

Response to Oregon's recommendations for 2001 operations of the Federal Columbia River Power System

We appreciate Gov. Kitzhaber's suggestions. Most of the recommendations outlined by Governor Kitzhaber reflect measures that BPA and other federal agencies have implemented or are currently developing plans to do.

BPA and the other federal agencies are continuing to carry out all measures for salmon and resident fishes in the biological opinion's and Northwest Power Planning Council's Fish and Wildlife Program *except* for projected reductions in spring flows and a reduction in spill that is technically possible given the drought conditions and Pacific Northwest power demands. These measures include:

- Structural measures at the dams representing a total annual investment of about \$80 million.
- Continued funding of the Northwest Power Planning Council's program, including habitat and hatchery actions of importance to fish survival and tribal fisheries amounting to about \$127 million annually.
- High Priority habitat projects totaling \$15 million are being funded for 2001 implementation.
- Implemented chum incubation and emergence flows below Bonneville dam.
- Implemented Vernita Bar/Hanford Reach flows in the Columbia River to protect incubation and emergence of upriver bright fall chinook of key importance to tribal fisheries.
- Maintained minimum discharges at Hungry Horse and Libby for bull trout.

Expenditures to save water for fish in this extremely dry year have also been extensive. BPA has:

- Since Dec. 1, 2000, purchased or curtailed over 2,800 aMW of energy at a cost of over \$460 million.
- Negotiated two-for-one power exchanges with California for a total savings of 500 MW months.
- Purchased irrigation pumping load at a potential savings of 360,000 acre feet of water and approximately 600 MW months at a total cost of approximately \$25 million.
- Assisted Oregon and Washington governors in calling for a 10 percent reduction in electricity consumption region-wide

Rather than raise rates 250 percent or more, BPA has engaged with its customers in an aggressive load reduction campaign to reduce demand on BPA and minimize the rate increase in October. This includes a call for conservation of 5-10 percent from utilities while aluminum companies remain out of service for up to two years.

BPA's need to maintain reserves of \$700 million to \$1 billion is not out of line in the context of an annual payment to the U.S. Treasury of about \$600 million and soaring power prices which, last January, resulted in market purchases of \$50 million in a *single week*.

BPA and other federal agencies have already acknowledged the need to offset the potential effects on fish of power operations in this drought year and are currently developing a power emergency fish offset policy as a basis for determining what specific measures to implement. Asking for additional measures and Oregon is invited to respond.

BPA and the other federal agencies are calling for suggestions, and have invited Oregon's participation in measures to combat the effects of low water on fish this year and in the future.