April 13, 2020

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Federal Co-Lead Agencies
- Army Corps of Engineers
- Bureau of Reclamation
- Bonneville Power Administration

Re: **Columbia River System Operations Draft Environmental Impact Statement (February 28, 2020)**

Dear Co-Lead Agencies:

The National Rural Electric Cooperative Association (NRECA) respectfully submits the following comments in response to the Army Corps of Engineers, Bureau of Reclamation and Bonneville Power Administration's (co-lead agencies) Draft Environmental Impact Statement (DEIS) on Columbia River System Operations (February 28, 2020).

NRECA is the national trade association representing nearly 900 local electric cooperatives and other rural electric utilities. America's electric cooperatives are owned by the people that they serve and comprise a unique sector of the electric industry. From growing regions to remote farming communities, electric cooperatives power 1 in 8 Americans and serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape.

Electric cooperatives operate at cost and without a profit incentive. NRECA's member cooperatives include 62 generation and transmission (G&T) cooperatives and 831 distribution cooperatives. The G&Ts generate and transmit power to distribution cooperatives that provide it to the end of line co-op consumer-members. Collectively, cooperative G&Ts generate and transmit power to nearly 80 percent of the distribution cooperatives in the nation. The remaining distribution cooperatives receive power directly from other generation sources within the electric utility sector. Both distribution and G&T cooperatives share an obligation to serve their members by providing safe, reliable, and affordable electric service.

**Electric Cooperatives Served by Power Marketing Administrations**

More than 600 electric cooperatives across the U.S. are customers of the Department of Energy's power marketing administrations (PMAs). As such, NRECA works to ensure that our federal hydropower infrastructure and the PMAs remain a vital part of America's energy backbone. In the Pacific Northwest (Northwest), the Bonneville Power Administration (BPA) plays a uniquely valuable role. How the federal hydropower system is operated affects every single individual, family and business in the Northwest because the region's economy was created and continues to rely on these hydropower resources to stay healthy and thrive.

On behalf of NRECA's members that receive power from the Bonneville Power Administration, we appreciate the opportunity to comment on this important DEIS. Given the outsized significance of this environmental review process to our member cooperatives in the Northwest (and by extension, co-ops nationwide that rely on PMA power), we expect active participation in this consequential public process and support our members' engagement in this process.

Overall, NRECA supports the Preferred Alternative in the DEIS as a means to ensure a reliable power supply to our members in the region. But we caution against spill levels that are not supported by scientific evidence, and urge flexibility to adjust the spill levels if evidence over time shows them as not having the beneficial impacts to fish anticipated in the DEIS. NRECA was pleased to see that breaching the Lower Snake River Dams was not a part of the Preferred Alternative, as it would be devasting to hydropower customers while providing scientifically unknown benefits to fish, and we urge the final EIS and record of decision to reflect this reality.

**Acknowledgements**

NRECA supports the extensive time and effort that was invested by the co-lead agencies to develop this comprehensive DEIS. Extensive stakeholder outreach was done during the scoping process to allow for all interested parties to weigh in and their issues to be considered in the DEIS. The co-lead agencies received more than 400,000 comments and held 16 public meetings and two webinars during the scoping process. This extensive engagement is evident in how the co-lead agencies developed the Multiple Objective Alternatives (MO), in particular through the detailed analyses around power generation and fish and wildlife implications of the various MO scenarios. Since work began on the DEIS in 2016, the region's power supply has changed significantly with thousands of megawatts of coal-fired generation now expected to retire early, and we were pleased that the DEIS includes analyses to reflect these important changes to the future outlook in the region.

**Breaching the Lower Snake River Dams would further endanger power reliability in the region.**

Power reliability is at risk today in the Pacific Northwest, according to regional power planners such as Northwest Power and Conservation Council, due to the wave of coal retirements underway or planned.[1] Notably, this forecast includes the Lower Snake River Dams remaining in place and breaching the dams would make the situation even more dire. Snake River dams are an integral part of power supply in the Pacific Northwest, supplying power to 900,000 homes each year.

As the DEIS clearly states, breaching the Lower Snake River Dams would double the risk of blackouts in the region. This outcome would not be acceptable for electric cooperatives, whose mission is to deliver reliable power to their consumer-members each and every day of the year. Further, given the economic challenges that will now face the region and the nation due to the ongoing coronavirus (COVID-19) pandemic, such an outcome would be even more unacceptable and could endanger lives if power supply is interrupted for essential services such as hospitals and other health care facilities.

MO3 would not meet the objective to provide a reliable and economic power supply and would instead decrease hydropower generation by an average of 1,100 MW under average water conditions. The dams

[1] NWPCC - Pacific Northwest Power Supply Adequacy Assessment for 2024

play a vital role in supporting 2,000 MW of sustained peaking capabilities, which become even more important as the region transitions to variable renewable generation and coal generation shuts down. To mitigate the reliability risk, significant quantities of replacement resources would need to be built. The least-cost resource replacement scenario would include 1,120 MW of combined cycle natural gas turbines at a cost of about $200 million per year. The cost would necessarily result in increases to Bonneville's wholesale power rates, and the cooperatives receiving Bonneville power would ultimately need to pass these increases directly on to their consumer-members. This would have a direct negative impact on communities served by electric cooperatives at a time when they are under heightened stress due to the coronavirus pandemic.

Further, the construction of new gas-fired units runs counter to the state clean energy goals of Oregon and Washington. To meet these clean energy standards, MO3 finds the zero-carbon replacement portfolio would need to consist of 2,550 MW of solar and 600 MW of demand response to mitigate reliability risks as well as 1,275 MW of battery storage to account for the dispatchability, flexibility and reserve capability currently supplied by the hydropower resources supported by the dams. Such a zero-carbon portfolio would require $419 million per year.

Again, these costs would ultimately be passed on directly to consumer-members that can ill afford to bear them in the form of rate increases. To make matters worse, this portfolio would not come close to replicating the full peaking, storage and dispatchable capability of the hydropower resources supported by the dams and to do so would require an investment of $527 million per year in resource costs. These costs could increase to about **$1 billion per year** and as the DEIS shows would represent about a third of Bonneville's power revenues. Replacing the full capability of hydropower resources supported by the Lower Snake River Dams with zero carbon resources would put rate pressure on the order of 50 percent on Bonneville wholesale power rates. Put simply, such cost increases would be devastating to the cooperatives receiving hydropower from BPA, all while the DEIS shows breaching the dams would provide uncertain benefits for salmon.

**Vulnerable communities (especially those in rural areas) would be disproportionately impacted by breaching the Lower Snake River Dams.**

All but three of NRECA's members, including those in the Pacific Northwest, are small businesses as defined by the Small Business Administration. Unlike investor-owned utilities, any new costs imposed on a cooperative are directly passed on to its consumer-members. America's electric cooperatives serve 92 percent of persistent poverty counties and thus its consumer-members are among the most vulnerable to bear these additional costs. The DEIS shows that breaching the dams would cost $458 million in lost social welfare from loss of irrigated land and associated impacts. As we face the economic toll imposed by the coronavirus pandemic over the coming months, it would be devastating to inflict greater damage on communities as a result of breaching the dams.

**The Lower Snake River Dams are critical to a clean energy future in the region and breaching them threatens the Pacific Northwest's clean energy goals.**

MO3 would not meet the EIS objective to minimize greenhouse gas (GHG) emissions and would actually make it more difficult for states in the region to meet their clean energy targets. GHG emissions would increase the most if hydropower is replaced with natural gas and result in a 10 percent increase in

power-related emissions from the Northwest. Emissions would increase even with a buildout of variable renewable generation because of the need for more fossil fuel-based generation, such as coal and natural gas, to maintain system reliability. Variable renewable generation is simply not equipped on its own to meet peak demand and avoid blackouts. This reality conflicts with Washington state's GHG neutral mandate by 2030. Further, MO3 would shift transportation activities from barge to rail and road transport, which would also result in an increase in GHG emissions. The shift to rail and road transport would also stress these infrastructure systems and require investments in new and improved capacity. These societal costs would ultimately be borne by our cooperatives' end-of-the-line consumer-members.

While MO4 does not propose breaching dams, it operationalizes the highest level of spill, flow augmentation and reservoir draw down – therefore, also failing to minimize GHG emissions and making it more challenging for the region to reach its clean energy goals. Often times overlooked, variable renewable generation must be supported by dispatchable capacity to maintain reliability. With existing technology, this would require increased reliance on fossil fuel-based generation if hydropower resources from the Columbia River system are not available.

**The science remains uncertain around the efficacy of higher levels of spill and its impact on Endangered Species Act (ESA)-listed salmon species.**

MO4 provides that juvenile fish passage spill would be set to 125% total dissolved gas (TDG) levels during the spring and summer, which could run for seven days a week, 24 hours a day from March 1 to August 31. Such a high degree of spill does not meet the EIS objective of providing a reliable and economic power supply and thus does not work for electric cooperatives receiving BPA power. MO4 results in hydropower generation decreasing by an average of 1,300 MW under average water conditions, or the largest impacts to hydropower generation of *any* of the multiple objectives considered in the DEIS. Therefore, MO4 results in the highest probability of power shortages of any of the alternatives considered, and foresees blackouts or emergency conditions in roughly one in three years. That outcome is unacceptable for electric cooperatives and the communities they serve.

The costs to avoid such drastic power reliability problems would be astronomical. The least-cost resource option for replacement resources would be $156 million per year and include 3,240 MW of simple cycle natural gas turbines, in conflict with regional clean energy targets. Replacement resources utilizing variable renewable generation would require $350 million per year. Bonneville's wholesale power rates could increase by up to 25.3 – 41 percent. This would be compounded by the major adverse economic effects the DEIS found would occur under MO4. All these pressures would be added on top of the economic pressures that communities are now facing due to the coronavirus pandemic.

**The Preferred Alternative represents a balanced solution, but should be based on best science and adjusted as new information becomes available on the impacts of unprecedented and untested spill levels.**

The Preferred Alternative meets objectives to both improve juvenile and adult salmon and lamprey while also meeting the objective to provide a reliable and economic power supply. The DEIS also noted that federal agencies have made substantial improvements for fish passage at the lower Snake River and lower Columbia River dams. There is a long history of Bonneville's commitment in this area, with nearly $16.9 billion spent since 1978 to support Northwest fish and wildlife recovery. Bonneville

customers, including cooperatives, have helped fund this multi-billion-dollar effort to improve fish passage at the dams, which is meeting targets of 96% survival rates for migrating juvenile fish.

We support the co-lead agencies' modification of its analysis following the implementation of the flexible spill operations that were agreed to in the 2018 flexible spill agreement. Under the Preferred Alternative (based on the flexible spill agreement), spill operations would be adapted if conditions dictate that a temporary or permanent change to the plan is needed. Hydropower customers should be represented as a part of any stakeholder process to make such operational changes.

We have concerns about the decrease in hydropower generation of an average 160 – 300 MW in the Preferred Alternative. However, this decrease would not result in the reliability concerns presented by the other alternatives. Importantly, no additional resources would be needed to maintain regional reliability. While hydropower revenues will decrease, avoiding the need to build additional resources and the associated annual costs as described under MO3 and MO4 would keep wholesale rate pressure on Bonneville to 2.7 percent. While this rate increase may seem modest compared to other outcomes under consideration, the co-lead agencies should be aware that any and all rate increases are burdensome for electric cooperatives and their consumer-members.

Finally, while we believe that the Preferred Alternative represents a balanced solution, we have significant concerns around its operationalization of unprecedented and untested levels of spill. Unfortunately, scientific uncertainty remains around the efficacy of spill at the 125% TDG level contemplated in the Preferred Alternative. We are concerned that the extensively different findings from the two bodies of science included in the DEIS (NOAA's Life Cycle Model and the Fish Passage Center's Comparative Survival Study model) will continue to be a flashpoint as the region searches for durable consensus around Columbia River System operations. Given this uncertainty in fisheries science, NRECA urges the co-lead agencies to closely monitor the higher levels of spill as part of the Preferred Alternative and rigorously apply adaptive management measures should those spill levels be shown to be harmful to ESA-listed fish. This should include consideration of dialing back spill should large-scale negative impacts on fish be found.

**Complete the ongoing NEPA process in a timely manner.**

We oppose the requests for an extension of the public comment period by 120 days. The process that led to the DEIS has been ongoing for 3.5 years and represents significant time and dollars invested. Even amidst the significant challenges imposed on the entire American workforce during the coronavirus pandemic beginning in March 2020, the co-lead agencies have demonstrated their dedication to keeping the communication lines open with the public on the DEIS. During the public comment period, the co-lead agencies hosted six different four-hour long teleconferences and by providing toll-free access, the agencies made it easy for people across the region and nation to engage. We urge the co-lead agencies to maintain the established 45-day comment period and proceed with the current schedule to finalize the EIS and record of decision in this proceeding.

Thank you for considering our comments. NRECA encourages the co-lead agencies to issue a final EIS and record of decision based on sound science, in a timely manner, and that appropriately reflects the value of hydropower in the Pacific Northwest. Accordingly, we call on the co-lead agencies to move forward with the Preferred Alternative (with strong monitoring and adaptive management measures) and

reject alternatives seeking to breach the Lower Snake River Dams (MO3) and/or employ draconian operational measures through aggressive, untested spill. These alternatives do not meet the EIS intent as expressed in the Purpose and Need and EIS objectives, including those to benefit ESA-listed species, while also continuing to meet the congressionally authorized purposes of the system. Please contact me at stephanie.crawford@nreca.coop or 703-907-5732 if you have any questions regarding these comments. We welcome an opportunity to discuss our recommendations further with your team.

Sincerely,

Stephanie Crawford

Stephanie Crawford
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National Rural Electric Cooperative Association