



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

FREEDOM OF INFORMATION ACT PROGRAM

June 17, 2020

In reply refer to: FOIA #BPA-2020-00702-F

Mitchell Cutter
710 N 6th Street
Boise, Idaho 83702
Email: mcutter@idahoconservation.org

Dear Mr. Cutter,

This communication is the Bonneville Power Administration's (BPA) response to your request for agency records made under the Freedom of Information Act, 5 U.S.C. § 552 (FOIA). Your request was received on April 15, 2020, with a formal acknowledgement letter sent to you on April 23, 2020.

Request

"All [agency records] ... that relate to an email sent by Bonneville Power Administration (BPA) Senior Spokesperson Doug Johnson to reporters and others on March 30, 2020 with subject line 'BPA Finances and Snake Dam hydroelectric information'. This email was later reproduced as a Newsroom post on BPA's website: <https://www.bpa.gov/news/newsroom/Pages/Facts-and-accurate-information-bolstersthe-CRISO-draft-EIS-public-process.aspx>. Please [supply] the following records:

- All internal communications created in developing this email. This includes other emails, documents, and comments on documents pertaining to the email's inception, its timing, its major topics, and its contents.
- Any meeting agendas, minutes, or notes which relate to this email, or to the public comments to which it is responding.
- The list of recipients to whom the email was sent."

Response

BPA searched for and gathered 45 pages of responsive email records from the agency's Communications office. BPA is releasing 41 pages in full; releasing 2 pages with redactions applied under 5 U.S.C. § 552(b)(2) (Exemption 2); and releasing 2 pages with redactions applied under 5 U.S.C. § 552(b)(6) (Exemption 6). An explanation of the applied exemption follows.

Explanation of Exemptions

The FOIA generally requires the release of all agency records upon request. However, the FOIA permits or requires withholding certain limited information that falls under one or more of nine statutory exemptions (5 U.S.C. §§ 552(b)(1-9)).

Exemption 2

Exemption 2 permits withholding of agency information, “related solely to the internal personnel rules and practices of an agency” (5 U.S.C. § 552(b)(2)). BPA here relies on Exemption 2 to protect internet portals, telephonic meeting call-in numbers and related passwords and passcodes found on the subject responsive records. Records protected by Exemption 2 may be discretionarily released. BPA considered discretionary release. BPA has determined that the subject records should not be discretionarily released because a public release will hinder BPA internal procedures and policies.

Exemption 6

Exemption 6 protects information in “personnel and medical files and similar files” when the disclosure of such information “would constitute a clearly unwarranted invasion of personal privacy”. Exemption 6 is applied here to protect personally identifiable information (PII) from public release when there is no public interest that would outweigh the privacy interest of the individual. BPA here relies on Exemption 6 to protect personal email information. Note that the privacy privilege belongs to the individual and BPA cannot discretionarily release this information.

Fee

There are no fees associated with your request for agency records.

Appeal

The adequacy of the search may be appealed within 90 calendar days from your receipt of this letter pursuant to 10 C.F.R. § 1004.8. Appeals should be addressed to:

Director, Office of Hearings and Appeals
HG-1, L’Enfant Plaza
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585-1615

The written appeal, including the envelope, must clearly indicate that a FOIA appeal is being made. You may also submit your appeal by e-mail to OHA.filings@hq.doe.gov, including the phrase “Freedom of Information Appeal” in the subject line. (The Office of Hearings and Appeals prefers to receive appeals by email.) The appeal must contain all the elements required by 10 C.F.R. § 1004.8, including a copy of the determination letter. Thereafter, judicial review will be available to you in the Federal District Court either (1) in the district where you reside, (2) where you have your principal place of business, (3) where DOE’s records are situated, or (4) in the District of Columbia.

You may contact BPA's FOIA Public Liaison, Jason Taylor, at the address on this letter header for any further assistance and to discuss any aspect of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, Maryland 20740-6001
E-mail: ogis@nara.gov
Phone: 202-741-5770
Toll-free: 1-877-684-6448
Fax: 202-741-5769

I appreciate the opportunity to assist you. If you have any questions about this letter, please contact E. Thanh Knudson (FOIA Case Coordinator, Flux Resources, LLP) at 503-230-5221, or via email at etknudson@bpa.gov.

Sincerely,



Candice D. Palen
Freedom of Information/Privacy Act Officer

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Thursday, March 26, 2020 8:33 AM
To: James,Daniel M (BPA) - D-7; Scruggs,Joel L (BPA) - DK-7; Connolly,Kieran P (BPA) - PG-5; Cogswell,Peter (BPA) - DI-7
Cc: Habibi,Maryam A (BPA) - DKP-7
Subject: Fixing disturbing trends in info on CRSO calls
Attachments: BPA and Public Power misinterpretation corrections.docx

Gentlemen,

We are seeing a trend of old themes and figures related to the Snake River Dams that needs to be corrected. I have prepared the attached document to take care of the most glaring that I believe can be quickly transmitted to reporters. THESE ARE BPA SPECIFIC.

I'd like to get these to the principal reporters and outlets we work with today if possible. I'll need to work with Power Services to get some of the information filled in.

You will also see it includes a link to the Executive Summary and a pointed to the projected rate increases our customers would be subject to under MO3. I am looking for the OK from you guys before I proceed. Don't need approval, that will come later today when I have some of the information plugged in.

Just looking for the go ahead to finalize. Let me know what you think. Thanks.

BPA and Public Power misinterpretation corrections

There are a number of facts and figures that are being misinterpreted in the media and other places BPA feels compelled to correct. Please see the list below.

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market, which for the past several years has not been as lucrative as it has in the past. We rarely, if ever, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4 percent of the region's power.** True – but misleading. Those dams account for ~~x%~~ of the power we sell to the utilities listed above. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6 percent. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3 percent. See pages 25 and 26 of the CRSO draft EIS Executive Summary at the [link](#).
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** (Need information for times this has occurred over the past five years – how many hours each time)
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6 percent per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.
- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

Commented [JD(-D1): Can we come up with the comparative number?

Commented [JD(-D2): Can someone help me get the data on Snake Dam Peaking Capacity?

Commented [JD(-D3): This language is APPROVED. It was included in a letter to the editor of the Idaho Post-Register printed in late February.

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Monday, March 30, 2020 2:50 PM
To: 'ebarker@lmtribune.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Eric,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current

and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Monday, March 30, 2020 2:56 PM
To: 'elif@spokesman.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Eli,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current

and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Monday, March 30, 2020 2:57 PM
To: 'acary@tricityherald.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Annette,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current

and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Monday, March 30, 2020 3:04 PM
To: 'editor@eastoregonian.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Greetings,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

I am hoping you can share this with the reporter(s) you have covering BPA issues. I also wanted to let you know that I though Jessica Pollard wrote an excellent piece on the CRSO draft EIS prior to its release.

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Monday, March 30, 2020 9:25 AM
To: Mainzer,Elliot E (BPA) - A-7; James,Daniel M (BPA) - D-7; Scruggs,Joel L (BPA) - DK-7; Connolly,Kieran P (BPA) - PG-5
Subject: BPA record corrections email for reporters
Attachments: BPA and Public Power misinterpretation corrections v2 PS input.docx

I worked with Power Services staff on the Power portions. Marcus Harris reviewed the finance section, which we have already provided to other media outlets. He is fine with it and had nothing to add.

The idea is to turn this information into an email for reporters to reestablish my connection with them and ensure they have this information.

Please let me know what you think about the tactic and the information included.

I also have a detailed breakdown of the \$17 billion fish costs lump sum floating around in the media. Philip Key and Crystal Ball and other EF&W SMEs helped me put it together. I will have that to you shortly. Same proposed action for that. I will have it to you shortly.

BPA and Public Power misinterpretation corrections

There are a number of facts and figures that are being misinterpreted in the media and other places BPA feels compelled to correct. Please see the list below.

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market, which for the past several years has not been as lucrative as it has in the past. We rarely, if ever, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4 percent of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the utilities listed above and accounts for a little more than 10 percent of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6 percent. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3 percent. See pages 25 and 26 of the CRSO draft EIS Executive Summary at the [link](#).
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The Lower Snake River Dams provide more than 2,000 MW of electricity in the winter. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6 percent per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.
- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

Commented [JD(-D1): This language is APPROVED. It was included in a letter to the editor of the Idaho Post-Register printed in late February.

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Monday, March 30, 2020 3:08 PM
To: 'rgrunbaum@seattletimes.com'; 'Lynda Mapes'; 'Hal Bernton'
Subject: BPA Finances and Snake Dam hydroelectric information

Greetings,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current

and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

Subject: BPA finance and Lower Snake River Dam hydroelectric
Location: Phone - details below

Start: Wed 4/1/2020 8:00 AM
End: Wed 4/1/2020 9:00 AM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Johnson,G Douglas (BPA) - DK-7
Required Attendees: Katy Nesbitt; Saxon, Joseph B CIV USARMY CENWW (USA); Echols, Amy M CIV USARMY CENWD (USA)

(b) (2)

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 9:26 AM
To: 'craig.brown@columbian.com'; 'greg.jayne@columbian.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Craig and Greg,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. I am also hoping you can provide the information below to the staff writer who is following the CRSO process. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan.

Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 9:40 AM
To: 'opbnews@opb.org'
Subject: BPA Finances and Snake Dam hydroelectric information

I am writing with a request for you to distribute this information to the reporters and staff who are following the Columbia River System Operation Environmental Impact Statement.

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan.

Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 9:44 AM
To: 'njaquiss@wweek.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Nigel,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current

and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 10:04 AM
To: 'tips@bendbulletin.com'
Subject: BPA Finances and Snake Dam hydroelectric information

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#). Please share this information with the staff reporter who follows issues such as this.

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the

earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 10:07 AM
To: 'news@bendbulletin.com'
Subject: BPA Finances and Snake Dam hydroelectric information

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#). Please share this information with the staff reporter who follows issues such as this.

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the

earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 10:34 AM
To: 'newsroom@idahostatesman.com'
Subject: BPA Finances and Snake Dam hydroelectric information

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#). Please share this information with Rebecca Poynter, who I believe is following this effort.

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the

earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 11:55 AM
To: 'adam.lynn@thenewstribune.com'; 'matt.misterek@thenewstribune.com';
'ted.newman@thenewstribune.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Gentlemen,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan.

Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 12:07 PM
To: 'kpuckett@greatfallstribune.com'; 'sthompson@greatfallstribune.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Gentlemen,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current

and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 12:09 PM
To: 'info@ap.org'
Subject: BPA Finances and Snake Dam hydroelectric information

Please forward this to AP reporters in the Pacific Northwest and in other locations that are interested in the subject below. Thanks.

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan.

Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 12:16 PM
To: 'barta@wenatcheeworld.com'; 'hemphill@wenatcheeworld.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Russ and Linda,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current

and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 2:41 PM
To: 'katylnesbitt@gmail.com'
Subject: Columbia Rivers System Operations EIS call-in public meeting details

4 p.m. to 8 p.m. PT

(b) (2)

A large black rectangular redaction box covers the majority of the page content below the header and time information.

Call-in instructions and other details at the link: <https://www.nwd.usace.army.mil/CRSO/Submit-Your-Comment/#top>

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 12:23 PM
To: 'abath@registerguard.com'; 'aduvernay@registerguard.com'
Subject: FW: BPA Finances and Snake Dam hydroelectric information

Alison and Adam,

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current

and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 12:38 PM
To: 'lhintze@dailyinterlake.com'
Subject: FW: BPA Finances and Snake Dam hydroelectric information

Sorry. Forgot the e in your name the first time around...

From: Johnson,G Douglas (BPA) - DK-7
Sent: Tuesday, March 31, 2020 12:37 PM
To: 'lhintz@dailyinterlake.com' ; 'sshindledecker@dailyinterlake.com' ; 'bserbin@dailyinterlake.com'
Subject: BPA Finances and Snake Dam hydroelectric information

Lynette, Scott and Bret Anne

There are a number of facts and figures that are being misinterpreted during this important public comment period for the Columbia River System Operations Draft Environmental Impact Statement. Information correcting the record on those issues is included below. I hope you have had a chance to read the Executive Summary. You can find it at this [link](#).

- 1) **BPA sells power at a loss or BPA sells power for less than it costs to produce:** BPA sells power to consumer-owned electric utilities PUDs, municipal utilities and utility cooperatives at a set wholesale price. If we have surplus electricity, we sell it on the spot market. Unfortunately, this market has been depressed for the past several years, which has negatively impacted BPA's secondary revenues. We rarely, get less money than it costs to produce.
- 2) **The Snake River Dams account for 4% of the region's power.** True – but misleading. Not all of the utilities in the Northwest purchase power from those dams. The electricity generated by the Snake River Dams is consumed predominately by the consumer-owned utilities listed above, many of which are in rural communities, and accounts for a little more than 10% of the electricity BPA sells to them. The cost of replacing the power from the dams would hit them in a disproportionate manner. Removing the Snake River Dams and replacing them with natural gas generation would increase the rates of PUDs, municipal electric utilities and electric cooperatives by 8.2 to 9.6%. If those dams were replaced by a combination of renewables, battery storage and other non-carbon measures, which may be more likely given current state renewable portfolio standards and other carbon legislative proposals, it is projected to increase those rates by 9.5 to 19.3%. See pages 25 and 26 of the CRSO draft EIS Executive Summary.
- 3) **The Snake River Dams cannot produce 2,000 MW of Peaking Capacity:** The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system's current reserves holding capability. The dams play an important role in maintaining reliability, and their flexibility and dispatchability are valuable components of the CRS see page 25 of the CRSO draft EIS Executive Summary. This is important because the Northwest is still a winter peaking region, meaning its highest consumption of electricity is during the winter – not the summer. Between October 2009 and March 2018, there were 8,600 operational hours that the Lower Snake River Dams provided more than 2,000 MW of electricity.
- 4) **BPA is becoming financially insolvent:** By trimming \$66 million of costs planned for the current two-year rate period, BPA held rates flat for the first time in more than a decade. Considering that between 2008 and 2018 BPA wholesale Power rates increased on average about 3.6% per year, this clearly demonstrates the financial discipline to bend the cost curve and provide low-cost, carbon-free hydropower to our public power utility customers across the Northwest.

In addition, all three US credit ratings agencies consider BPA to have high, investment-grade credit. A major contributing factor to these ratings is our long-term contracts with our preference customers, the Public and Peoples' Utility Districts, municipal electric utilities and electric cooperatives in the Pacific Northwest.

- 5) **The Snake River Dams are expensive and near the end of their life:** Major powertrain replacements for the Snake River Dam hydroelectric assets are not currently forecasted to occur within our 20-year system asset plan. Long-term planning analyses that calculate the optimal *economic* time to replace equipment based on current and expected equipment health, probability of failure and outage consequence, point to the late 2030s as the earliest replacement dates. In fact, most of the optimal replacement dates are spread between the 2040s and 2060s for the Lower Snake dams for turbine and generator replacements. The most recent work done at Ice Harbor includes an already installed improved fish passage turbine with another currently being installed and another on the way, which will further modernize and improve those hydroelectric components.

I hope you find this information helpful. If you have questions or need additional information, please contact me at 503-713-7658.

Doug Johnson
Senior Spokesperson, BPA

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Wednesday, April 1, 2020 9:57 PM
To: 'Katy Nesbitt'
Subject: Clarification

Something you said while we were talking about cost cuts this morning stood out. You talked about cuts to our Fish and Wildlife program. Just making sure you know that while there were some modest cuts in F&W those cuts were across the board and included debt management and other tools referenced in our Strategic Plan. I can provide more if you need it. Just don't want reference to cuts to be exclusive to F&W.

From: Katy Nesbitt
Sent: Wednesday, April 1, 2020 10:43 AM
To: Johnson,G Douglas (BPA) - DK-7
Subject: [EXTERNAL] Re: Anthony Bailey - Oregon Trail Electric

11 today works!

Can you forward me his number?

On Wed, Apr 1, 2020 at 10:42 AM Johnson,G Douglas (BPA) - DK-7 <gdjohnson@bpa.gov> wrote:

Katy,

Anthony Bailey with Oregon Trail Electric Cooperative is available to talk at 11 a.m. or 1:30 p.m. today or around 11 a.m. tomorrow. Do any of those times work for you?

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Wednesday, April 1, 2020 10:43 AM
To: 'abailey@otecc.com'
Subject: FW: Anthony Bailey - Oregon Trail Electric

Just sent this to Katy Nesbitt with the East Oregonian. I'll let you know what I hear back from her and connect you two directly after that. Thanks for talking to her. I think it will be helpful.

From: Johnson,G Douglas (BPA) - DK-7
Sent: Wednesday, April 1, 2020 10:42 AM
To: 'Katy Nesbitt'
Subject: Anthony Bailey - Oregon Trail Electric

Katy,

Anthony Bailey with Oregon Trail Electric Cooperative is available to talk at 11 a.m. or 1:30 p.m. today or around 11 a.m. tomorrow. Do any of those times work for you?

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Wednesday, April 1, 2020 10:11 AM
To: Lynda Mapes
Subject: FW: [EXTERNAL] Fwd: update

Please let me know if you find this back and forth useful. Honestly, I am a little uncomfortable having this back and forth with a private citizen in full view of one of the most influential reporters in the region who works for the largest newspaper in the region. Please let me know how you feel. If you find it valuable, I'm not telling Mr. Hawley anything I wouldn't say to you if you were interviewing me about any of the information I provided to you and other reporters across the region earlier this week.

Hope you are well and staying safe. I can't imagine how nerve racking it must be to live in Seattle as all of the Covid-19 awfulness unfolds. Take care.

From: Johnson,G Douglas (BPA) - DK-7
Sent: Wednesday, April 1, 2020 10:01 AM
To: 'steven hawley'
Cc: Lynda Mapes
Subject: RE: [EXTERNAL] Fwd: update

And, let me be very clear. These points are not meant to advocate one way or another. They are meant to ensure that the foundation of the discussions are based in fact and honesty. Hence the question I just asked via email.

From: steven hawley (b) (6)
Sent: Wednesday, April 1, 2020 9:18 AM
To: Johnson,G Douglas (BPA) - DK-7 <gdjohnson@bpa.gov>
Cc: Lynda Mapes <lmapes@seattletimes.com>
Subject: [EXTERNAL] Fwd: update

See Response from your legal team below. This was last year. It's a little more than "basic math" as you suggest in your reply, to say that rural PUD's get 10 percent of their power from the LSRD's. It suggests at least a slightly more sophisticated accounting system. Do you keep track of power sales/allocations from individual projects or not?

St

DATA REQUEST:

Please provide the annual revenues associated with power generation at each of the four Lower Snake River dams from 1998 through 2018.

RESPONSE:

Bonneville objects to this data request because it would require analysis that BPA did not perform in preparation for the BP-20 Initial Proposal.

Without waiving this objection, Bonneville provides the following response. BPA does not track revenues associated with any dam individually. Rather, energy produced by FCRPS dams contributes to the total portfolio of generation that serves preference customer load and is sold into wholesale markets. With respect to the value of generation, this means that the Lower Snake dams support both generation sold at the current average Tier 1 rate of \$35.57/MWh and surplus sales at times when generation exceeds preference customer load.

This was the response to our request for the actual cost of spill:

RESPONSE:

- 1) BPA objects to this request because it would require BPA to perform additional analysis. See BPA Rules of Procedure section 1010.12(b)(1)(ii). BPA does not have actual costs for OY 2018. Calculating actual costs would be a complex counterfactual study that would ultimately result in another estimate given specific market conditions, which would change given any different river operation.

On Mar 31, 2020, at 11:02 PM, steven hawley (b) (6) wrote:

The lawyers said something to the effect that they couldn't give accurate numbers on generation because to do so would be an exercise in fiction.
St

Knudson,Thanh (CONTR) - CGI-7

From: Johnson,G Douglas (BPA) - DK-7
Sent: Wednesday, April 1, 2020 10:45 AM
To: 'Katy Nesbitt'
Cc: 'abailey@otecc.com'
Subject: FW: [EXTERNAL] Re: Anthony Bailey - Oregon Trail Electric

Katy and Anthony,

Looks like 11 a.m. today works for you both. Katy, Anthony can be reached at 541-524-2824. Anthony please confirm. Glad we got this done.

From: Katy Nesbitt
Sent: Wednesday, April 1, 2020 10:43 AM
To: Johnson,G Douglas (BPA) - DK-7
Subject: [EXTERNAL] Re: Anthony Bailey - Oregon Trail Electric

11 today works!

Can you forward me his number?

On Wed, Apr 1, 2020 at 10:42 AM Johnson,G Douglas (BPA) - DK-7 <gdjohnson@bpa.gov> wrote:

Katy,

Anthony Bailey with Oregon Trail Electric Cooperative is available to talk at 11 a.m. or 1:30 p.m. today or around 11 a.m. tomorrow. Do any of those times work for you?