — it hasn't come into play yet. And the Act was pretty vague on how that was going to be done. The Act creates no guarantees and no strong motivations to keep 7(f) [new resources] rates low. The [Council's] plan recognizes that this problem has to be fixed.

Investor-owned utilities would probably be more likely to sign up with Bonneville requirements if those rates were low and there were some evidence of long-term stability.

As for keeping open opportunities — there have been many opportunities opened in conservation. But this sector is outside the regulated utility industry and doesn't fall under the Act. Conservation is really a consumer-based energy business — self-generation, load management, efficient motors, energy controls, insulation. We don't have a lot of cogeneration yet in the Northwest, but that's coming too. It's driven by economics.

"A lot of things were left unsaid in the Act—left to later fights."

John Frewing

What's emerging is that the Council may have more power in fish and wildlife than in power planning. Bonneville has appeal procedures for going around the power plan. They don't have those — if you will — escape clauses in the fish and wildlife area. Those provisions affect not only rates, but the availability of power. I believe the fish and wildlife issue may also have stimulated more interest in alternative sources of energy [which have less environmental impact].

The Act created better mechanisms for consultation, which can permit us to come up with better results. The Council also provides a place where independent and credible analysis can be done to justify some tough decisions — about the WPPSS nuclear plants, for instance. The power plan showed there was other energy available and allowed the region to change its mind on those plants.

At first, the Council needed to advise a small, well-defined number of actors. But now, decentralization and deregulation are going to grow in this business. There's no reason there shouldn't be a wide variety of actors in the marketplace for electrical generation, with more opportunity for competition. The Council ought to encourage, in its own way, that sort of change. More competition will benefit the consumer through lower rates, and the utilities and consumers both through more stable rates.
The major issue of importance to Puget [during legislation of the Act] was rate parity for our residential and small farm customers. We were seeking cheaper power. We also wanted a regional cooperative effort in conservation. We had already been working in that area and saw its value.

The Act is still cogent and correct in its priorities — in particular because of the high priority given conservation among the resources.

However, parity of rates simply isn't there for our residential and small farm customers. Whatever benefits they might have enjoyed through the Act have been largely lost due to Bonneville's recent unilateral decision [to disallow certain categories of investor-owned utilities expense] in figuring average system cost. This has been a serious disappointment to us because we considered these benefits to our customers a cornerstone of the Act.

A lot of us tend to think about that period [working the Act through Congress] with nostalgia. It was a great experience to have those close working relationships and a shared full time commitment. It became our lives in Washington, D.C. Many of us literally lived back there and commuted in this direction. There was a great deal of camaraderie among the separate interests. I count myself quite fortunate to have been involved with so many capable people. And, of course, it became a highly satisfying accomplishment, working a bill through Congress.

There was a great commonality of interest in getting a bill passed. We were able to diminish the differences between us and concentrate on a common cause.

The direct service industries wanted long-term contracts assured. The public utilities wanted to avoid the adverse consequences of receiving all the cheap preference power. They feared the likely challenge to the exclusive benefits they had been receiving from the federal system. The majority of the residential and small farm customers in the Northwest were not receiving those benefits.

Meanwhile, the private utilities wanted to get access to cheap federal power. The need for conservation was widely recognized. All those things played together to consolidate the separate and sometimes warring factions. And, of course, there was a political consensus in the region over the need for regional planning and regional conservation.

DRPA [see box, page 28] was basically a ploy by the State of Oregon to force some legislation as a remedy that would open up the federal system to private utilities — so some of those benefits would be spread around. I think it was generally acknowledged as such at the time. It helped motivate the eventual effort to pass the Act.

"We were able to diminish the differences between us and concentrate on a common cause."

Jason King

The cooperative origins of the Act should be a cornerstone for the regional plan. We need to work not for what this or that person wants or needs, but toward decisions which serve the region best. Our efforts should focus on commonality of interests rather than on what separates us. I think we've lost a lot of that spirit along the way. Holding together regional cooperative efforts is a crucial challenge now for the Planning Council and all the separate interests.

There are certainly a tremendous number of challenges left in front of us. Circumstances have changed drastically since the Act became law. The situation is now separate and distinct from what we thought we were working on. The supply has altered with regard to the WPPSS resources we expected; there's less demand than we anticipated then; we've seen lower projections recently regarding the amount of hydropower we thought would be available.

We still must emphasize programs to seek out and implement conservation everywhere it can be found in the region.
This legislation had no natural advocate in Congress. Of course, no one could really be disinterested either, because it was a bill that created lots of controversy. For a chunk of time, Al Ullman pulled the duty of keeping the troops together. People were sort of camped out in his office for three years. His office helped keep the bill alive. It was pretty much my job to manage the effort — work with the other staffs. I saw more of some of those regional energy guys for a while than I did of my wife.

The Act had a fairly narrow set of purposes. The fundamental idea was that we were going to need more resources — based on ten years of history and growth. The guts of the problem was the preference clause [see box, page 28]. The private utilities had been cut off from firm power in the early ’70s and suddenly had to build their own resources to meet their needs. Trojan [nuclear plant in Oregon] was built for half a billion, if you can believe it. Pacific Power and Light went with coal in Wyoming and Centralia. More and more new thermal development got reflected in private power rates.

Even though Northwest investor-owned utilities’ rates, at 3 cents per kilowatt-hour, were lower than what 95 percent of the country paid, they were double those of the Northwest public utilities.

Folks in investor-owned utilities’ territories in Oregon looked across the river at Clark County and its 1½ cents, and asked, “What hath preference wrought?”

DRPA [Domestic and Rural Power Authority — see box, page 28] would have provided a shell public entity to give the people of Oregon access to preference power. But DRPA or other public takeovers would have thrown an impossible weight on the federal system. They would have destroyed its advantages. The hydro string had just about run out. Preference loads were up to about what the public utilities could handle.

It was really very difficult for anybody to plan. If you’re Pacific Power and Light, and you don’t know if you’ll have a market for your electricity [because of takeover elections and structures such as DRPA], would you plan to go ahead with half a billion or a billion dollars worth of resource investment? The answer is no.

“Preference was and is the root of the disparity in the Northwest.”
— Bill Robertson

The public utilities and Bonneville had the same problem. And the industries didn’t know if there would be any service, if no one would build. So each group was ready to make some concessions that would at least reduce some of the pressure.

This problem was horribly hard to explain to the rest of the U.S. There is nothing anywhere else in the country akin to the collection of public utility districts we have out here. The other congressmen only saw that we were worrying about rate disparities when the highest rate was lower than almost anything else in the country. What’s not completely understood elsewhere is the extent to which this region depends on electricity for its economy.

The message from the [congressional] leadership was “You gotta sort it out before we go in. We can’t sort our dirty wash in front of a 45-person committee that has only one person from the Northwest on it. It’s gonna be hard enough defending the fort — let alone building it.” Well, we did more building than was probably safe.

The greatest difficulty was getting anyone to speak for public power as a group. They have so many different configurations and situations. They worried about different things. The big question, of course, was “Doesn’t this diminish preference?” Well... it certainly adds something to it.

Preference was and is the root of the disparity in the Northwest. Private utilities and their customers felt that they were doing the work, taking the risks, and they ought to

BILL ROBERTSON is vice president of strategic planning, government affairs and communications, Pacific Power and Light. During passage of the Act, he was administrative assistant to Al Ullman, congressman from Oregon.
be getting the benefit of the system their tax dollars were paying for.

Pacific Power and Light had put together regional joint ventures, they were running weatherization programs, and their customers were using about 11,000 kilowatt-hours per year. Meanwhile, up in Washington, where they have the bulk of the public utilities, everyone was fat and happy. In Snohomish [County PUD] the same class of customer used 23,000 kilowatt-hours a year. They're saying "We've got all we need in the federal system. Solve your own problems."

Hanging on to preference in the face of larger regional needs is an abuse of preference. Something I call the "Pig Rule" applies: If you make a little piggy of yourself, someone will make sausage out of you.

The exchange is a big step forward — or actually, two forward. The average system cost decision was one step back. Once again we have a disparity because of, in my view, capricious decisions by Bonneville about what they would count as costs [in figuring the exchange rate]. They had a couple of legitimate complaints, but their decision went far beyond that.

But I can't imagine that the region would have done about dealing with its problems as well as it did, or as quickly, if we didn't have this mechanism [the Act] for rationalizing the process. Would any of the agencies be spending as much money on conservation? I doubt it. With all the separate interests involved, I don't see how we would have concluded anything about the WPPSS nuclear plants.

And if the direct service industries couldn't get power they would have had to leave. Bonneville couldn't have sold or transmitted all that unused power.

Nobody got stuck with the Act, but nobody made out like a bandit either.
The bill provided a method of allocating costs, but it didn’t provide any method of guaranteeing what the costs themselves would be. Power costs for Bonneville in general and direct service industries in particular are higher than we anticipated. One of the reasons this happened is because the whole concept of exchange got changed after the Act was signed.

The original concept of the Act was that the wholesale cost of power to serve residential and small farm customers would be the same, whether those customers were served by public utilities or private ones. Rate parity might be maintained by Bonneville paying money to exchanging utilities—or exchanging utilities paying to Bonneville, if Bonneville’s rates went higher than private utility rates. But the public utility commissions decided they couldn’t allow such risky contracts. What happened in practice is that the private utilities now can stop exchanging whenever it isn’t convenient for them.

The Act did provide, for the first time, a procedure and a forum for openly thrashing out issues about rates. Before, the decisions were made unilaterally. Customers only had the right to make a statement, not to cross-examine witnesses.

It looks as if the fish provisions are going to be a lot more effective—and more expensive—than some of us anticipated they would be.

What I would really like to see is longer terms served by the Council members so that the members, and not the staff, would, over time, become a repository of expertise and institutional memory of power matters. The Council wants to be listened to when it speaks, but its ability to effectively accomplish that objective depends on its being perceived as knowledgeable not only of public policy but also of technical matters.

Learning about the Northwest power system, because it is the most complex power system in the world, is something that occurs in stages. Just when you lift the twenty-seventh veil and think you finally see the face of the problem, you find that what you really see is the twenty-eighth veil. I am not saying decisions can only be made by a Mandarin. What I am saying is that you have to bring to the process a willingness to accept and even revel in the complexity of it.

Kai Lee gave a piece of testimony during the work on the Act in which he said, decisions will be made in the end by those who come early and stay late. If you want to be one of the ones making the decisions you have to accept that that type of rigor and discipline is imposed, not by any institution, but by the complexity of the system itself.

Clearly, expectations were high when the Northwest Power Act became law.

- There were critical problems facing the region’s electrical energy managers and consumers. The Act was designed to resolve them.
- There was a precipitous decline in the salmon and steelhead of the Columbia River Basin. The Act was a last ditch effort to turn that around.
- There was a sense of frustration among consumers of electrical energy in the Northwest. Electrical rates were rising fast, and there appeared to be no mechanism for ordinary people to play a role in the decisions that were affecting their electricity bills.
- Five years is not a long time to wrestle with the kinds of changes precipitated by the Act. But much has happened in these five years in this region. Still, no one will argue that the task is completed. What the Northwest has now that it lacked five years ago is a structure and a process for tackling the problems—a mechanism for enabling change to occur in responsive and responsible ways.

- CC
Energy efficient mobile homes are the goal of a new contract awarded by the Bonneville Power Administration. Five manufactured homes will be built to the same energy efficiency levels as homes built on site under the model conservation standards recommended by the Northwest Power Planning Council. The manufactured homes will be built in Centralia, Washington. Both Bonneville and Battelle Laboratories will test the efficiency of the homes without occupants for a month. After that, the homes will be auctioned off to buyers who agree to allow continued testing during their first year of occupancy.

Free materials about conservation and renewable energy are available to the public from the Conservation and Renewable Energy Inquiry and Referral Service (CAREIRS). The service, operated by Solar America, Inc., and the Franklin Research Center under contract to the U.S. Department of Energy offers over 170 fact sheets, bibliographies, pamphlets and booklets to people seeking basic and intermediate level information on solar energy, wind, biomass, hydropower and conservation. Most requests are answered within 48 hours. Call toll-free 800-523-2929 or write P.O. Box 8900, Silver Spring, MD 20907.

The number of low-income homes weatherized has doubled since last year, according to the Bonneville Power Administration's Conservation Manager Steve Hickok. About 4,100 low-income customers in the Northwest had their homes weatherized under BPA's residential weatherization program. The $6.7 million effort includes such measures as storm windows, insulation, weatherstripping and caulking, sealing and wrapping heating and cooling ducts, dehumidifiers, clock thermostats, and heat recovery ventilators. To qualify, a utility customer must have a household income less than 125 percent of federal poverty guidelines. The average family of four with a total annual income of $13,313 would qualify.

The ways in which utilities will expand is the keynote subject of the October 1985 issue of Public Power magazine. While expansion in the 1970s was characterized by large-scale coal and nuclear generation, the future, according to the article, will be characterized by utility programs to influence load shape and manage customer demand, smaller facilities of standardized design to shorten lead time, stringent environmental performance, and flexible financing appropriate to the technology. Other prognostications include improved efficiencies through new conversion cycles, cogeneration, and waste-heat recovery; increased competition from local resources; fuel flexibility that would spread the mix of generating options and employ multi-fuel capabilities, and unit and dispatch availability.

The latest developments in energy storage are the subject of a 270-page case study of 13 utilities and 12 equipment vendors. The study examines the experiences and opinions of those involved in four storage technologies: heat storage (e.g. heat stored in bricks or floor slabs for residential use); cool storage (e.g. cooling stored ice, chilled water or ethylene glycol for commercial and industrial buildings); compressed air energy storage; and underground pumped hydro. Although much of the utility industry experienced overcapacity, many utilities have problems meeting peak demands during certain seasons or times of the day. Energy storage can solve some of these problems. Copies of the report are available for $45 ($15 for nonprofit organizations). Write Inform, 581 Park Avenue South, New York, NY. 10016 or call (212) 689-4040.

Russians are hearing about the Northwest's fish and wildlife program through an article published in the environmental law publication of the Institute for Scientific Information of the Academy of Sciences of the U.S.S.R. The article, which appeared in abstract form, is "Implementing the Parity Promise: An Evaluation of the Columbia Basin Fish and Wildlife Program" by Michael Blumm, professor of law at Lewis and Clark College in Portland, Oregon. This is the second of Blumm's articles which has appeared in the Soviet Union. The first dealt with anadromous fish resources and their "struggle for peaceful coexistence" with the Columbia River hydropower system. The fish and wildlife program referred to in Blumm's article was developed by the Northwest Power Planning Council. (Source: Lewis & Clark Faculty News)

An energy hotline was instituted in Washington this year to answer questions about how to build energy-efficient electrically heated houses. Funded by the Bonneville Power Administration, the hotline is operated by the Washington State Energy Office to make energy information easily accessible to the public. People who have used the hotline include contractors, owner/builders, designers, architects, homeowners, and the "curious." Most questions, according to the energy office, have centered on construction techniques, vapor barriers, and heat recovery ventilators. The hotline operates weekdays between 9 a.m. and 4:30 p.m. and can be reached by calling 1-800-692-0202 (in Seattle 352-4198).
Legal concerns that govern restoration of Pacific salmon runs are the subject of a special issue of Environmental Law, the journal of the Northwestern School of Law at Lewis and Clark College. This special issue includes articles by Washington Senator Dan Evans, Northwest Power Planning Council member Kai Lee, Alaskan Senator Ted Stevens, and Dr. John Byrne, President of Oregon State University. Topics covered in the special symposium range from Indian treaty rights to the implications of federal legislation and regulatory procedures. Copies of this winter issue are available for $8.00 from: Environmental Law, Lewis and Clark Law School, 10015 SW Terwiliger Boulevard, Portland, OR 97219.

As many as 20 million kokanee salmon could be produced at the new hatchery that opened in November on Idaho’s Clark Fork River. The new hatchery, a joint project of Washington Water Power, the Idaho Department of Fish and Game, and the Bonneville Power Administration, is intended to offset the loss of fish in Lake Pend Oreille. Hydro-power operations at the Cabinet Gorge and Albeni Falls dams on the Clark Fork have been blamed for substantially reducing kokanee spawning habitat around the lake and altering lake levels, leaving spawning nests (redds) exposed. The hatchery was called for by the Northwest Power Planning Council in its Columbia River Basin Fish and Wildlife Program. The new hatchery is expected to nearly double the value of the Lake Pend Oreille kokanee fishery (currently estimated at $2.7 million annually), according to Bonneville officials.

COMMENT INVITED ON SURVIVAL OBJECTIVES

The Council is taking public comment through January 24, 1986, on the objectives set for juvenile fish survival at the mainstem dams operated by the Army Corps of Engineers on the Columbia and Snake rivers. If adopted, these guidelines will be an amendment to the Council’s Columbia River Basin Fish and Wildlife Program.

The guidelines reopen the question of what percent of young salmon and steelhead should be expected to survive their downstream migration past the eight Corps dams. Without protection, the young fish must pass through the turbines at each dam, with a resulting fish loss of about 15 percent per dam. To avoid the turbines, the existing program calls for releasing fish-laden water through spillways (spilling), installing or improving mechanical bypass systems, and transporting the fish around the dams in trucks and barges.

The proposed amendment concerns interim survival objectives to guide spill planning and management. These objectives may be in place until permanent mechanical improvements are made at each of the Corps dams. The objectives would provide varying spills based on annual water conditions.

Hearings to discuss the proposed change will be held in each state in the region. Call the Council’s central office for a schedule.

The Council anticipates making a decision on the survival objectives in February 1986, to have them in place for the 1986 spring migration.

For copies of the proposal, see the order form on the back cover, or call Judy Allender at the Council’s central office, (503) 222-5161, or toll free: 1-800-222-3555 in Idaho, Montana, Washington, 1-800-452-2324 in Oregon.

—R.C.
The Northwest Power Planning Council has reaffirmed the need for the region's electrically-heated homes and commercial buildings to be built to use energy efficiently. The Council's action gives the go-ahead to a major campaign across four Northwest states to upgrade energy codes and offer education, marketing, and financial assistance to improve energy efficiency in new buildings.

At its December 4 meeting, the Council adopted an amendment to its model conservation standards. Among other features, the amendment calls for utility financial assistance to help builders construct electrically-heated homes to the standards. These standards set energy efficiency levels for new electrically-heated homes and all new commercial buildings in the Northwest. Their purpose is to reduce the need to build expensive new thermal plants in the future as demand for electricity increases.

Q. What is new or different about the standards?

The amendment deals with how the standards will be implemented and how the costs of implementation will be shared. While building codes are still the objective, the Council has introduced greater flexibility in how the standards may be achieved and how soon. Previously, utilities could have been subject to a 10 percent surcharge on power they purchased from Bonneville if the standards were not in place by January 1986. Now, the region has more time. What did not change was the standards themselves. They still call for the same levels of energy efficiency adopted in the Council's 1983 Power Plan.

Q. What are the new ways of implementing the standards?

In areas where building codes do not meet the standards, the amendments call for the Bonneville Power Ad-
administration and utilities to offer a program that will be an incentive for builders to construct new electrically-heated homes to the standards. This program, called the BPA/Utility MCS Program, will offer both marketing and financial assistance. The marketing segment of the program is the Super Good Cents package, which Bonneville already has offered to utilities in the region. Utilities which do not choose to participate in the BPA/Utility MCS Program may offer an alternative program so long as it is judged by Bonneville to produce equivalent savings and does so.

Q. What financial assistance will utilities be responsible for?
Bonneville will pay $2,500 per home to its utility customers. To those utilities which do not purchase power from Bonneville, Bonneville will pay for the value of the utility's energy savings to the Bonneville system. In addition, local utilities in the program will make payments ranging from $130 to $1,070. These payments vary from state to state depending on climate zone and local building practice. Together with the Bonneville payment, these payments represent the average amounts it will take to bring a house from current building practice to the level of energy efficiency required by the model conservation standards. The payments should go down each year as builders gain more experience building energy efficient homes. While ratepayers ultimately fund the utility payments, this is still significantly cheaper than paying for new coal plants.

Q. What are the timelines for meeting the standards?
Utilities must choose to participate in the BPA/Utility MCS Program or submit their own equivalent program by September 1, 1986. The programs are to go into effect for 1987 and must produce at least 30 percent of the savings possible through the Model Conservation Standards in that year. For 1988, the Council will set a new target. Compliance will be checked annually until at least 85 percent of the new electrically-heated buildings in the utility area are built to the standards.

Q. How will performance levels be determined after 1988?
After the 1987-88 performance years, Bonneville will rank the top performing utilities which serve 80 percent of the new housing in the Northwest. Performance will be measured by the percent of energy saved out of the total savings that would have occurred had all new homes in that utility's area been built to the standards. The lowest performer in that utility group will set the minimum performance level all utilities must meet to avoid the surcharge. Bonneville will evaluate performance annually.

Q. What about utilities which submit an alternative program?
Utilities must show that their own programs achieve energy savings equal to the BPA/Utility MCS Program. Alternative programs must meet the average energy savings achieved by participants in the BPA/Utility MCS Program and must also meet the minimum performance levels described above.

Q. What about the standards for commercial buildings?
Utilities must submit programs for commercial buildings by the same dates as for residential buildings, and must meet performance and equivalency tests as well.

Q. How will smaller utilities be treated?
Utilities with annual power loads under 25 megawatts (usually serving a population under 10,000) can avoid the surcharge even if they do not meet the minimum performance level so long as they offer in the performance year to pay the incremental costs of building homes in their service territories to the level of the standards. The payment will be based on the median costs of builders in the Residential Standards Demonstration Program. To be eligible for this option, these utilities must be participating in the BPA/Utility MCS Program.

Q. What about other features of the model conservation standards?
The program for early adopters (jurisdictions which have adopted codes meeting the standards) will continue, including financial assistance to state and local governments for code enforcement. Training for builders, insulation contractors, and lenders is also a continuing feature of the standards. In addition, the standards require that indoor air quality be maintained at a level at least as good as that in homes built to current codes or practice. The Council's plan also calls for continuing research on indoor air quality as well as research on less expensive ways to save electrical energy.

Note: This story only describes highlights of the MCS amendment. For full information, please contact the Council for a copy of the complete rule.

**MODEL CONSERVATION STANDARDS**
**LOCAL UTILITY FINANCIAL ASSISTANCE 1987-88**

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<th>Zone</th>
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NOTE: At press time, the late January and February meetings of the Northwest Power Planning Council had not been set. Please call the Council's central office for information on those meetings.


THE GOALS PROCESS UPDATE

by Ruth Curtis

Three years ago the Northwest Power Planning Council, working with the Northwest's fishery interests, developed the Columbia River Basin Fish and Wildlife Program to protect and enhance the fish and wildlife that had been hurt by hydropower development in the basin. Because of the urgent need for remedial action, the Council temporarily put aside questions fundamental to the nature and scope of the program. These were such issues as the extent of salmon and steelhead losses and the degree to which ratepayers should be expected to restore these fish populations. Instead the Council proposed a goals study that would answer these questions.

The goals study is now well underway and, when it's completed this coming summer, it will provide overall long-term goals for the region and then smaller, short-term, geographically specific production objectives for individual streams or river basins. These objectives are the building blocks that will be used to meet the program's overall goals.

The last issue of this magazine contained a detailed description of the entire study — "The Great Goals Study." This is an update of the study's major activities.

Losses and Contributions

In early December, the Revised Draft Compilation of Information on Salmon and Steelhead Losses in the Columbia River Basin was sent out for public review. An earlier version of the draft had been distributed in the fall. Because a substantial amount of comment was received from the region's fish and wildlife agencies, Indian tribes and others, and additional information was uncovered, that draft was rewritten and again released for public review.

The Compilation presents an estimate of the current size of the salmon and steelhead resource, as well as the historical abundance of the various species. The revised draft, incorporating any changes suggested during the latest public comment process, will be presented to the Council for approval in February.

This information will be the basis for determining hydropower development's contribution to the resource's decline. The losses had many causes—logging, overfishing, etc.—but the Council is only responsible for hydropower-related losses. In February, a paper discussing hydropower's contribution will be distributed for public comment.

Planning Workshop

For three days in December and two more in January, representatives from the region's fish and wildlife agencies, Indian tribes, and power interests gathered in Portland to develop modeling procedures which will be used to set production objectives for the Columbia River Basin.

Much of the workshop dealt with educating the participants on the application of "adaptive management principles" to the basin's salmon and steelhead resources. These principles will be used in developing the production objectives.

Adaptive management encourages the protection and enhancement of the resource, but it also recognizes the existence of scientific uncertainty about that resource. What this means is that restoration actions with uncertain results may be taken now because the resource is in crisis. But, these actions are designed as experimental probes that can be monitored to test their effectiveness so they can be adapted as needed to better fit the resource's response.

The workshop used four representative basins, to devise methods for developing and meeting the Council's production objectives. Experience gained in the workshop will help the Council frame these objectives.

Amendment Deadline Delayed

In mid-November, the Council voted to postpone for two months the deadline for interested parties to submit applications to amend the Columbia River Basin Fish and Wildlife Program. The new deadline is February 16, 1986.

Salmon and Steelhead Database

The first regionwide database containing information on salmon productivity is now up and running. While it is not yet complete, it is being used by the Council and fishery managers to tell where the fish actually are, down to the individual stream reach. It can even be used to produce computer-generated maps showing the fish stocks in a specific geographic area.

The Council's staff and contractors have been gathering all existing information on redd counts (spawning nests), juvenile fish counts, harvest figures, hatchery releases, and other data, organizing it, and feeding it into the database. Very soon it will be possible to use the database to estimate the productivity of the basin on the subbasin level. This information will be used in developing the productivity objectives.
COUNCIL PUBLICATIONS ORDER FORM

Please send me a copy of the following publications of the Northwest Power Planning Council. (Note: Not all publications are available immediately, but will be sent to you as soon as they are.)

**Publications**

- [ ] 1986 Power Plan (Do not check if you ordered the Draft. It will be sent to you automatically when available.)
- [ ] Notice of Final Model Conservation Standards Amendment (see page 36)
- [ ] Columbia River Basin Fish and Wildlife Program Goals Study — Contributions Issue Paper (see page 39)
- [ ] Amendment Application Form — Columbia River Basin Fish and Wildlife Program (see page 39)
- [ ] Proposed Amendment and Issue Paper — Interim Juvenile Fish Survival Objectives (see page 35)

**Mailing Lists**

Please add my name to the mailing lists for the following newsletters. (Note: Do not check if you already are receiving them.)

- [ ] *Northwest Energy News* (this bimonthly magazine)
- [ ] *Update!* (public involvement newsletter mailed with the Council meeting agenda)

Name

Organization

Street

City/State/Zip

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Portland, Oregon 97205