IPR's Public Comments – Aug. 16, 2024

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PUBLIC POWER COUNCIL
Bringing public power together

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August 16, 2024

John Hairston, Administrator
Bonneville Power Administration

Submitted electronically

RE: PPC Comments on 2024 Integrated Program Review

Overall Considerations

The Public Power Council (PPC) appreciates this opportunity to comment on BPA's Integrated Program Review proposals for the upcoming BP-26 Rate Period. PPC is the umbrella trade association representing the interest of the Northwest's non-profit, public power utilities that have preference rights to the output of the federal system. PPC's members rely on BPA for wholesale power and transmission services to provide economic, reliable, and environmentally responsible power supply for the communities and businesses they serve at cost.

PPC's members fully subscribe the firm output of the Federal Columbia River Power System (FCRPS) and a large portion of the capability of BPA's transmission system. Additionally, we anticipate that public power will again fully subscribe the output of the FCRPS under new long-term contracts for the post-2028 period. For these reasons, PPC members have substantial interest and financial stake in the long-term performance and health of the federal power and transmission systems.

PPC recognizes the need for and importance of continuing investment in the power and transmission systems and generally supports BPA's proposal for increased spending levels to support the generation and transmission systems. Preference customers are also facing many of the same challenges as the agency regarding inflation and labor pressures, among other headwinds, and understand the need to increase spending to keep up with these pressures.

Support for additional resources to BPA (and its partner organizations) must be paired with a commitment from BPA for results and execution. BPA must establish and/or refine specific metrics to measure the effectiveness of its asset management efforts in terms of both process and outcomes. Customers expect that this increase in spending will not only support the current quality of service but increase the agency's ability to meet customer needs.

Other efforts to mitigate rate impacts must also be pursued in conjunction with the need for increased investment. This includes ongoing efforts towards efficiency in labor force and project prioritization to make the maximum possible use of ratepayer funding and ensure overall prudency. Further, as described further below, there are differences in the rate implications of BPA's spending proposals between the business lines that should be recognized.

Power Services

PPC generally supports increased investment in the federal hydropower system and Columbia Generating Station. These assets are the core power supply for preference customers, and provide the vast majority of the region's flexible, carbon-free generation.

BPA Power is somewhat differently situated than Transmission in terms of the rate pressure from BPA's proposal due to the lack of increased sales opportunities. Given this fact and the magnitude of the potential rate increase, PPC proposes that BPA ramp its proposed spending levels for Power Services at a slightly lower rate.

PPC proposes that asset management and Enterprise Services G&A expense budget levels be adjusted[1]. Specifically, PPC recommends that BPA adopt the proposed budget levels in these areas for FY 2028, but ramp evenly by percentage from BP-24 levels in FY 2026 and FY 2027 to get there. For the asset management categories, this is three steps of about 8.6%, and three steps of 18.6% for Enterprise Service G&A. Applying this approach results in an average reduction of approximately $44 million per year of IPR cost over the course of the rate period as compared to BPA's proposal.

PPC believes this adjustment strikes a reasonable balance between increased investment and rate impacts, while also acknowledging the practical realities of the agency's ability to ramp up spending and program execution levels. This approach would still incorporate over 95% of BPA's proposed overall spending levels on average during the rate period in these asset management categories and Enterprise Services G&A.

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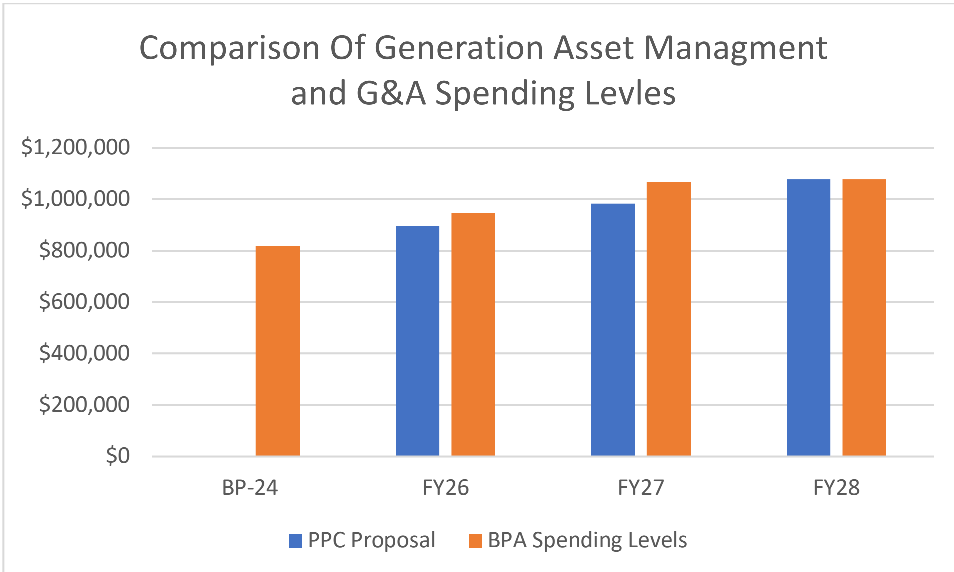
[1] For purposes of this recommendation, PPC is referring to the Operating Expense categories of "Bureau of Reclamation", "Corps of Engineers", "Columbia Generating Station", and "Enterprise Services G&A Excluding Direct Project Support".

The following chart compares BPA's proposed spending levels in the initial IPR with PPC's initial proposal for the identified categories of generation asset management and Enterprise Services G&A.



If BPA does not believe this specific proposal is workable, PPC would welcome the opportunity to work collaboratively on an alternative. PPC assesses there is an important opportunity to mitigate some of the proposed IPR increase while achieving long-term investment goals. Some mitigation of IPR operating expenses for Power Services will place BPA and customers in a better position to manage the overall Tier 1 rate impact (and overall power supply costs) in the BP-26 rate period.

While PPC supports BPA's proposed capital spending levels, capital execution for federal hydro substantially lags behind rate case budgets. For rate setting purposes, BPA should continue to include a "lapse" factor for assumed capital execution for rate setting purposes. Specifically, the federal hydro capital spending for FY 2022 was 68% of the rate case forecast and 71% for FY 2023. Even accounting for potential increases in execution, PPC believes that an initial lapse factor of at least 20% would be appropriate for rate setting purposes in BP-26.

PPC supports BPA's proposed spending levels in Fish and Wildlife, recognizing the drivers including inflationary pressure and new agreements. BPA's proposal is supported by analysis of the specific projects and agreements required to meet its statutory and legal obligations. PPC strongly supports BPA's ongoing efforts to bring additional rigor and transparency to its planning and business practices in the Fish and Wildlife Program.

Further, PPC supports an emphasis on funding projects that have a direct nexus to the impacts of the ongoing operations and maintenance of the federal hydro system and provide tangible benefits to fish.

The BPA Fish and Wildlife Program is a mature program, representing the most comprehensive and sophisticated mitigation program in the country. It is essential to acknowledge that the program is achieving tangible results for vulnerable and fish and wildlife populations. Supported by BPA's investment of ratepayer funds, many anadromous fish returns exceed those from prior to the construction of the hydropower system. These outcomes, along with extensive research, monitoring and evaluation efforts, show that mitigation efforts are having positive impacts and that when ocean and other conditions allow, the federal hydropower system can support robust, sustainable populations of salmon and steelhead. The Administrator should reject generalized proposals for increased spending that are not tied to specific agency obligations and projects.

Transmission Services

PPC supports BPA's proposed spending levels for Transmission Services. Increased investment levels are likely necessary to support load service and integration of new generating resources into the grid.

Given information presented thus far in the BP-26 pre-rate case process, Network rate impacts are likely to be substantially mitigated by increased sales. Although the rate pressure from the proposed investment levels for transmission is limited by increased sales, execution is paramount. Further, both "sustain" and "expansion" investment categories are essential to meet customer needs.

Public power customers are experiencing unacceptable timelines and service delays that impair the ability to economically serve load and meet regulatory obligations. These delays, in addition to ongoing questions about how BPA is planning for its preference customers' use of transmission, are raising questions about the agency's ability to meet preference customers' load in a reliable and timely manner. BPA must continue work with customers to define specific metrics to measure improvements. To be effective, these metrics must be specific, measurable, and used to evaluate performance within the agency.

PPC members expect that their support for this level of funding will result in improved transmission service and greater assurance that their load service will be met on time. Part of this will include a greater commitment to accountability to customers and a recommitment to partnering together to explore improvements to BPA's policies and processes.

PPC strongly encourages BPA to redouble efforts to partner with customers to plan and execute projects. In many instances, public power utilities may be positioned to build projects on faster timelines and at lower cost than BPA. Given the magnitude of need for investment in the regional transmission system, all the engineering and construction capacity available should be explored and leveraged.

Thank you for your consideration of these comments.

Sincerely,

Michael Deen
Policy Director, Public Power Council

CC:

Marcus Harris, Executive President and Chief Financial Officer
Joel Cook, Chief Operating Officer
Suzanne Cooper, Senior Vice President, Power Services
Richard Shaheen, Senior Vice President, Transmission Services

COMMENTS OF THE WESTERN PUBLIC AGENCIES GROUP REGARDING BPA's BP-26 INTEGRATED PROGRAM REVIEW

Date Submitted: August 15, 2024

The utilities that comprise the Western Public Agencies Group ("WPAG")[1] appreciate this opportunity to submit comments on the Bonneville Power Administration's ("BPA") BP-26 Integrated Program Review ("IPR") process and proposed spending levels.

1. Introduction

BPA had tremendous success from BP-18 through BP-24 in holding the sum of its program costs, by business line, significantly below the rate of inflation, with Power seeing only a 4% increase (an annual average of 0.6%) and Transmission a 15% increase (an annual average of 2.4%) during the eight-year time period. BPA's work in improving its financial strength, including keeping cost increases below the rate of inflation, coupled with a much-improved secondary market, put the agency in a much better financial position than it was in just eight years ago. Such improved financial health is one of the key reasons why it now appears that BPA will be able to sustain the twin blows of the January 2024 cold snap and a dry water year without triggering a CRAC following the conclusion of FY 2024.[2]

WPAG recognizes that we are currently in a period of sustained high inflation, during which BPA must make expenditures and investments to (i) maintain and preserve an aging federal hydro system and (ii) expand and sustain its transmission system to meet the growing needs of its customers. For these reasons, we expected significant IPR cost increases for both the Power and Transmission Services. However, we are concerned that in its initial BP-26 IPR proposal BPA is giving back all of its previous good work to keep costs below the rate of inflation. Said another way, from BP-18 through BP-24, BPA did an extraordinarily good job in bending its cost curve to improve its financial health and remain cost competitive, but in this IPR BPA is proposing to firmly snap the cost curve back the other way by increasing Power Services' IPR expenses by $265 million/year (19%) and Transmission Services' IPR expenses by $180 million/year (30%) on average compared to BP-24. What is more, BPA is also proposing to increase its capital spending for Power Services by $379 million/year (88%) and for Transmission Services by an eye-popping $764 million/year (119%).

[1] The utilities comprising WPAG include Benton Rural Electric Association, Eugene Water and Electric Board, Umatilla Electric Cooperative, the Cities of Port Angeles, Ellensburg and Milton, Washington, the Towns of Eatonville and Steilacoom, Washington, Elmhurst Mutual Power and Light Company, Lakeview Light & Power, Ohop Mutual Light Company, Parkland Light and Water Company, Peninsula Light Company, Central Lincoln People's Utility District, Public Utility Districts No. 1 of Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Kittitas, Lewis, Mason and Skamania Counties, Washington, Public Utility District No. 3 of Mason County, Washington and Public Utility District No. 2 of Pacific County, Washington.

[2] *See* Quarterly Business Review Technical Workshop, PowerPoint Presentation (bpa.gov), at 7, 13 (August 15, 2024).

As discussed below, WPAG is generally supportive of BPA's proposals to increase its investment in the federal hydro system (particularly the mainstem projects), the Columbia Generating Station, and the Transmission system. However, we are (i) concerned about rate impacts and (ii) skeptical of BPA's ability to ramp up its spending at the rate that it is proposing. For these reasons, and in addition to the additional recommendations made in the balance of these comments below, we recommend that BPA:

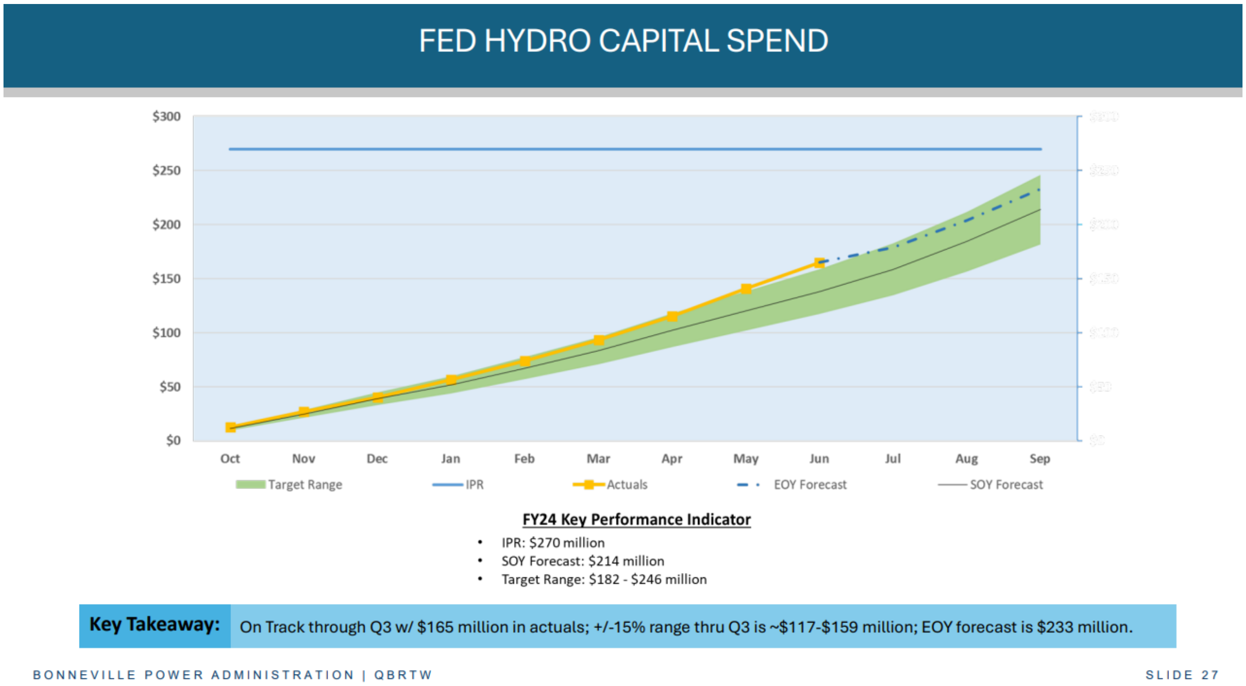
- Hold an IPR-2 once BPA and its customers have a better joint understanding as to the rate impacts of BPA's IPR proposals. The proposed cost increases are staggering by themselves, but they provide an incomplete picture on their own as what the resulting rate impacts will be. An IPR-2 would give BPA and its customers a better and more informed opportunity to discuss tradeoffs between BPA's IPR proposals and immediate rate impacts therefrom. This is critical given the potential size of the rate increases that could arise just from BPA's IPR proposals.

- Adopt PPC's proposal for BPA to adjust its proposed asset management and Enterprise Services G&A expense budget levels by first adopting BPA's proposed budget levels in those areas for FY 2028 and then ramping evenly by percentage from BP-24 levels in FY 2026 and FY 2027 to get there. PPC projects that this approach would result in an average reduction of approximately $44 million/year of IPR expense costs for Power Services over the course of the rate period as compared to BPA's proposal.

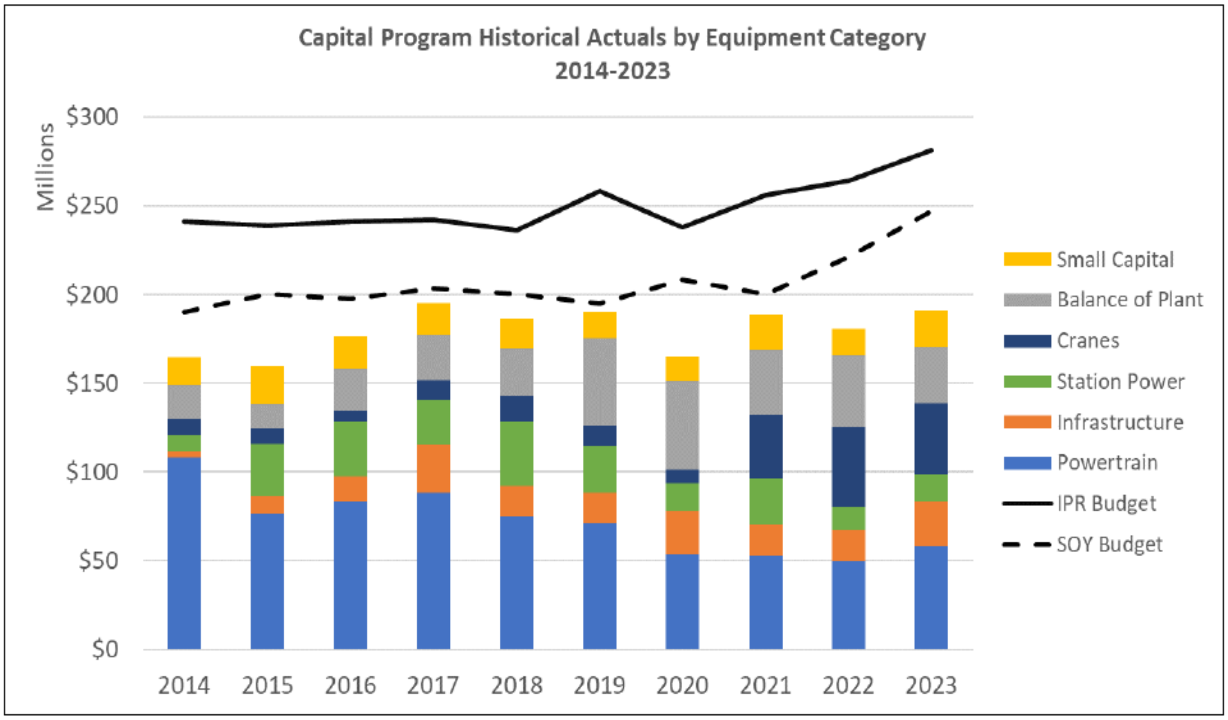
2. Fed Hydro

WPAG supports BPA's continued investment in the federal hydro system. This is particularly true for the mainstem Columbia River projects, which continue to provide tremendous benefits to the region and are the centerpiece of the value proposition that preference customers will seek to secure for the long-term when asked to sign the Provider of Choice Contracts late next year.

That being said, there remains a consistent underspend in actual hydro capital spending compared to the hydro capital budgets established in recent IPRs. For instance, in the BP-24 IPR, BPA identified $270 million as the federal hydro capital budget for FY 2024, but as shown in the slide below from BPA's QBR technical presentation on August 15, 2024, BPA is currently forecasting that its actual capital spending in FY 2024 for the hydro system will fall short of the BP-24 IPR amount by approximately $37 million.



As further demonstrated in the chart below, this continues a trend of BPA consistently over forecasting its hydro capital expenditures in recent IPRs. Accordingly, the footing for BPA's consideration of a $300 million/year target in this IPR is tenuous at best. It would be more realistic to assume a $250 million capital plan or something closer to an achievable result based on past execution or a more pragmatic lapse factor closer to historical results. Establishing capital budgets that have a high confidence of being fully executed are even more critical now that BPA is including revenue financing of its capital budgets in rates. To do otherwise would result in BPA overshooting its revenue financing goals to the detriment of its customers because BPA's unreasonably high forecast of capital spending would produce more revenue financing (and higher interest expense) in rates than is justified by BPA's actual capital execution. Accordingly, if BPA intends to keep the proposed $300 million target, we recommend a higher lapse factor be applied to such target for rate setting.



3. Transmission

We want BPA to invest in the Transmission system and support BPA expending the funds necessary to hire additional engineers and technical staff to plan, design, and construct the transmission infrastructure needed to provide timely, reliable, and firm Network Integration Transmission Service ("NITS") to BPA's preference customers so they can meet their evolving needs. We further support BPA's proposed Transmission capital program for the same reason. In connection with our support, we do make the following three requests of BPA.

First, given that BPA proposes to increase its Transmission IPR expense and capital expenditures by an average of $180 million/year and $764 million/year, respectively, we ask that BPA take another look to ensure that it will actually be able to spend such amounts as projected and apply lapse factors as appropriate.

Second, when applied to BPA's proposed capital budget of $764 million/year, BPA's revenue financing policy would add *at least* $76 million/year more to be recovered from Transmission rates. This would be in addition to the $180 million/year in new IPR expense for a total increase to be recovered in rates of $256 million/year. This places revenue financing costs on today's ratepayers to pay for assets that will benefit future ratepayers at a level that was not contemplated when BPA adopted its revenue financing policy. We recommend that BPA either reduce the amount of revenue financing assumed in the initial BP-26 rate proposal below what would be strictly required under the policy or, at the very least, ensure that the amount of revenue financing to be assumed when setting rates is squarely within the permissible rate case issues identified in the Federal Register Notice for the rate proceeding.

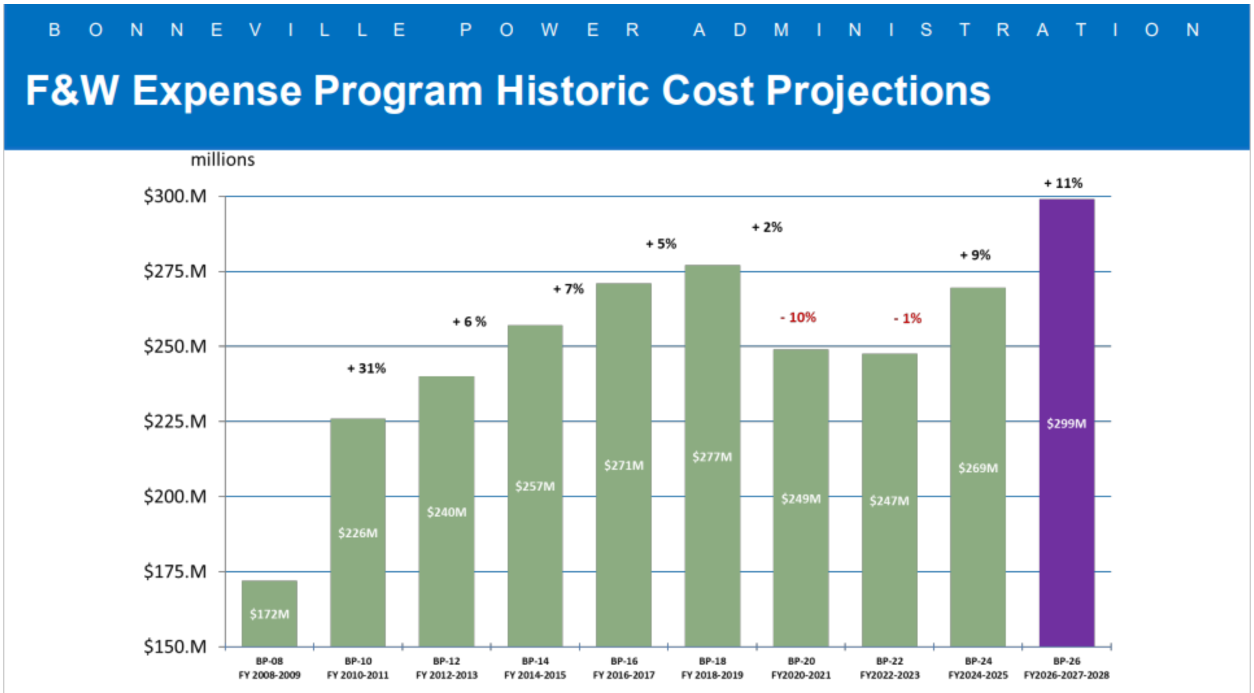
Third, we ask that BPA demonstrate how the investments it proposes to make in the Transmission system will help it meet its statutory and OATT obligations to its preference and NITS customers. BPA appears increasingly unable to timely meet the load growth needs of NITS customers, whether from federal or non-federal resources. The needed reliability upgrades and expansion, new PODs, line extensions, and other work are being delayed because of lack of staffing, procedural inefficiencies, and an undue focus in BPA's planning processes on commercial rather than regional load service transmission needs.

It is time for BPA to renew its commitment and take affirmative action in this IPR to ensure that it can meet its obligations to preference and NITS customers to plan, invest, and construct the transmission facilities needed to meet their current and future loads. This includes distinguishing such obligations to BPA's preference and NITS customers from the commercial transmissions service BPA provides on the Transmission system, and providing such customers the consideration and service they are due under BPA's statutes and OATT.

To the above ends, WPAG strongly supports and hereby adopts the recommendations made in the June 14, 2024 comments and August 14, 2014 presentation made by the NT Customer Group, which can be found on BPA's website, and are incorporated herein by this reference. We recommend that, to the extent necessary, BPA modify its IPR proposal to incorporate the recommendations made therein.

4. Fish and Wildlife

BPA proposes to increase its Fish & Wildlife IPR expense by 11% compared to BP-24. As shown below, this is yet another increase to a program that has increased its spending by 74% compared to when the current contracts were signed. While we understand the political realities and legal requirements of ESA-listed species mitigation overall, we fully support BPA's efforts to optimize all Fish and Wildlife spending to ensure the most biological benefit per dollar spent and to emphasize funding projects that have a direct nexus to the impacts of the federal hydro system.



5. <u>Columbia Generating Station ("CGS")</u>

The annual average capital forecast for CGS in the IPR is $422 million, which is an increase of $307 million/year over the BP-24 average. In addition to large capital life-cycle management projects, the capital forecast for CGS includes costs associated with the proposed Extended Power Uprate ("EPU") to increase CGS's generation by up to 170 MWe. A business case study of the proposed EPU is underway and expected to be completed next spring. At this time, and pending the results of the business case study, WPAG supports the inclusion of the EPU in the CGS capital forecast in order to keep this opportunity to increase the output of a valuable carbon free base load resource moving forward.

Submitted via email to: https://publiccomments.bpa.gov/

RE: Cowlitz PUD BP-26 Integrated Program Review Comments

Cowlitz PUD wants to express our appreciation for the Bonneville Power Administration's (BPA) efforts, in the BP-26 Integrated Program Review (IPR) process, to invest in transmission, the FCRPS and CGS. From BPA's presentation, we understand these are much needed and, in some cases, overdue investments that will help BPA deliver reliable power and transmission service into the future.

We want to express our strong support for the IPR comments separately submitted by both the Public Power Council (PPC) and the Western Public Agencies Group (WPAG). A particular point of emphasis we wish to make is the proposed concept of "ramping in" Power Services' spending. PPC's recommendation reduces the overall rate period spending level a material amount. It aligns with comments submitted in prior rate cases that identifies BPA's historical trend of under-spending its capital budget. BPA collects money from its customers that it cannot practically spend in a rate period given a variety of constraints and limitations. Given this history, it seems to us to be particularly unreasonable to expect actual achievement of the large step-function changes from the BP-24 to BP-26 rate period. Such large changes coupled with other inflationary pressures at the retail utility level will drive large retail rate increases across the Region, and certainly for Cowlitz PUD. Implementation of a ramp will alleviate some of the rate pressure, so we respectfully request BPA give this proposal full consideration.

We want to express our appreciation for the information sharing and process that BPA employs to provide its customers a good measure of transparency. Cowlitz PUD is committed to working with BPA to achieve long lasting results that continue to provide value to the Region well into the future, in a measurable and data driven manner.

Northwest Requirements Utilities

(503) 233-5823
825 NE Multnomah
Suite 1135
Portland, Oregon 97232

August 16, 2024

Submitted via electronic portal.

RE: NRU Comments on the BP-26 IPR Initial Publication

Thank you for this opportunity to comment on the BP-26 Integrated Program Review Initial Publication. Northwest Requirements Utilities is a trade association comprised of 57 mostly small, mostly rural Load Following and NT customers that rely mostly or fully on Bonneville for their power supply and transmission service. NRU members have a significant financial and operational interest in ensuring that the federal Columbia River power and transmission system is invested in proactively and strategically and that budgeted expenses are considered prudently.

TRANSMISSION CAPITAL INVESTMENTS

NRU supports the proposed capital spending levels for Transmission Services. It is BPA's obligation to provide transmission service for its NT customers and BPA needs to invest in Transmission system upgrades and new builds on the Transmission grid to ensure that it can meet the evolving needs and load growth of its NT customers.

FED HYDRO AND COLUMBIA CAPITAL INVESTMENTS

NRU supports the capital spending levels proposed by BPA's federal hydro partners and Energy Northwest. It is imperative that the region continues to invest in the federal hydro system and Columbia Generating Station to ensure that low-cost carbon-free power is available to meet our region's electricity needs and help power economic growth. Furthermore, NRU looks forward to seeing the results of the CGS uprate study that will be conducted in 2025 and appreciates Energy Northwest sharing information on the uprate in its IPR materials.

POWER SERVICES' EXPENSES

NRU supports Public Power Council's IPR proposal to more gradually ramp up spending levels in Power Services over the three-year rate period. PPC's creative and thoughtful proposal would allow BPA the ability to ramp up its spending efforts over time and provide some rate relief to customers. If BPA cannot implement PPC's proposal, NRU asks that BPA consider using an undistributed reduction in Power Services Operating Expenses, particularly in budget levels attributed to Enterprise Services, to temper a double-digit rate increase.

Additionally, it is important to NRU members that BPA's budget is set at a level that BPA can realize in the upcoming years. Any over-forecasting in the IPR spending levels will result in (1) an over collection of revenues from NRU members; and (2) an increase in BPA financial reserves. Since under the current financial reserves policy, financial reserves do not fully make it back to customers, it is crucial that the IPR levels are set as prudently as possible.

Finally, thank you for considering these comments in your decision making for the final BP-26 IPR levels. We appreciate the time BPA staff, and staff at BPA's partner agencies, have taken to develop and share the IPR materials and in answering our questions. Please feel free to reach out if you have any questions about these comments.

Sincerely,

Emily Traetow
Rates and Policy Director
Northwest Requirements Utilities

August 16th, 2024

BONNEVILLE POWER ADMINISTRATION
905 NE 11TH AVENUE
PORTLAND OR 97232

Submitted via email: techforum@bpa.gov

Comments BPA Integrated Program Review Workshops

Seattle City Light (City Light) appreciates BPA's efforts to actively engage, facilitate workshops, and be responsive to customers regarding the BPA Integrated Program Review (IPR) topics. City Light would like to offer the following comments for BPA's consideration.

General Comments
City Light recognizes the importance of continuing investment in the system and generally supports BPA's proposal for increased spending levels to support the generation and transmission systems

Transmission Services
City Light supports BPA's stated goals and strategic direction of Transmission Services.

City Light suggests that requests for additional resources should be accompanied by BPA's plans to provide customers with improved performance in measured outcomes. The plans provided by BPA Transmission Services fall short of this customer expectation. Specific areas where City Light recommends improvements in both sustain and expansion areas are:

- Planned vs actual capital improvement project progress each year
    - Goal should be less than 5% variance
- Preliminary Engineering Study time
    - Goal should be less than one year
- Environmental Study time
    - Goal should be less than one year
- Facility Study and Construction time
    - Goal should be less than two years for small projects and less than 4 years for large projects
- Owners Consultant effectiveness measured in time and cost containment
    - Project time length and cost containment should be better than in house resources
- Design-build Consultant effectiveness measured in time and cost containment
    - Project time length and cost containment should be better than in house resources

City Light understands the challenges of limited resources and time constraints and encourages BPA to be innovative and open to adaptation in delivering better outcomes for customers.

City Light supports BPA's plans to fund many regionally important projects that benefit all BPA customers directly for load service or indirectly by providing access to new carbon free resources.

Power Services

City Light suggests BPA consider phasing of projects and spending to allow ramping of the resulting power rate increases to limit any single year's rate impact on customers.

City Light thanks BPA for consideration of these comments.

Sincerely,

Michael Watkins
Strategic Advisor
Seattle City Light

AWEC

Alliance of Western Energy Consumers ◆ 818 SW 3rd Avenue, #266 ◆ Portland, OR 97204 ◆ 971-544-7169 ◆ nwenergyusers.org

August 16, 2024

Via Electronic Submission

John Hairston
Administrator and Chief Executive Officer
Bonneville Power Administration
911 NE 11th Avenue
Portland, OR 97232

Re: BP-26 Integrated Program Review

Dear Administrator Hairston:

The Alliance of Western Energy Consumers ("AWEC") appreciates the opportunity to provide feedback regarding the BP-26 Integrated Program Review ("IPR"). We appreciate the presentations made by Bonneville Power Administration's ("BPA" or "Agency") executives and Staff during the June 27-July 1 workshops.

Over the past decade, BPA has taken very seriously the importance of managing expense and customers have benefitted greatly from the resulting period of rate stability. Prior to BPA's commitment in the 2018-2023 Strategic Plan to "bend[] the curve" of cost growth, customers had been subjected to repeated increases in spending, even as the Agency was unable to complete capital investment at the target rate. AWEC's members – large consumers within the Region who are also subject to cost pressure while operating in competitive and often trade-exposed markets – understand and deeply appreciate the efforts that BPA has made across the organization to keep cost increases below the rate of inflation. BPA's ability to do this, while maintaining its very high standards of service is a testament to the hard work and determination of its people.

While BPA points to cost pressures from the inflationary economic environment that has existed since the COVID-19 pandemic as a driver for increased IPR projected costs during the BP-26 rate period, AWEC encourages BPA to continue to foster a culture of prudence and cost control. We also encourage BPA to be clear-eyed about the significant and persistent gap between BPA's modeled capital spend numbers and its significantly lower capacity to actually meet those projected levels, which is discussed more fully below. In addition, on the expense side, AWEC understands the importance of BPA's investment in its people. Nonetheless, given the difficulty of hiring skilled and qualified people in today's labor market, BPA's inclusion of a lapse rate (which results in an 16% reduction in personnel expense) is appropriate. AWEC is, however, concerned that this assumption only partly addresses the challenges with hiring, and it may still leave BPA inflated costs that assume higher head count than will be actually feasible. Indeed, the difficulty in attracting and hiring needed human resources appears to contribute to BPA's underspend on some capital projects.

Transmission

Transmission service has been a topic of much discussion both within and outside of the Agency as the needs of the Pacific Northwest change in the face of decarbonization and electrification. While AWEC has historically raised concerns about transmission spending forecasts that do not materialize, we are pleased to see that the most recent QBR indicates that BPA is currently investing robustly in its transmission system. AWEC urges BPA to continue its focus on cost-management as it tackles the challenges of an evolving energy landscape and growing demand for transmission. AWEC believes that the increasing demand for transmission justifies BPA's investment in the system, and we believe that over the long term, the increased capacity will benefit both the reliability of the region's grid, and the opportunity for BPA to make additional sales of transmission, which will contribute toward the repayment of BPA's investment. However, reasonable timelines for project completions must be established and maintained.

Power

Columbia Generating Station

Over the past decade, the Columbia Generating Station ("CGS") has successfully contained costs while providing reliable, cost-effective generation. Investment in this resource delivers clear benefits to customers. Notably, the IPR assumes that the proposed uprate of the CGS will go forward. AWEC looks forward to the release of the business case for the proposed uprate, which is due to be released in spring 2025. Like many other customers, we are hopeful that this business case will demonstrate that the CGS can be optimized to provide even greater value to the Region. However, BPA should identify how its costs would change, and how customers would be protected if the uprate proposal is not ultimately adopted.

Federal Hydropower

BPA proposes a significant increase in Federal Hydropower spending, which is likely to result in a rate increase during the upcoming rate period. This will significantly impact power customers during a period of ongoing economic instability in the Region. While AWEC requests that BPA continue the culture of cost-management that has resulted in rates that have risen at a slower pace than inflation, we support investment in the Federal Hydropower System that are needed to preserve the safe, reliable operation of this critical resource.

However, BPA has historically been unable to achieve the level of capital investment that it proposes in the IPR. This pattern of underspend can lead to customers paying rates that assume investments that have not actually been made. This is particularly critical in BP-26 because this will be a three-year rate period and the increase in projected costs is significant. As such, any cost increases in rates may impact customers while they are also facing potential impacts and uncertainty related to the new contract and the potential for a seismic shift in how BPA serves customers in an organized market. We appreciate that BPA has taken a number of steps to better implement capital programs, such as adding milestones for design and contracting, yet BPA has still not closed this gap, and indeed, missed its latest quarterly target for Q2. The last six quarters, prior to Q3 2024, demonstrate that even with some process improvements and large projects underway, BPA has a history of underspend. In order to address this, AWEC recommends that BPA include, as it has in the past, a lapse factor for the purposes of ratemaking in order to ensure that customers are not paying in rates for investment that cannot be made at the projected rate.

PPC Adjustment

AWEC is aware that PPC is proposing that BPA adopt a measured roll-in of IPR budget increases for asset management and Enterprise Services G&A. PPC's proposal would not reduce BPA's proposed budgets, rather it would phase in the increase evenly across the upcoming three-year rate period, rather than including it all upfront. To the extent that BPA cannot reduce the proposed expenses without endangering the health of the system, AWEC strongly supports PPC's proposal. PPC calculates that this adjustment would produce an average reduction of approximately $44 million per year in increased IPR costs over the course of the BP-26 rate period. This framework acknowledges that investment in the system is important, but it balances this need with the significant impact harmful impact that BPA's proposed budget increases would have on power customers.

Energy Efficiency

A careful look at BPA's proposed Energy Efficiency funding is appropriate. AWEC continues to support cost-effective conservation as a critical resource. However, BPA's projected spending is based in part on BPA's 2022 Resource Program. AWEC understands that BPA's 2024 Resource Program has faced delays from initial projected timelines; however, BPA should be assessing its conservation program based on the most up-to-date Resource Program information.

Fish and Wildlife

AWEC urges BPA to reject all generic proposals for the Agency to increase its Fish and Wildlife beyond that necessary for the Agency to meet applicable statutory and legal obligations. Because BPA has already identified its obligations in developing its proposed investment levels and increase in spending is inappropriate and unlikely to be statutorily supported.

<u>/s/ William Gaines</u>
Executive Director
Alliance of Western Energy Consumers

August 16, 2024

John Hairston, Administrator
Bonneville Power Administration
905 NE 11th Ave
Portland, OR 97232

Dear Administrator Hairston:

The NW Energy Coalition provides the following comments on the 2024 Integrated Program Review.

NWEC appreciates the extensive detail in the IPR materials. This provides insight into many important areas of Bonneville's operations and finance, and gives us more appreciation for the work every day by staff and contractors to keep Bonneville's power marketing and transmission system operating properly and providing essential services and benefits to the entire Northwest region.

However, the IPR also solidifies our longstanding concern that Bonneville is an agency with a medium term financial policy but not a coherent medium term investment policy.

For years Bonneville has suppressed needed investment across the agency in pursuit of keeping preference customer rates as low as possible in the short term. System maintenance and needed investment in modernizing business systems, protecting the productivity of the hydrosystem, investing in clean energy resources, improving fish and wildlife protection, and strengthening BPA's transmission system have fallen further and further behind.

There have been clear warning signs. Most recently, the IPR materials highlight the dramatic recent reductions in availability for the hydropower facilities at Bonneville, The Dalles, John Day and especially Grand Coulee, the largest generation facility in our region.

And so the day of reckoning has now arrived, and proposed IPR spending levels envision substantial increases, much of which is overdue and well justified. The IPR also features the beginning of a long-running multi-billion dollar balloon payment for the proposed renovation and upgrade of the Columbia Generating Station.

	Average BP-24 Rate Case	Average BP-26 Initial IPR	Increase
Power			
Expense	1,409	1,674	18.8%
Capital	430	809	88.1%
Transmission			
Expense	594	775	30.5%
Capital	840	1,404	67.1%

($million per rate year)
Source: IPR Initial Publication, Tables 1 and 2

All of this poses massive wholesale cost increases for Bonneville's power and transmission customers. And the wholesale costs will soon be reflected in the utility bills all Northwest consumers pay, because in addition to its preference customer load and transmission service obligations, Bonneville also provides surplus power and transmission services to all Northwest investor owned utilities and many independent power producers and marketers.

Today, we face deep challenges in addressing growing power demand, scarcity pricing episodes for gas power plants that generally set regional power market price levels, and the constraints of low streamflow and hydro generation as experienced in both 2023 and 2024.

Bonneville has numerous legal mandates and policy goals providing for improved service and affordability for all power consumers in the Northwest, and protecting fish and wildlife resources affected by the hydrosystem. Bonneville can also assist in achieving state policy goals for clean energy, climate protection and consumer equity.

The IPR demonstrates the adage that "your budget is your priority." The unbalanced investment strategy of this year's proposed IPR spending levels should be revamped so that Bonneville is better positioned to address the challenges ahead.

Energy Efficiency and Demand Response

For more than a decade, NWEC's biennial IPR comments have focused over and over again on the faltering commitment by Bonneville to cost-effective energy efficiency. Our warnings were unheeded, and based on analysis by the Northwest Power and Conservation Council, Bonneville fell 30% short of the Council's 7th Plan EE target for

2016-2022. This IPR does not propose a course correction, and in fact backslides even further on Bonneville's obligations.

Starting nearly a decade ago, Bonneville's spending on energy efficiency has fallen behind, and signs of any significant effort on demand response are nowhere to be found. Yet the forward value of energy efficiency is growing rapidly in assisting with hydrosystem and transmission flexibility, reducing exposure to scarcity pricing in the natural gas and power markets, and thereby diminishing rate pressure on regional power consumers.

In recent years, the IPR provided sufficient context to analyze the EE budget and program development. In this year's IPR, only a minimum of detail is provided. Still, the headline results are very telling: EE budget increases for direct programmatic expenditures will barely keep up with the cost of inflation and recover none of the ground lost over the last decade.

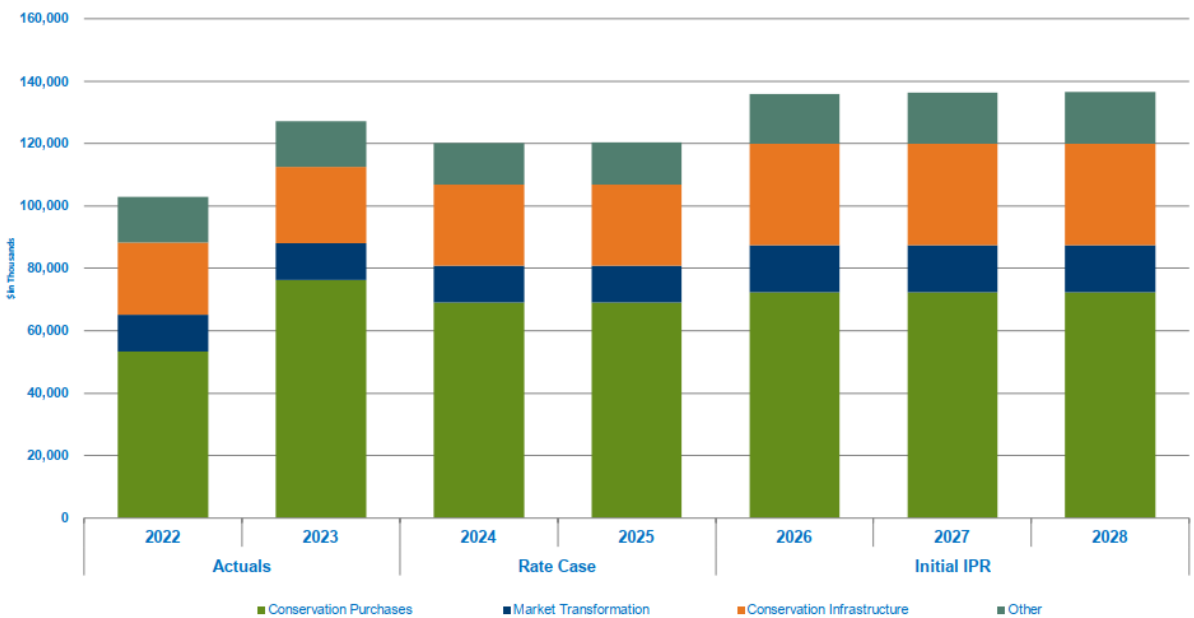


Figure 18: Power Energy Efficiency, Expense Overview

Specifically, as shown in Table 3-A of the IPR Initial Publication appendix, direct conservation program spending will increase only about 5%, from $69.0 million in the FY24-25 rate period to $72.5 million in FY26-27-28.

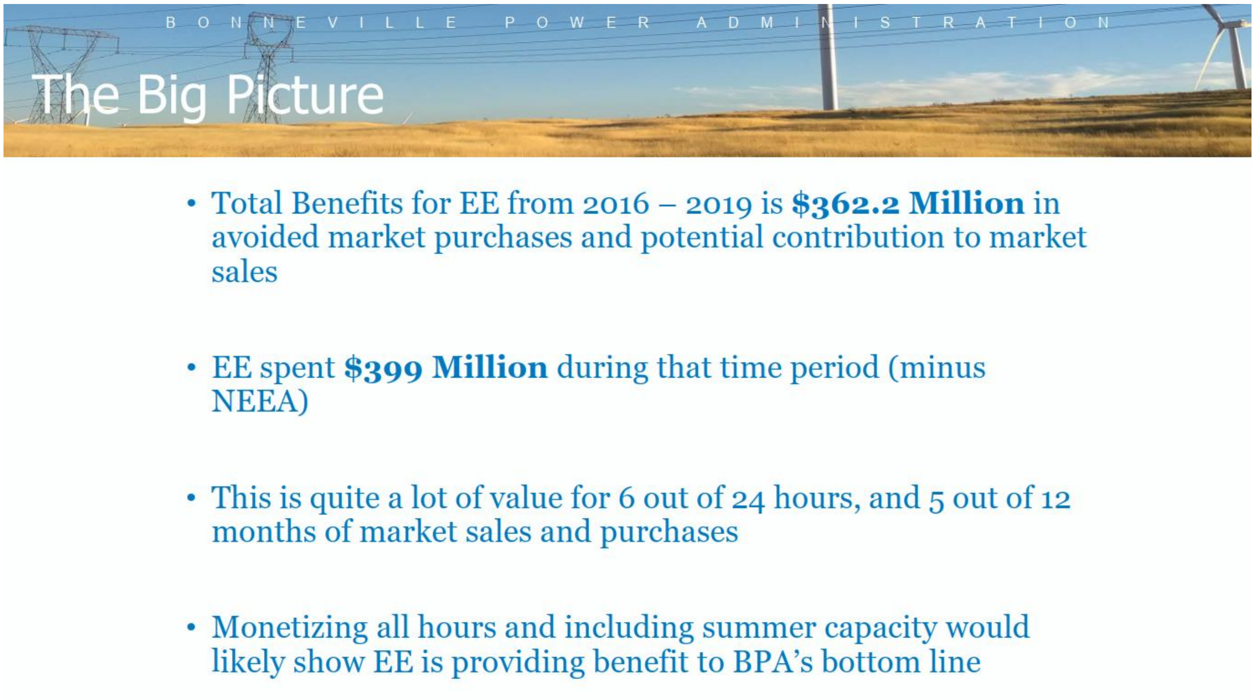
Unlike previous years, no specific EE presentation was made during the IPR workshops. When we inquired, BPA staff informed us: “EE does not have a separate workshop this year. We reserved workshops for those parts of the business that are forecasting significant cost increases in BP 26.”

Yet despite the recent shortfall, energy efficiency is the only resource acquisition success that Bonneville has achieved over several decades. The NW Council estimates that the region has achieved almost 8,000 MW of energy efficiency, including a large fraction facilitated by Bonneville and public power in accordance with the mandate of the Northwest Power Act to acquire all cost-effective energy efficiency.

Until recently, energy efficiency has served well to cover most of our regional load growth. But now we see rapid acceleration of demand, the shifting resource mix in the west, and the increasing challenges of climate change impacts. Other clean resources are now ramping up, but energy efficiency must also expand to meet the challenges the Northwest now faces.

The value of energy efficiency is scaling up quickly. The best example is the January 2024 deep freeze. Without the EE acquired historically by Bonneville and other regional utilities, much more expensive gas power plants would have been constructed in recent years. That would have meant far greater exposure to the underground gas storage and pipeline failures that occurred in January alongside very low hydropower generation conditions and skyrocketing wholesale gas costs and power market prices exceeding $1000/MWh.

But there is an additional lesson: the 150 MW of energy efficiency that Bonneville and most of public power failed to acquire in accordance with the 7th Power Plan targets looms large as a lost opportunity to reduce exposure to scarcity pricing and improve reliability in extreme weather conditions, as well as provide system and consumer value every hour of the year.



Efficiency Exchange 2020 Summer Webinar Series

In previous years, there was hope that Bonneville was beginning to recognize the growing value of energy efficiency. A 2020 presentation highlighted the benefits of EE in reducing net market costs, one of several categories of EE benefits. We are not aware of any updates to this analysis, and certainly the 2024 IPR keeps its foot on the brakes of EE spending rather than accelerating to meet the challenges ahead.

Recommendation: BPA should increase its overall energy efficiency purchases by at least 10% for the BP-26 period. Furthermore, given the cumulative shortfall in spending, Low Income and Tribal program levels should be increased by $2 million per year for BP-26.

Columbia Generating Station

As Energy Northwest management noted in their IPR workshop presentation, CGS now has the oldest generation equipment in the US nuclear power industry. The time has arrived for an overhaul and a prospective 170 MW "Extended Power Uprate" is on the table, but the IPR is nearly silent about the due diligence needed to ascertain whether this multi-billion dollar investment is the best option available.

Columbia Generating Station provides a large amount of power to the Federal Base System. But it comes at increasingly higher cost and has significant "single shaft risk" – any serious forced outage can result in losing over 1100 MW of generation and then a lengthy restart. All of these factors add substantially to reserve requirements, grid stabilization and overall resource adequacy constraints.

Although Energy Northwest management boasted of preparing for another 20-year license extension beyond the current 2044 expiration, and even one beyond that, making CGS a 100-year resource, the plant is now in the latter stages of its design life. Even with a significant generation overhaul, the global track record of nuclear power plants after 40 years of operations shows a clear “bathtub curve” effect, where O&M cost escalation and increasingly frequent forced outages can eventually result in retirement well ahead of plan.

Furthermore, as a classic “baseload resource,” CGS has almost no operating flexibility and is basically a must-run resource under nearly all conditions. But it is also extraordinarily expensive. The days when CGS was merely twice as expensive as federal hydro are nearing an end. During the 6-year renovation period from 2026 to 2031, average annual generation cost will be above $100/MWh (and possibly more with cost escalation or construction delays) because of extended outages needed for the massive refurbishment of the facility. CGS is bound to be “out of the money” even more than it is today.

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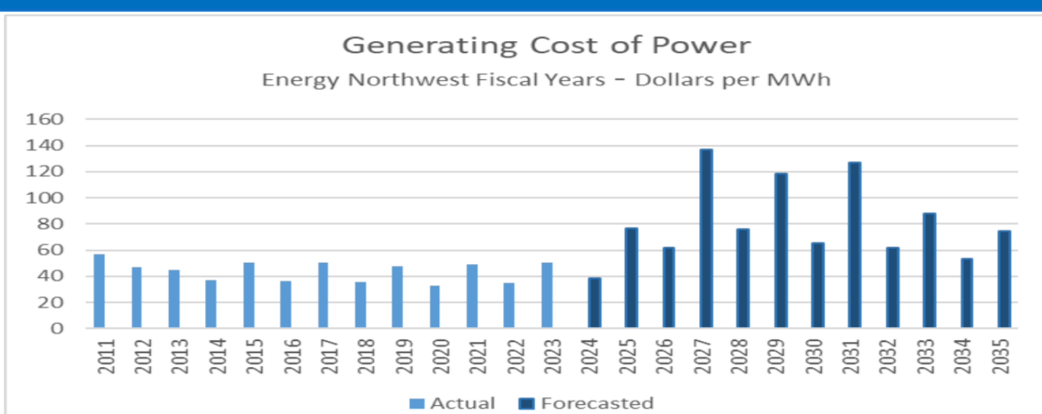
CGS Cost of Power



	Actual													April LRE	Budget	Long Range Plan									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Actual	56.86	47.34	45.06	36.96	50.47	36.45	50.38	35.59	47.63	32.58	49.17	35.31	50.42												
Forecasted														38.73	76.74	61.63	137.11	76.38	118.84	65.75	126.96	61.68	87.99	53.66	74.47

Includes O&M, nuclear fuel amortization and capital
Also included in the capital costs are the Extended Power Uprate (EPU) and Second License Renewal (SLR).

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B O N N E V I L L E   P O W E R   A D M I N I S T R A T I O N

Furthermore, the rate pressure from CGS modernization will be substantial. In addition to $2.5 billion in capital expenditures between 2026 and 2031, CGS O&M costs will increase from an average of $300 million per year in the current rate period to at least $412 million in FY26-27-28. That increase of $112 million for O&M alone is not much less than the entire EE budget of about $135 million per year. And it does not include the cost of replacement power during extended construction outages nor the subsequent levelized cost resulting from the projected $2.5 billion capital investment over the coming 6 year period.

Recommendation: Bonneville and Energy Northwest should provide ample opportunity for public workshops, informational materials and comments during the "business case study" over the next several months. That study must explicitly incorporate an assessment of substitute or replacement power alternatives, and a full risk assessment and backup plan for potential cost escalation, project delay, and CGS output reductions up to and including forced retirement.

Respectfully submitted,

Lauren McCloy
Policy Director

Fred Heutte
Senior Policy Associate

Mike Goetz
Senior Policy and Regulatory Counsel

Will Gehrke
Senior Technical Analyst

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John Hairston
Administrator
Bonneville Power Administration

August 16, 2024

Dear Administrator Hairston:

The Washington Department of Commerce (Commerce) appreciates the opportunity to comment on the Bonneville Power Administration's BP-26 Integrated Program Review (IPR). We are pleased see the proposal to increase energy efficiency funding and initiate a demand voltage reduction pilot project but have comments on Bonneville's pace of investment in distributed energy resources.

The pace of resource acquisition in the region must increase in the near term to maintain an adequate power system and meet future needs. Washington's 2021 State Energy Strategy found that electricity demand in Washington could grow 13-20 percent from 2020 levels by 2030.[1] In its most recent Resource Adequacy Assessment, looking at 2029, the Northwest Power and Conservation Council (Council) highlighted the need to acquire resources consistent with the high end of the Council's recommended regional resource strategy in its 2021 Power Plan in order to maintain adequacy under expected load growth conditions, noting that acquiring only the lower end of the of the ranges for new resources would not be sufficient to maintain resource adequacy, and that higher load growth also poses adequacy risks.[2]

Energy Efficiency

As part of meeting increasing needs, Commerce strongly supports the BP-26 IPR proposal to increase energy efficiency funding for the 2026-2028 rate period. Increasing programmatic savings and funding for market transformation, while also funding low-income and tribal weatherization, will help Bonneville remain on track to meet its share of the Council's 2021 Power Plan conservation target. We appreciate the forward-looking nature of the IPR proposal to invest in conservation infrastructure to support end-use load research and acquire measures that provide valuable savings during times of high energy needs.

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[1] Washington Department of Commerce, Washington 2021 State Energy Strategy, at 116. https://www.commerce.wa.gov/wp-content/uploads/2020/12/Washington-2021-State-Energy-Strategy-December-2020.pdf

[2] Northwest Power and Conservation Council, Pacific Northwest Power Supply Adequacy Assessment for 2029, at 26. https://www.nwcouncil.org/fs/18853/2024-4.pdf

Distributed Energy Resources

Regarding distributed energy resource investment, Commerce supports the proposal to develop a Demand Voltage Reduction pilot project. However, the discussion of DERs was limited in the IPR proposal. In the same proactive manner that Bonneville is investing in conservation infrastructure, we would like to see Bonneville pursuing additional opportunities to develop programs for other demand response measures, leverage distributed energy resources such as distributed solar and storage, and provide support to customer utilities in developing DER programs within their service areas. Bonneville should identify and pursue industrial demand response opportunities, and investigate potential for reducing costs of capacity through deployment of virtual power plants that include demand flexibility as well as distributed generation and storage.

In conclusion, Commerce is pleased see proposals for higher funding for energy efficiency and demand response. We are concerned, however, that the pace of acquisition for new resources must accelerate to meet growing needs within Washington and across the Pacific Northwest reliably and affordably. Thank you for the opportunity to comment.

Sincerely,

Michael W Furze

Michael W. Furze, Assistant Director
Energy Division, Washington State Department of Commerce

Written accompaniment to M-S-R's public comment

Summary:

M-S-R is concerned that the level of forecasted capital, labor and technology expenditures will unnecessarily lead to rate shock. There are significant risks that the forecasted expenditures will not be achievable, making resulting rate increases unnecessary. The existing methodology for addressing over collections is primarily the Reserves Distribution Clause. That methodology has provided limited rate relief to Transmission customers, with most of the accumulated over collections being retained by BPA or applied to repay debt. Accordingly, excessive rates resulting from aggressive forecasts will, under BPA's current structures, result in over collections without a real chance of those over collections being returned to Transmission customers. In addition, this rate period is three years long, so if rates are set too high customers are forced to pay them for an additional year before having an opportunity to address the overcharges in the next rate case.

These concerns can be addressed by modifying BPA's rate setting so it applies an adjustment factor to take into account only 80 percent of the forecasted expenditures when setting rates. If expenditures during the rate period exceed the adjusted forecast, BPA would adjust rates during the rate period through an abbreviated rate proceeding. Alternatively, BPA should adopt a formula rate for transmission so any over or under collections are trued up on an annual basis.

Screen clipping from BPA's public comment portal:

Tracking ID: BP26IPR240002

Title: BP-26 Integrated Program Review — View All Titles

Approved: ○ Yes ◉ No — **Date Approved:** 8/19/2024

First Name: Peter — **Middle Initial:** J

Last Name: Scanlon — **Representing:** Duncan, Weinberg, Genzer &

Please check that which best describes the group they are representing:

○ Private Citizen ○ Tribe ○ Government (non-elected)
◉ Public Utility ○ Investor Owned Utility ○ Business
○ Special Interest Group ○ Elected Official ○ Other

How did they learn about this public comment period?

☑ BPA Representative ☐ BPA Letter or Postcard ☐ Utility
☐ BPA website ☐ Facebook ☐ Twitter
☐ Newspaper/TV/Radio ☐ TechForum Announcement ☐ BPA Finance Email
☐ Other

If Other, please list:

Email: pjs@dwgp.com — **Phone:** 2024220251

Address: 1667 K St, NW Ste 700 — **City:** Washington

State / Country: United States — District of Columbia — **Zip:** 20006

Comments of the M-S-R Public Power Agency on BPA’s 2026 Integrated Program Review

August 5, 2024

The M-S-R Public Power Agency (“M-S-R”) is a joint powers agency formed by the Modesto Irrigation District, and the Cities of Santa Clara and Redding, California, each of which is a consumer owned utility. Beginning with a 2005 contract, M-S-R obtained contractual rights to the output from some of the first large scale wind resources developed in Washington State. M-S-R and its members currently have rights to 350 MW of wind generation in Washington and Oregon, which its members use to serve their customers and meet California’s Renewable Portfolio Standards. Those customers ultimately bear the cost of the Bonneville Power Administration (“BPA”) Transmission and ancillary services rates and charges.

M-S-R appreciates the opportunity to comment on BPA’s Integrated Program Review for BP-26, including the Initial IPR Proposal, presentations by the executive team members, and the Strategic Asset Plans. The IPR documents clearly indicate that BPA staff and the BPA Executive team have put a lot of effort into identification of priority activities, analysis of dynamic changes in the external environment, and internal resources and capabilities that require additional attention and investment.

SUMMARY

M-S-R is concerned that the level of forecasted capital, labor and technology expenditures will unnecessarily lead to rate shock. There are significant risks that the forecasted expenditures will not be achievable, making resulting rate increases unnecessary. The existing methodology for addressing over collections is primarily the Reserves Distribution Clause. That methodology has provided limited rate relief to Transmission customers, with most of the accumulated over collections being retained by BPA or applied to repay debt. Accordingly, excessive rates resulting from aggressive forecasts will, under BPA’s current structures, result in over collections without a real chance of those over collections being returned to Transmission customers. In addition, this rate period is three years long, so if rates are set too high customers are forced to pay them for an additional year before having an opportunity to address the overcharges in the next rate case.

These concerns can be addressed by modifying BPA's rate setting so it applies an adjustment factor to take into account only 80 percent of the forecasted expenditures when setting rates. If expenditures during the rate period exceed the adjusted forecast, BPA would adjust rates during the rate period through an abbreviated rate proceeding. Alternatively, BPA should adopt a formula rate for transmission so any over or under collections are trued up on an annual basis.

COMMENTS

M-S-R's comments are organized as follows. First, M-S-R will address its understanding of the information provided in the BP26 IPR process. Second, M-S-R will address concerns regarding the level of the forecasted expenditures. Third, M-S-R will identify areas that require clarification. Fourth, M-S-R addresses means for mitigating some of the concerns.

I. BP26 IPR

The BP26 IPR materials forecast spending and capital budgets for the three years 2026 – 2028. The levels of annual spending on IPR cost categories and budgeted capital are significantly higher than the prior rate periods. BPA attributes the increases to several factors: transmission facility expansion; power generation facility maintenance and upgrades; information technology; environment, fish and wildlife; and workforce expansion. The IPR expenses forecasted for Transmission average about $775 million per year, which is $180 million per year higher than the average IPR expense during BP-24.[1] While the Administrator's IPR introduction[2] references Transmission's IPR increasing by 10.5%, the amounts shown on the Appendix reflect a 30% increase to Transmission's IPR expenses.

Similarly, IPR expenses forecasted for Power average $1.674 billion per year, an increase of about $265 million, or 19% higher than the BP-24 average of $1.4 billion.[3] That is significantly higher than the roughly seven (7%) referenced in the Administrator's introduction.

[1] BP-26 Integrated Program Review Initial Publication Appendix Table1-A Detailed Trans I.S., and IPR Tables 1-2 Summary (June 2026).
[2] BP-26 Integrated Program Review Initial Publication at page ii (June 2026).
[3] BP-26 IPR Initial Publication Appendix Table1-A Detailed Power I.S., and IPR Tables 1-2 Summary.

Capital spending plans are even more aggressive, with forecasts more than doubling the current capital spending budget. The IPR and capital budgets are not the only drivers of rates, but those two elements alone would result in truly shocking rate increases, absent mitigating factors. However, customers are left to guess because the IPR materials are silent as to rate forecasts, and important factors such as the potential increased revenues resulting from the capital spending are not included. One guesstimate based solely on the IPR expense increases and increased capital results in the following:

	BP-24 Revenue Requirement (Million)	Increased IPR Expense ($Million)	Increased Capital Expense ($Million)	Total Increase (Million)	Percentage Increase
Transmission	**$1,264**	**$180**	**106**	**$286**	**23%**
Power	**$3,144**	**$265**	**$ 53**	**$318**	**10%**

M-S-R does not question the need for the categories of spending increases and cost pressures identified by BPA Staff and Management in the IPR process. M-S-R fully supports BPA's goals of a reliable grid that enables the region to pursue its economic, environmental, and social objectives. However, the steep slope to the spending curve does raise questions regarding the ability to achieve the spending levels, for both IPR and capital investment.

II. The Magnitude of BPA's Forecasted Increased Expenditures Expose Customers to Unnecessary Rate Shock

BPA's IPR reflects aggressive capital spending goals. M-S-R is concerned that the BP-26 rates will reflect those massive spending goals, despite the significant headwinds making it likely the massive spending plan will not be fully implemented during the next three years of the BP-26 rate period. The following table attempts to demonstrate the magnitude of the proposed capital spending by comparing it with the current BP-24 budget, the actual spending during the most recent full fiscal year (FY23), and with a forecast published by BPA less than one year ago:

	BP-26 IPR Forecast (Millions)	BP-24 Rate Case Budget (Millions)	FY 23 Actual Spend (Millions)	FY23 Annual Report Forecast (Millions)	Increase over BP-24 Budget (Millions)	Increase over FY23 Actual Spend (Millions)	Increase over FY23 Report Forecast (Millions)
PR	**$809**	$430	$206	$307	$379	$603	$502
TR	**$1,404**	$640	$511	$658	$764	$640	$746

The amounts forecasted for capital spending are unprecedented, increasing forecasted spending by more than 300% over current spending for the Agency, and nearly twice the annual amount forecasted in BPA's November of 2023 Annual Report.[4]

It is important to note the hefty rate impact that would be imposed on consumers as a result of including such a monumental budget in rates. The impact of BPA's capital spending forecasts is magnified by more than four hundred (400%) by BPA's Sustainable Capital Spending Policy.[5] That is, without the revenue financing, the impact to rates is limited to some interest during construction and possibly some forecasted depreciation on the projects, which may amount to 3- 5% of forecasted expenditures, depending on expected in service dates. With the revenue financing policy as much as 20% of the costs may be collected in current rates as revenue financing. That 20% is 400% of the carrying/depreciation costs M-S-R understands are typically included in rates for forecasted capital spends.

The capital spending proposed in the IPR reflect increases above current capital spending of $764 million per year for Transmission ($2.292 billion for the rate period) and $379 million per year for Power ($1.137 billion for the rate period). If even 10% of those increases are revenue financed, that would add $76 million per year to Transmission's rates, and $38 million per year to Power's rates. (Those amounts double if the 20% factor is applied, but there are limiting factors in the Policy, so M-S-R will use 10% to be conservative). Approximating 4% carrying costs/depreciation for the remaining forecasted increased capital investments raises those annual amounts to $106 million for Transmission and $53 million for Power.

[4] BPA 2023 Annual Report *The Power of Resilience* at 30.
[5] Administrator's Record of Decision *Sustainable Capital Financing Policy* (July 2022).

One important aspect of the widely opposed Sustainable Capital Spending Policy is the retention of Administrator discretion to not require revenue financing on a case by case basis.[6] M-S-R submits that this proceeding, with unprecedented growth in capital spending forecasts, is a circumstance when the Administrator's discretion would be wisely applied to opt out of revenue financing, and instead rely on the borrowing authority provided by Congress to fund the expenditures if the expenditures actually materialize during the rate period. Doing so would be consistent with sound business practices, using a valuable tool provided by Congress to avoid rate shock and corresponding harm to the region.

The discussion in the following subsections identifies some of the many questions surrounding BPA's ability to spend 300%-400% of its current average spending.

A. BPA's Forecasts Do Not Reflect Continued Underspending

BPA' history of underspending compared with its capital forecasts continues to persist. In response to comments in the BP-22 IPR process, BPA adjusted its spending targets to acknowledge the history of underspending, applying a "lapse factor" to reduce the amount of the Transmission capital forecast by ten (10%) percent.[7] Despite the "lapse factor" reduction in rate case budgeted capital expenses, BPA spent only 89% of the Transmission capital budget during the BP-22 rate period, as shown below:

	BP-22 2022 Budget ($Millions)	Bp-22 2022 Actual ($Millions)	BP-22 2023 Budget ($Millions)	BP-22 2023 Actual Spend ($Millions)	2 Year Over/Under Rate Case	%
Power	322	208	290	206	114	65%
Transmission	557	497	470	511	60	89%
Corporate	8	16	18	12	-8	205%
Total Agency	887	721	778	729	166	81%

[6] *Id.* at 75.
[7] BP-22 IPR2 Close Out Letter at 2 (April 2021). BPA continued and expanded the scope of that lapse factor adjustment in the BP-24 IPR. BP-24 IPR Close Out Letter at 8 (October 2022).

The above reflects continuation of the underspending compared with forecasts and rate case budgets. While the trend over the last year for Transmission has shown an ability to spend at an increased rate, with spending for FY23 ($511 million) exceeding the budget, and the same result forecasted for FY24 ($540 expected with a budget of $438 million), the level of spending during 2023-2024 is about one-third the $1.4 billion per year BPA is forecasting for each of the three years during BP-26.

Similarly, over the past 10 years (2014-2023) actual IPR expenses have been 93.5% of the IPR budget.[8] In the past when M-S-R has inquired as to why the expenditures were below budget a frequent response was there was a lack of resources, including human resources and supply chain issues. Thus, M-S-R thinks it is appropriate to further consider the proposed level of increases in expenditures in the context of likely, not possible, available resources and improvements in the supply chain.

B. <u>The Specific Drivers for Capital Expense Growth are Not Apparent and May Not Materialize</u>

M-S-R strongly supports BPA's commitment to provide for actual expanded transmission needs of the Northwest. However, M-S-R has serious concerns with regard to the current metric, customer requests for additional transmission, as the primary metric for forecasting future transmission requirements and expenditures.

It is M-S-R's understanding the current paradigm requires those interested in developing new resources to first acquire firm transmission and then and only then contract with a counterparty for the actual purchase of the energy. As a result, many applications for additional transmission are filed for a very limited number of actual counterparty opportunities. This can significantly over state the actual need for additional transmission.

It is M-S-R's understanding that actual transmission flow is a function of actual load and exports, not necessarily the MWs of installed resources. (Obviously load requires resources but resources in excess of load plus exports does not necessarily require transmission). Thus, the current paradigm results in the appearance of a dramatic need for additional transmission when the actual need may be much less or difficult to quantify.

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[8] Strategic Asset Management Plan 2024 Transmission (SAMP-Transmission) Table 8.4-1.

M-S-R also understands that BPA may join a day-ahead-market. M-S-R would like some discussion of how the "market allocation" of resources may impact transmission usage relative to the historic bilateral dispatch market. Will it increase, reduce, or leave unchanged both the need and pattern of usage? If participation in a day-ahead-market may have a material impact on usage is this the appropriate time for significant expenditures before the impact(s) are known?

M-S-R recognizes there are 3 instances where additional transmission would be required.

- A major shift in the location of resources to serve load
- Load growth in constrained areas
- New Large Single Loads (NLSL)

With respect to a major shift in the location of resources, it appears likely that resource development may occur in areas currently not well connected to the grid. The need for additional transmission to connect these resources to the current grid is plausible. The questions are how much? In what time frame?

M-S-R suspects that much of this development will be for the displacement of existing thermal resources, not necessarily to accommodate "unprecedented" load growth. M-S-R would like some discussion regarding displacement vs expansion in BPA's capital expenditures.

M-S-R does not project load growth for constrained areas in the Northwest. The respective utilities that serve these areas are very capable of providing such information. It may be that some additional transmission is needed. Again, the questions are how much? In what time frame? Related to time frame also is the question of permitting. Permitting additional transmission in developed areas and/or environmentally sensitive areas historically often has been time consuming and often accompanied by significant delays. What time frame is BPA assuming for new transmission?

Lastly, there is the potential for NLSLs, most common, currently, "server farms." There are 2 related issues to address: 1. How many? 2. Where will they locate? Logically they would like to locate where the cost of electricity is low and the reliability of service high. However, there is some discussion that they may increasingly acquire their own source of energy potentially in proximity to their facilities. If this does materialize it could reduce the need for additional transmission capacity.

The point of this discussion is not to suggest that the Northwest will not need BPA to expand its transmission, but rather to suggest the magnitude and timing of such expansion is subject to great uncertainty. The proposed IPR capital budget may anticipate a level of need that will not materialize for many years. Reference to a surge in the transmission service request queue as a basis for an expanded transmission expansion initiative may not be a reliable metric. M-S-R would like some discussion of exactly how much additional transmission capacity and how much of the massive increase in the IPR budget is associated with specific projects.

One specific asset that has been discussed outside the IPR is the new Vancouver Control Center (VCC). It appears that BPA decided to move forward with designing and constructing the VCC. Although the cost estimate was initially $550 million, M-S-R understands BPA now projects a cost of $961.8 million, $237 million of which will be spent before BP-26, and $623 million of which is forecasted for BP-26.[9] M-S-R would appreciate an explanation of how those expenses are treated in the IPR, and to which business line those costs are being assigned. M-S-R also considers this to be a one-time event and suggests it be identified separately from the IPR capital program for BPA's on-going businesses. Separate treatment of the VCC will allow increased system expenditures, sustain and expansion, for both capital and expenses to be considered in an historical perspective.

Like the IPR proposed expenditures for "sustain" M-S-R supports BPA's necessary expenditures for capital expansion but with the condition that the proposed level of expenditures, in the BP-26 rate period, reflect the significant uncertainties regarding the timing and level of transmission demand likely to occur during the BP-26 rate period.

The Appendix to the Initial Publication reflects a single line item for Expand/Sustain, with nearly $3 billion forecasted over the three years. M-S-R requests a table that summarizes the major expenditures. For example, how much will be spent on new transmission lines? Which lines? How much will be spent on upgrades to existing transmission lines? How much additional capacity will be created? Which specific projects will provide additional capacity, how much, and what revenues are expected to result from the additional capacity?

[9] Vancouver Control Center Customer Workshop at Slide 10 (March 13, 2024).

C. How Will BPA Develop the Resources Necessary to Accomplish the Proposed Work Within the Next Three Years

Above M-S-R has provided comments on the need for and expected benefits from the proposed level of IPR expenditures in BP-26. Overall M-S-R supports BPA's request for necessary system expansion and reliability expenditures but is concerned that the magnitude of the forecasts for the three year rate period overstate what can be accomplished given the significant uncertainties.

In this section M-S-R will comment on the adequacy of BPA's current and projected resources available to accomplish the proposed program work. Candidly, M-S-R is skeptical that BPA currently has the resources necessary to increase IPR related expenditures by 30% and IPR related capital expenditures by 300%.

M-S-R certainly acknowledges that given sufficient time BPA can enhance its resource capabilities to accomplish the growing needs of the region. However, 15 months does not seem like sufficient time (July1, 2024-October 1, 2025). M-S-R has carefully reviewed the materials BPA has provided and is influenced by several disclosures:

- Historical relationship or budget to actuals
- Challenge of acquiring and retaining skilled labor
- Adequacy of existing tools
- Dependency on IT development
- Supply change risks
- Dependency on other organizations

1. IPR budget to Actuals

As cited above over the past ten years actual expenditures have been about 93.5% of budget, and Transmission capital expenditures over the past ten years have been about 88% of budget. This is not intended as a criticism, but rather an observation. In fact, BPA is to be commended for only spending funds when it can do so in a prudent effective manner.

As an observation it is important to note that underspending has not been infrequent and as a consequence of financial policy (not a part of this process) has resulted in an asymmetric financial impact on transmission customers. That is, if actual costs exceed budget there are tools to collect revenues, in a timely manner, for the shortfall; if actual expenses are less than budget the excess revenues historically are primarily used for BPA financing purposes not revenue reduction to transmission customers.[10] The benefit for transmission customers is deferred well into the future.

Thus, from a transmission customer's point of view, large increases in IPR expenditures create a likelihood that current customers will benefit future customers because over collections in excess of costs from current transmission customers will be transferred to future customers because the over collections will not be returned to current customers, and instead will be used to lower future customers' costs.

2. Challenge of Acquiring and Retaining Skilled Labor

Throughout the presentations at the BP-26 IPR customer meetings the executive team identified as a challenge the acquisition and retention of skilled labor.[11] On numerous occasions it was emphasized that BPA had to compete with other utilities for the necessary resources.

The expanded level of activity imbedded in the proposed IPR likely requires significant success in both the acquisition and retention of skilled labor. It is possible but far from certain that BPA will be able to meet all of its skilled labor needs. As in the past a lack of skilled resources often results in a lower level of expenditure with the consequence actuals will be less than budget, creating a major financial risk to current transmission customers.

An additional consideration is the experience of the human resource additions. Even if BPA is successful in meeting its hiring goals, it is likely that the new resources will require time to become familiar with BPA's policies and practices. During this learning curve period it quite plausible that less work can be completed. M-S-R would like some discussion on whether or not the proposed IPR expenditures have fully considered learning curve time.

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[10] Power received over $500 million in rate relief from reserves distributions in the last two years, amounting to over 65% of the $785 million of excess Power reserves that have become available for distribution under the Financial Reserves Policy. Meanwhile, Transmission received only $12.7 million in rate credits from reserves distributions since the Reserves Distribution Policy was implemented, amounting to about 3% of the $384 million of excess reserves eligible to be "distributed" to Transmission customers since the Financial Reserves Policy was implemented.

[11] IPR presentation transmission; see also Strategic Asset Management Plan-Transmission Pg. 32

3. Adequacy of Existing Tools[12]

During this IPR process BPA has indicated that certain of its systems have yet to be automated, may need to replaced, or have other limitations which may impede transmission's ability to complete the proposed work in the estimated time period. It is conceivable that the lack of timely system updates and/or replacements could significantly extend the time required to complete the proposed work.

4. Dependency on Information Technology Development

Like many organizations today BPA often requires significant Information Technology (IT) work in order to replace antiquated systems, utilize new emerging systems, and participate in new market opportunities. Even if the necessary approvals have been obtained and the necessary funds made available, projects often cannot advance until the IT work is complete. While BPA acknowledges it has experienced resource limitations with respect to its current IT capability[13] it is even more uncertain as to whether or not BPA will be able to expand its IT capability, in a timely manner, given the limited time available, to accomplish the expansion of required work proposed in the IPR. Without a significantly enhanced IT capability it is quite possible that the actual work completed will be less than anticipated. This in turn likely will result in the delay of projects requiring significant IT participation. Expenditures allocated for those projects likely will be delayed pending completion of the necessary IT work.

5. Supply Chain Risks

The experience of COVID exposed weaknesses in many supply chains. The electric industry was not an exception. While efforts are underway to address these weaknesses it's quite uncertain how quickly they will be resolved. It is quite possible that lack of availability and or delays in the delivery of critical materials, equipment, and parts will result in project delays. The more ambitious the project undertakings the more likely there may be delays.

BPA's IPR proposed level of expenditures seems to assume minimal delays or interruptions. The absence of delays is certainly the hope; but as they say hope is not a strategy. M-S-R would like more discussion of how the expanded proposed

[12] See SAMS Transmission Pg. 42
[13] Ibid pp 41-42

level of expenditures requires the elimination or significant reduction in supply chain constraints.

6. Dependency on other organizations

M-S-R appreciates BPA Transmission's candor when it recognizes that to accomplish many of its proposed projects it will be quite dependent on other organization both in and outside of BPA[14]. Co-ordinating the efforts of numerous organizations, including some outside BPA's chain of command, can be quite challenging and often can result in unanticipated delays. M-S-R recognizes that BPA has been effective in "partnering" with many organizations. M-S-R simply has a concern that the proposed increase in IPR expenditures may not adequately consider the significant potential for delays.

In summary M-S-R is concerned that the unprecedented magnitude of the proposed programs and the complexities associated with the execution of such an ambitious expansion substantively increase the probability of underspending in the BP-26 rate period.

7. Impact of a 3 Year Rate Period

While the unprecedented increase in IPR expenditures is by itself a significant challenge, the decision to extend the BP-26 rate period from 2 years to 3 years creates even greater uncertainty. As discussed above actual expenditures have been difficult to forecast 2 years into the future. Forecasting 3 years into the future is likely far more difficult. Combining the unprecedented increase in IPR expenditures with a 50% increase in the planning period has the potential to create a very large variance in actuals vs. budget. such a variance could pose a significant financial risk to current transmission customers.

[14] Id.

III. Requested Clarifications

M-S-R's review of the IPR materials raises a number of questions for which it requests follow-up responses to ensure transparency.

A. Differences Between Administrator's Letter and IPR Appendix Data

Please explain the substantial gap between the increase in spending described in the Administrator's introduction (7% and 10.5%), and the forecasted spending shown in the IPR Appendix (30% and 19%).

As referenced above, the IPR Appendix shows Transmission's IPR expenses being $775 million per year, which is $180 million per year higher than the average IPR expense during BP-24,[15] a 30% increase, while the Administrator's IPR introduction references Transmission's IPR increasing by 10.5%.[16]

Similarly, the IPR Appendix shows IPR expenses forecasted for Power averaging $1.674 billion per year, an increase of about $265 million, or 19% higher than the BP-24 average of $1.4 billion,[17] while the Administrator's introduction references an increase of roughly 7%.

B. Comparisons With Actual Expenditures

The Initial Publication provides a number of comparisons with prior forecasts and rate case budgets, but it lacks a comparison with actual expenditures. With net revenues for the Agency exceeding the forecasts for the past few years it would be helpful to see the actual results identified and compared with the forecasts to provide context for the forward looking estimates.

C. Rate Estimates

The BP-26 IPR Initial Publication provides estimates of IPR Expense Projections and IPR Capital Projections, with the rest of the factors influencing rates being "out of scope."[18] However, customers are ultimately concerned with how the cost

[15] BP-26 Integrated Program Review Initial Publication Appendix Table1-A Detailed Trans I.S., and IPR Tables 1-2 Summary (June 2026).
[16] BP-26 Integrated Program Review Initial Publication at page ii (June 2026).
[17] BP-26 IPR Initial Publication Appendix Table1-A Detailed Power I.S., and IPR Tables 1-2 Summary.
[18] BP-26 Integrated Program Review Initial Publication at 1.

estimates will impact their budgets. Providing at least an indication as to: (1) how much of an impact the estimates would have on rates; and (2) whether the remaining factors are likely to drive rates up or down, would improve the quality of the IPR process. With BPA Staff preparing for a rate case kick off in the Fall the general impact of the other factors should be knowable. This level of information was provided in prior IPR processes.[19]

D. Forecasts From Annual Report

The Fiscal Year 2023 Annual Report, published in November of 2023, forecasted capital expenditures for 2026 that are far below the forecasts included in the IPR Initial Publication.

Capital Forecasts for FY 2026

	November 2023 Annual Report ($Millions)	June 2024 IPR ($Millions)
Transmission	**626**	**1,356**
Federal Hydro	**292**	**378**
Fish and Wildlife	**29**	
IT and other assets	**25**	**25**
Total	**972**	**1,759**

The forecasts more than doubled for Transmission, and nearly doubled for the Agency as a whole. If BPA can explain what changed during the seven months between the two publications, that would be useful context for the IPR forecasts.

E. Cost Management

The BP24 IPR Close Out letter included continued commitments to cost control.[20] That emphasis on cost management is not apparent in the BP-26 IPR. Why is that?

[19] *See* Potential Impact to the Power and Transmission Revenue Requirements BP-24 Initial IPR (July 1, 2022).
[20] *See e.g.,* BP-24 IPR Close Out Letter at pages i-ii, and page 11. footnote 12 (citing the then recently enacted Infrastructure Investment and Jobs Act provisions requiring consideration of cost management).

F. Project Specific Information

With regard to the massive increase in spending can BPA identify the specific projects that will be funded, the drivers for the specific projects, and the tangible, quantifiable benefits resulting from each project? While the IPR frequently references the aging transmission system and the expectation that load growth may increase, it provides very limited discussion regarding what exactly will be accomplished from the significant increase in expenditures. M-S-R would like some discussion of what changes in capacity are expected and specifically what enhancements to reliability will made. Also, M-S-R would like more specificity regarding the Vancouver Control Center (VCC). What expenditures are included in the IPR budget for each year.

The following provides context for these requested clarifications.

Factors Underlying the growth in Proposed IPR Expenditures

M-S-R understands that BPA has identified 3 material factors that contribute to the proposed increases:

- The need to increase "sustain" expenditures for the existing transmission system
- The construction of a new Vancouver Control Center (VCC)
- The need to expand the transmission system in response to the "unprecedented" level of requests from customers for additional transmission service.

Increase "Sustained" Expenditures

M-S-R understands that BPA has concluded that the existing transmission system requires increased maintenance to ensure the continued reliability of the grid. M-S-R also understands that BPA has concluded that additional attention needs to be given to wildfire mitigation and cyber security. Lastly, M-S-R understands that BPA needs to expand its efforts to acquire and retain human resources.

M-S-R supports BPA's intention to address these areas and supports the necessary expenditure of resources to accomplish necessary work.

M-S-R encourages BPA to provide a simplified table(s) of program expenditures. (The accompanying appendices in the IPR include just one line item "Expand/Sustain"). For example, how much of the proposed increase in expenditures is for increased system maintenance? (For these $ we expect these results.) How much is for wildfire mitigation? How will this reduce or mitigate the fire risk(s)? How much is for enhanced cyber security? How much is for human resource acquisition and retention? (Tables of numbers instead of bare bar charts would be useful.)

IV. Proposed Mechanisms to Mitigate Harm to Customers

M-S-R is open-minded on how best to address the concerns it has raised regarding the potential for underspending and the associated adverse impact this can have on current transmission customers.

One possibility is to consider some form of contingent IPR budgeting. Similar to the construct of "firm" energy vs. "secondary energy", the construct of "firm" spending" and "secondary spending" could be considered.

The IPR could include both "firm expenditures" where the likelihood of execution during the rate period is very high, similar to firm energy where the likelihood of its availability is very high. The IPR also would include "secondary expenditures" where the need is established but the likelihood of execution during the rate period is less certain.

In the context of the Initial IPR Proposal for BP-26 this construct might be as follows: (These percentages are for illustrative purposes only. Actual percentages would be developed in the appropriate forum(s)).

Firm Expenses. 90%
Secondary Expenses 10%

Firm Capital 85%
Secondary Capital 15%

Firm VCC expenditures 95 %
Secondary VCC Expenditures 05%

Given the historical actual spending of approximately 93% and the magnitude of the proposed escalation in expenditures M-S-R would suggest as an initial allocation the following: Expenses would be partitioned 90% firm. 10% secondary. Capital would be partitioned 85% firm 15% secondary (this recognizes the significant increase and considerable uncertainty). The VCC would be partitioned 95% firm and 5% secondary (this recognizes that this is in-progress and there should be better information regarding expenditures and availability of labor and materials).

In the subsequent 7(i) process rates would be set as firm to recover all "firm" expenditures and as contingent pending the level of actual expenditures during the rate period. If the expenditures reach a defined threshold the secondary rates would be implemented to provide the necessary additional revenues required for completion of the secondary expenditures (programs and work). This approach ensures that BPA has the necessary revenues to perform IPR work but reduces the likelihood that various constraints and uncertainties will result in the collection of excess revenues.

Formula Rate Alternatively, BPA could adopt a mechanism similar to the formula rate transmission tariffs utilized by many of its neighboring transmission utilities. The mechanisms provide annual true-ups between forecasts and actual spending, providing transparency and ensuring that over-collected funds are applied to reduce rates in the following rate period, and conversely, ensure that BPA recovers under collections in the subsequent rate period. Doing so would reduce BPA's financial risk while also protecting customers from rates that recover greater than BPA's actual costs. It would also provide certainty that over collections would be applied to rate relief, similar to the assurances BPA has signaled it will provide to Power customers in the Provider of Choice workshops.

V. Conclusion

M-S-R compliments BPA for identifying regional needs, recognizing changes in the electric industry environment, and analyzing internal strengths and weaknesses. However, M-S-R has very serious concerns regarding the efficacy of the proposed magnitude and timing of the expenditures contained in the initial IPR Proposal. M-S-R observes that existing constraints and past results suggest that it will be quite difficult in the BP-26 timeframe to ramp up IPR expenditures to the level suggested in the proposed IPR. Extending the BP-26 rate period from 2 years to 3 years may exponentially increase complexity. The chance of material underspending is quite real and the associated adverse impact to existing transmission customers is substantial.

M-S-R intends its comments to be supportive of BPA's recognition of regional needs, evolving industry opportunities, and BPA's on-going commitment to cost-effective expenditures. M-S-R also seeks to emphasize the need for new approaches that explicitly address the increasing uncertainties regarding the timing of work completion and the associated financial implications for transmission customers.

M-S-R hopes BPA will find these comments constructive and consider the offered suggestions.

Northwest **Power** and **Conservation** Council

August 16, 2024

John Hairston
Administrator and CEO
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621

Re: BP-26 Integrated Program Review

Dear Administrator Hairston:

Thank you for the opportunity to comment on Bonneville's Integrated Program Review (IPR) leading into the BP-26 rate case. We want to again express our appreciation to you and your staff for coordinating with our staff on the subjects of interest to the Council in the IPR process.

And as you know, Bonneville has an obligation under the Northwest Power Act to acquire cost-effective conservation and generation resources consistent with the Council's power plan, and to use its fund to protect and mitigate fish and wildlife in a manner consistent with the Council's fish and wildlife program. The Council has brief comments on the IPR cost projections in these plan and program areas, as well as on transmission.

New Resources – Energy Efficiency and Generating Resources

The Council's 2021 Power Plan's resource strategy recommended that the region add new clean resources of all types – generation, energy efficiency, and demand response. The Council's latest regional resource adequacy assessment reinforced that regional need (https://www.nwcouncil.org/reports/2024-4/). Bonneville will obviously have a significant role to play in meeting the region's growing resource needs over the next decade. Much of that role is still to be determined, in the Council's ongoing power planning work and in Bonneville's contract discussions with its customer utilities and

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resource program planning. Still there are things Bonneville should do in the next rate period to be prepared, reflected in the IPR estimates.

Energy Efficiency

The Council appreciates that Bonneville projects an increase in its conservation budgets for FY26-28. The Council's adequacy assessment shows that there is a regional adequacy risk if the region achieves only the low end of the energy efficiency target set in the Council's 2021 Power Plan. To reduce that risk, the Council encourages, where available, all regional utilities and Bonneville budget and work to achieve energy efficiency above the plan's minimum target.

Progress is tracked through the Council's Regional Conservation Progress report; based on data submitted for FY2022 and FY2023, Bonneville appears to be on track to achieve the low end of the conservation target. The proposed budget increases in the IPR should allow Bonneville to acquire conservation beyond this minimum target, which will be important to regional adequacy.

The Council is starting to prepare for its Ninth Power Plan, which will cover 2027-2046. It is too early to say what the future Conservation Program will look like and whether conservation needs will be higher or lower than current levels. However, given projected load increases, it is possible that more of all resources (including conservation) will be required. Investing now in identifying durable conservation program solutions for the future is important.

The Council appreciates the increase in conservation infrastructure investment, with an eye on moving beyond the programs of the past to the opportunities of the future, opportunities that may benefit from a more tailored approach to energy efficiency based on the local context than the current programs. The Council will be investigating the local diversity of resource needs and development in the next power plan as well. Given the uncertain landscape, and the long timeframe covered in this current IPR, Bonneville should consider planning for flexibility, should it need to increase funding in future years to meet regional needs.

Generating Resources

As noted above, the Council's 2021 Power Plan's resource strategy called for the region to add at least 3500 MW of new renewable generating resources. The latest adequacy assessment reinforces that strategy, and indicated that under certain conditions, including higher demand growth projections, the region may need significantly larger builds of clean cost-effective generating resources to maintain regional adequacy.

It is not clear at this point the extent to which Bonneville will be called upon to help the region add these resources. So, the Council supports Bonneville not using the IPR cost estimates to assume Bonneville investments in new generating resource acquisitions in the next rate period. But that could change quickly even within the rate period, especially as Bonneville finalizes the new contract arrangements with its customers and assesses its resulting resource needs. Thus, just as with the energy efficiency situation, Bonneville should plan for flexibility, capital availability, and risk reduction, and be ready to quickly increase funding available to invest in generating resource acquisitions if needed.

The Council recognizes that a business case study to determine the feasibility of an extended power uprate at Columbia Generating Station is planned for completion in the spring of 2025. The Council supports this study as a necessary step to inform the decision of whether or not to invest in the uprate, which should be based on the cost-effectiveness of this resource compared to other possible resources available to meet Bonneville's needs.

Transmission

The Council does not plan for transmission expansion in its power planning but does identify the needs and costs of transmission to support the resource development needed to meet regional policy goals and maintain resource adequacy. Increased transmission investments are key in meeting the growing needs of Bonneville's customers, enabling increasing load growth and economic development and helping meet the region's policy requirements.

The Council supports Bonneville ensuring that the cost projections for the next period are sufficient to allow Bonneville to meet is stated goal of modernizing the transmission system and increasing resiliency for high impact events such as wildfire, severe weather and cyber threats. The Council also encourages Bonneville to continue to update its technical capabilities on its transmission system by exploring and potentially utilizing the application of grid enhancing technologies, advanced conductors, and dynamic line rating when appropriate and cost effective.

Fish and Wildlife

The Council also appreciates that Bonneville decided in the last year to make additional investments in fish and wildlife, investments that closely track priorities stated by the Council in its 2014/2020 Columbia Basin Fish and Wildlife Program. While some of these investments are reflected in the IPR's fish and wildlife cost projections, the Council seeks clarification from Bonneville on how it is handling certain others of these investments.

As you know, in 2023, Bonneville entered into several agreements to provide additional funds for needed fish and wildlife work: (1) support for the Phase 2 Implementation Plan (P2IP) to study the feasibility of reintroducing anadromous fish above Grand Coulee dam in the amount of $200 million over 20 years; (2) an agreement each with the Spokane Tribe of Indians and the Coeur d'Alene Tribe to make available additional funds for protection and mitigation in the areas of the basin where those tribes work; (3) a commitment with two states and four tribes (as part of a larger package of commitments) to provide an additional $100 million available over 10 years to benefit salmon, steelhead and other native species; and (4) a commitment in the same package to make available an additional $200 million in capital available to the Lower Snake River Compensation Plan (LSRCP) for hatchery upgrades.

Only one of these additional costs is explicitly called out and included in the IPR's presentation on fish and wildlife cost estimates – the $200 million in additional capital for the LSRCP. The Council would like confirmation that the additional investments for the Spokane and Coeur d'Alene protection and mitigation agreements are also included in the Fish and Wildlife Program portion of the IPR cost estimates, since that is not currently clear from the documents and presentations.

The relevant documents do not say whether the IPR cost estimates for fish and wildlife include the additional investments to support the P2IP reintroduction study and the Resilient Columbia Basin Agreement (RCBA) additional salmon work. A note in the IPR initial publication does say that "due to the nature of the funding, some of these costs are not included in IPR projections, but nonetheless will be accounted for and recovered in the subsequent power rate process." We assume this refers to the P2IP and RCBA commitments.

If so, this treatment makes no sense to the Council. The P2IP and RCBA agreements and the investments by Bonneville will support fish and wildlife protection, mitigation and enhancement work in exactly the same manner as the hundreds of millions of dollars in other annual investments that Bonneville makes to support fish and wildlife work included in the fish and wildlife program cost projections. The Council recognizes these two commitments came as a result of litigation settlements – but then so did the LSRCP commitments, as well as the 2008 Columbia Fish Accords, and the costs for both are included in the IPR cost estimates. And even as settlements, these are also an exercise by Bonneville of its authority under the Northwest Power Act to use its fund for fish and wildlife protection and mitigation. It seems strange and confusing to the Council and presumably others to account for these costs in a separate undisclosed category. Regional transparency and legitimacy demand something different. The Council requests that you reflect these additional costs along with your other fish and wildlife cost projections.

Thank you for considering the Council's input. We look forward to discussions with you and your staff on these matters.

Sincerely,

Jeff Allen
Chair

August 16, 2024

John Hairston, Administrator
Bonneville Power Administration
905 NE 11th Avenue
Portland, Oregon 97232

Re: Yakama Nation's Comments on Bonneville Power Administration's BP-26 IPR

Dear Administrator Hairston:

I write in response to the Bonneville Power Administration's ("Bonneville") invitation to submit comments as part of Bonneville's BP-26 Rate Case Integrated Program Review ("IPR"), which provides part of the basis for its rate setting for FY 2026, FY 2027, and FY 2028.[1] Since time immemorial, the original, free, and independent tribes and bands that later confederated as the Confederated Tribes and Bands of the Yakama Nation ("Yakama Nation") have depended on the Columbia River for cultural, spiritual, and economic wellbeing. In Article III of the Treaty with the Yakamas, U.S. – Yakama Nation, June 9, 1855, 12 Stat. 951 ("Treaty of 1855"), the Yakama Nation expressly reserved the right to fish at "usual and accustomed places," which includes sites on the Columbia River. The Yakama treaty negotiators knew that securing these rights was crucial to guaranteeing the vitality of their people. For the Yakama Nation, the exercise of fishing rights are not much less necessary than the atmosphere we breath.[2]

The Yakama Nation acts as a steward over the Columbia River in exchange for the livelihood that it provides, "speaking for the things that cannot speak for themselves."[3] The Yakama Nation has seen considerable success revitalizing certain fish populations and habitat throughout the Columbia River Basin. This success has been fostered by the partnership between the Yakama Nation and Bonneville for the purpose of securing Treaty-reserved fishing rights while striving to meet Bonneville's fish and wildlife mitigation obligations under both the Northwest Power Act and its federal trust obligation to Indian tribes. Despite these past successes, impacts from the Federal Columbia River Power System ("FCRPS") continue to impair fish stocks that are crucial to Yakama Nation Treaty-

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[1] The Yakama Nation submits these comments with the understanding that the rest of the "Six Sovereigns" (the Confederated Tribes of the Umatilla Indian Reservation, the Nez Perce Tribe, the Confederated Tribes of Warm Springs, the State of Washington, and the State of Oregon) are submitting similar comments to collectively advance the Columbia Basin Restoration Initiative.
[2] *United States v. Winans*, 198 U.S. 371, 381 (1905).
[3] Yakama Nation Fisheries Strategic Plan (Oct. 21, 2021).

reserved fishing rights and fulfillment of Bonneville's mitigation and trust obligations remain critical.

While the Yakama Nation thanks Bonneville for the opportunity to submit comments, the appropriate Yakama Nation staff were not aware of the Fish & Wildlife IPR meeting and was unable to attend. The presentation material provided on Bonneville's BP-26 Rate Case website, while appearing to be comprehensive, is confusing. Importantly, and raising cause for concern, the cost values included in various materials–several PowerPoints, IPR Publication tables, and other supporting materials–are inconsistent. Because of this, it is difficult to discern where increases or decreases in spending may occur during the BP-26 Rate Period. We thank BPA for responding to our initial questions as we tried to fully understand this proposal.

In the Resilient Columbia Basin Agreement ("RCBA"), the Six Sovereigns committed to working with the "whole of government" to address healthy and abundant goals identified in the September 27, 2023 Presidential Memorandum (the "Presidential Memorandum"). As long as the RCBA is in place, the Yakama Nation will partner with Bonneville, and the rest of the United States Federal Government ("USG"), to work towards the long-standing goal in the Northwest Power Coordinating Council ("NPCC") Fish & Wildlife Program ("F&W Program"), the goals of the Columbia Basin Partnership, and any other goals that trend towards fish abundance as was promised in the Treaty of 1855. The Yakama Nation remains concerned that Bonneville will provide enough funding to support the "changed circumstances and/or legal requirements" that may occur through inflation adjustments, renegotiation of long-term fish accords, or potential changes in the USG level of commitment to the RCBA.[4]

Bonneville's Fish and Wildlife Mitigation Obligations

Bonneville must develop a realistic projection of fish and wildlife costs that accurately reflects the information available at the time the rates are set, and the cost recovery mechanisms adopted.[5] In the five-year period from 2018-2023, the total Columbia River salmon and steelhead run size has averaged less than 25 percent of the NPCC's F&W Program goal of 5 million salmon and steelhead.[6] This abundance goal of 5 million is millions of salmon and steelhead short of the goals established by the NPCC's F&W Program and confirmed by regional stakeholders through the Columbia Basin Partnership.[7]

Unfortunately, many stocks are now at an all-time low.[8] Nearly 50 percent of the Snake River chinook populations and 25 percent of Snake River steelhead populations,

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[4] U.S. Government Commitments in Support of the Columbia Basin Restoration Initiative at 17.

[5] *See* 16 U.S.C. § 839e(n).

[6] 2014/2020 Columbia River Basin Fish and Wildlife Program, Northwest Power and Conservation Council Document Number 2014-12, (Aug. 23, 2017).

[7] A Vision of Salmon and Steelhead: Goals to Restore Thriving Salmon and Steelhead to the Columbia River Basin, Phase 2 Report of the Columbia River Partnership Task Force of the Marine Fisheries Advisory Committee (Oct. 2022).

[8] *See* Fish Passage Center website (https://www.fpc.org/fpc_homepage.php).

which pass through eight Federal dams, are at the Quasi-Extinction Threshold (50 fish or less on the spawning grounds for four consecutive years).

In their 2022 Rebuilding Report, the National Oceanic and Atmospheric Administration ("NOAA") points out that rebuilding salmon and steelhead runs to levels promised when the dams were built will require "rapid, concerted, system-wide actions keyed to existing strongholds."[9] The Report notes that the efforts to date have been focused on delisting and have not been adequate to support rebuilding. NOAA recognizes that "[the] urgency of the comprehensive suite of actions is accentuated by ongoing climate change," and that "[the] suite of targeted restoration actions should exceed the minimum level of necessary improvement. Otherwise, there is a potential for extreme natural events to cause localized extinctions."[10]

On September 27, 2023, the Biden Administration echoed NOAA's concerns that the region was not meeting their obligations for recovery.[11] The Presidential Memorandum directed "[a]ll executive departments and agencies . . . to utilize their authorities and available resources to advance the [USG] policy" to:

> honor Federal trust and treaty responsibilities to Tribal Nations" including a commitment to "regulate the [Columbia River System] to adequately protect, mitigate, and *enhance* fish and wildlife affected by the Federal dams in the [Columbia River] Basin in a manner that provides equitable treatment for fish and wildlife with other purposes for which the Federal dams are managed and operated.[12]

In June 2024, the U.S. Department of the Interior released a report "acknowledging and detailing the historic, ongoing, and cumulative damage and injustices that the federal dams on the Columbia River have caused and continue to cause to Tribal Nations."[13] In that report, the USG documented the injustices and lack of adequate mitigation that has occurred for decades, since the construction of the Federal Hydropower System.[14]

The Yakama Nation understands that in setting rates, Bonneville must balance the risk of charging their customers enough to deliver adequate, efficient, economical, and reliable power and ensuring its Treasury repayment, while also meeting its fish and wildlife obligations.[15] However, the tremendous uncertainty concerning continuing fish population viability due to hydropower system configuration and operations, particularly in the face of climate change, effectively places an increasing burden of risk on the salmon and

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[9] Rebuilding Interior Columbia Basin Salmon and Steelhead at 7 (https://media.fisheries.noaa.gov/2022-09/rebuilding-interior-columbia-basin-salmon-steelhead.pdf).
[10] *Id.* at 17 and 22.
[11] Memorandum on Restoring Healthy and Abundant Salmon, Steelhead, and Other Native Fish Populations in the Columbia River Basin, Joseph R. Biden (Sept. 27, 2023).
[12] *Id.* §§ 1 and 2.
[13] Historic and Ongoing Impacts of Federal Dams on the Columbia River Basin Tribes, Department of the Interior (June 2024).
[14] *See id.*
[15] *See* 16 U.S.C. § 839e(n).

steelhead populations and, therefore, on the communities that rely thereon as part of their culture and livelihood–including the Yakama Nation. The estimate of fish and wildlife costs included in the IPR must be adequate to meet the obligations of the FCRPS to protect, mitigate and *enhance* fish and wildlife resources affected by the FCRPS.[16] This funding must be adequate to restore the Yakama Nation's Treaty-reserved resources as soon as practicable and will be necessary for as long as the dams are in place and until mitigation actions are no longer needed to repair the damage done by construction and operation of the FCRPS.

The costs presented in Bonneville's BP-26 IPR do not demonstrate a commitment to embracing healthy and abundant goals adopted by the NPCC in 1987 (and in every F&W Program since), reinforced and adopted by the Region in 2022 through the Columbia Basin Partnership, and expressed as a policy objective by the USG in 2023. The urgency of the situation demands increased and expedited action.

Integrated Program Expense Estimates

The Yakama Nation appreciates that Bonneville provided expense estimates for the Integrated Fish and Wildlife Program. The Yakama Nation recognizes that there is a proposed increase of approximately $31 million annually during the BP-26 Rate Period, compared to the BP-24 Rate Period. However, it is not clear how and/or to whom the additional funds will be allocated. Bonneville has recently signed on to several new agreements including the RCBA, the Memorandum of Understanding and mediated Settlement Agreement related to the Phase 2 Implementation Plan, and Accords with the Coeur d'Alene Tribe and the Spokane Tribe of Indians. Bonneville needs to state clearly whether it intends for the $31 million increase to address costs associated with any of those agreements.

In 2024, many projects received inflation adjustments for the first time in 5-10 years. It is important that Fish & Wildlife Program funding keeps pace with inflation. The Yakama Nation remains concerned about inflation adjustments going forward and whether they have been accounted for in the F&W Program funding for the BP-26 Rate Period.

The most significant cost increase in the overall F&W Program funding appears to be Bonneville's own F&W Enterprise Services General and Administrative ("G&A") costs. The increase of 59.8 percent of F&W Enterprise G&A Services for the BP-26 Rate Period does not match the overall rate of increase for the Integrated Expense Program of 4.9 percent.[17] Bonneville is the largest recipient of F&W Program funding dollars, and its own program increases far exceed that rate at which the rest of the program is increasing.

Integrated Program Capital Estimates

The BP-26 IPR materials identify a spending plan for F&W Capital that appears consistent with the 2024 Strategic Asset Management Plan. It is difficult to assess because

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[16] *See id.*
[17] *See* BP-26 Initial Publication Appendix and Detailed Data excel file, ln. 44.

numbers are not provided to support the graphs included in Bonneville's PowerPoint presentation. It is very important that these funding levels support adjustment of past commitments that have completed the planning and development phase, and now their construction costs are significantly higher due to inflation and construction delays. Using expense funding to offset unforeseen capital design and construction costs reduces the effectiveness of the overall F&W Program.

Asset Maintenance and Upgrade Needs

Bonneville-funded F&W Program assets have long suffered from insufficient Operations and Maintenance ("O&M") funding. While the RCBA has provided additional commitments for the Lower Snake River Compensation Plan ("LSRCP") Capital, the overall asset management approach needs close examination.

U.S. Fish and Wildlife Service LSRCP O&M Budget

The spreadsheet below contains the LSRCP specific O&M needs for hatcheries across the Columbia Basin as provided by facility operators through coordination in the *United States v. Oregon* Production Advisory Committee.

<table>
<tr><th colspan="4">Lower Snake River Compensation Plan - Lower Snake River Dam Mitigation - 100% Bonneville Power Administration direct funding agreement with U.S. Fish and Wildlife Service</th></tr>
<tr><td>Clearwater</td><td rowspan="11">Water Resource Development Act 1976 (90 Stat. 2917). Mitigation for four Lower Snake River Dams</td><td rowspan="11">FY24 Funding level $32.750M. Reduction in maintenance funding to meet $$ allocated by BPA</td><td rowspan="11">Funding needed: FY25 - $35.6M. FY26 - $37.7M. FY27 - $41.2M</td></tr>
<tr><td>Dworshak NFH Spring Chinook</td></tr>
<tr><td>Hagerman NFH</td></tr>
<tr><td>Irrigon</td></tr>
<tr><td>Lookingglass</td></tr>
<tr><td>Lyons Ferry</td></tr>
<tr><td>Magic Valley</td></tr>
<tr><td>McCall</td></tr>
<tr><td>Sawtooth</td></tr>
<tr><td>Tucannon</td></tr>
<tr><td>Wallowa</td></tr>
</table>

Bonneville's proposed IPR numbers are $33.77 million for FY 2026, $34.71 million for FY 2027, and $35 million for FY 2028. This results in a deficit of approximately $2 million per year. If the Region is going to make good on mitigation promises, catch up on outstanding non-recurring maintenance needs, and prevent an excessive buildup of new needs, Bonneville and the U.S. Fish and Wildlife Service ("USFWS") need to fund LSRCP O&M budgets at the level requested in the above table.

USFWS LSRCP Capital Budget

The RCBA Commitment for LSRCP capital investments is $200 million over 10 years, which averages to $20 million per year. Bonneville's IPR proposal of $59 million for the three-year Rate Period is consistent with that commitment. However, due to urgent needs at the mitigation hatcheries, it would be wise for Bonneville and USFWS to expedite spending on this commitment and budget for the fisheries comanagers' request of about $80 million during the BP-26 Rate Period. If Bonneville continues to underfund known needs, the backlog of maintenance issues will continue to rise.

U.S. Army Corps of Engineers O&M Capital Budget

The Yakama Nation, as a part of the Six Sovereigns working with the USG, identified a $1 billion backlog in maintenance needs at the mainstem dams. The only commitment to address the $1 billion backlog in fish passage maintenance needs in the RCBA was the $50 million from the U.S. Army Corps of Engineers ("USCOE") for FY 2024. Bonneville's proposed funding, while addressing annual inflation adjustments does not significantly increase the USCOE O&M funding levels during the BP-26 Rate Period. Bonneville and USCOE propose spending $55 million in FY 2026, $60 million in FY 2027, and $64 million in FY 2028. In 2022, an effort by the Columbia River Inter-Tribal Fish Commission–in partnership with its member tribes and in collaboration with USCOE staff from its Northwestern Division, including information from the System Configuration Team, Fish Passage operations and Maintenance committee and other regional bodies–identified over $220 million in outstanding, additional operation and maintenance needs for the mainstem dams for the next eight years ($27.6 million per year). BPA and USCOE should increase the USCOE O&M budget by at least $27 million per year to adequately address the backlog of fish passage and hatchery needs at the mainstem dams. The survival estimates in the 2020 NOAA Biological Opinion should be revisited if the fish passage structures at the dams continue to degrade and fail.

Long-Term Fish Accords

During the BP-26 Rate Period, Bonneville will be renegotiating long-term funding agreements and accords with the Six Sovereigns. Under the current circumstances, it is safe to assume additional funds will be needed to address inflation pressures that each of the projects has been under for the last 5-10 years. The Yakama Nation's concern is that there be sufficient headroom in the BP-26 budgets to support continued agreements at their historic levels when factoring in inflation pressure.

In an internal review of the Yakama Nation projects, it is clear that significantly more funding will be required during any future Accord if we are going to address the urgency declared in the Presidential Memorandum and if we are going to achieve healthy and abundant populations on a time frame necessary to support Treaty obligations. We anticipate an increase of $20-30 million in annual expense funding needs and approximately $40 million in capital funding needs during the term of the BP-26 Rate Period. For example, the following is a brief, non-exhaustive list demonstrating the Yakama Nation's need for increases in funding for the BP-26 Rate Period. It is likely that the other Sovereigns in the Basin have similar needs.

- Additional restoration projects during the rate period to address the urgency of the Presidential Memorandum;
- Additional acclimation site development for Klickitat, White Salmon, and Wenatchee rivers as well as the Middle Columbia mainstem;
- Staff capacity to address new scientific research questions related to climate change and advancements in technology;
- Insufficient O&M budgets for existing land management projects, the land base is shrinking due to an inability to pay increased lease costs, and the current budgets

have not kept pace with equipment replacement needs and cost escalation for project implementation;

- Insufficient O&M budgets for hatchery production facilities to address increasing costs of feed, personnel, monitoring and non-recurring expenses;
- The Lamprey and Sturgeon Master Plans are scheduled to construct artificial propagation facilities which will require associated support;
- There is a need to conduct considerably more predation and passage restoration projects consistent with the NOAA Rebuilding Report;
- Increased capacity demands of addressing an increasing backlog of priority habitat, hatchery and monitoring actions;
- For capital needs, a potential new Naches River basin chinook facility is in development; and
- A new tagging trailer is needed to support hatchery and monitoring programs.

Finally, it is important to note that increases in fish and wildlife costs are only a small part of the cost increases being realized in Bonneville's BP-26 IPR proposal. This rate proposal addresses a chronic avoidance in inflation needs across the agency. The Yakama Nation strongly urges Bonneville to consider providing adequate fish and wildlife funding to address known inflation and planning needs during the BP-26 Rate Period (as identified above), and to embrace the recommendations of the fish and wildlife comanagers for addressing the needs necessary to urgently rebuild healthy and abundant salmon and steelhead and other native fish runs.

Respectfully,

Gerald Lewis, Chairman
Yakama Nation Tribal Council

State of Washington
DEPARTMENT OF FISH AND WILDLIFE
Mailing Address: P.O. Box 43200, Olympia, WA 98504-3200 • (360) 902-2200 • TDD (360) 902-2207
Main Office Location: Natural Resources Building, 1111 Washington Street SE, Olympia, WA

August 16, 2024

John Hairston, Administrator
Bonneville Power Administration
905 NE 11th Avenue
Portland, OR 97232
Dear Administrator Hairston,

I write in response to the Bonneville Power Administration's (BPA) invitation to submit comments as part of BPA's BP-26 Rate Case Integrated Program Review (IPR), which provides part of the basis for its rate setting for FY 2026, FY 2027, and FY 2028. While I thank you for the opportunity to submit comments, the Washington Department of Fish and Wildlife (WDFW) was not aware of the Fish and Wildlife IPR meeting and was unable to attend. I submit these comments with the understanding that the rest of the "Six Sovereigns" (The Nez Perce Tribe, The Confederated Tribes of the Umatilla Indian Reservation, The Confederated Tribes and Bands of the Yakama Nation, The Confederated Tribes of the Warm Springs, and the State of Oregon) are submitting similar comments to collectively advance the Columbia Basin Restoration Initiative (CBRI).

In the Resilient Columbia Basin Agreement (RCBA), the Six Sovereigns committed to working with the "whole of government" to address healthy and abundant goals identified in the September 27, 2023 Presidential Memorandum. As long as the RCBA is in place, WDFW will partner with BPA, and the rest of the United States Federal Government (USG), to work towards the long-standing goal in the Northwest Power and Conservation Council (NPCC) Fish and Wildlife Program, the goals of the Columbia Basin Partnership, and any other goals that trend towards healthy and abundant native fish species. The WDFW remains concerned that BPA will provide enough funding to support the "changed circumstances and/or legal requirements" that may occur through inflation adjustments, renegotiation of long-term agreements, or potential changes in the USG level of commitment to the RCBA.[1]

I. BPA's Fish and Wildlife Mitigation Obligations

The BPA must develop a realistic projection of fish and wildlife costs that accurately reflects the information available at the time the rates are set, and the cost recovery mechanisms adopted. In the five-year period from 2018-2023, the total Columbia River salmon and steelhead run size has averaged less than 25 percent of the NPCC Fish and Wildlife Program goal of 5 million salmon and steelhead and is millions of salmon and steelhead short of the goals confirmed by regional

[1] U.S. Government Commitments in Support of the Columbia Basin Restoration Initiative at 17.

stakeholders through the Columbia Basin Partnership.[2] This is because unfortunately, many stocks are now at an all-time low.[3] For example, nearly 50 percent of the Snake River chinook populations and 25 percent of Snake River steelhead populations, which pass through eight Federal dams, are at the Quasi-Extinction Threshold (50 fish or less on the spawning grounds for four consecutive years).

In their 2022 Rebuilding Report, the National Oceanic and Atmospheric Administration (NOAA) has also pointed out that rebuilding salmon and steelhead runs to levels promised when the dams were built will require "rapid, concerted, system-wide actions keyed to existing strongholds."[4] The Report notes that the efforts to date have been focused on delisting and have not been adequate to support rebuilding. NOAA recognizes that "[the] urgency of the comprehensive suite of actions is accentuated by ongoing climate change," and that "[the] suite of targeted restoration actions should exceed the minimum level of necessary improvement. Otherwise, there is a potential for extreme natural events to cause localized extinctions."

On September 27, 2023 the Biden Administration echoed NOAA's concerns that the region was not meeting their obligations for recovery.[5] The Presidential Memorandum directed "[a]ll executive departments and agencies . . . to utilize their authorities and available resources to:

> "regulate the [Columbia River System] to adequately protect, mitigate, and *enhance* fish and wildlife affected by the Federal dams in the [Columbia River] Basin in a manner that provides equitable treatment for fish and wildlife with other purposes for which the Federal dams are managed and operated.

In June 2024, the US Department of the Interior released a report "acknowledging and detailing the historic, ongoing, and cumulative damage and injustices that the federal dams on the Columbia River have caused and continue to cause to Tribal Nations.[6] In that report, the Federal Government documented the injustices and lack of adequate mitigation that has occurred for years since the construction of the federal hydropower system.

WDFW understands that in setting rates, BPA must balance the risk of charging their customers enough to deliver adequate, efficient, economical, and reliable, power and make its Treasury payment, while also meeting its fish and wildlife obligations. However, the tremendous uncertainty concerning continuing fish population viability due to hydropower system configuration and operations, particularly in the face of climate change, effectively places an increasing burden of risk on the salmon and steelhead populations and, therefore, on the communities that rely on them as part of their culture and livelihood. The estimate of fish and wildlife costs included in the IPR must be adequate to meet the obligations of the Federal Columbia River Power System (FCRPS) to protect, mitigate and *enhance* fish and wildlife

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[2] A Vision for Salmon and Steelhead: Goals to Restore Thriving Salmon and Steelhead to the Columbia River Basin, Phase 2 Report of the Columbia River Partnership Task Force of the Marine Fisheries Advisory Committee, October 2022.
[3] Data obtained from Fish Passage Center website.
[4] See Rebuilding Interior Columbia Basin Salmon and Steelhead at https://media.fisheries.noaa.gov/2022-09/rebuilding-interior-columbia-basin-salmon-steelhead.pdf
[5] Memorandum on Restoring Healthy and Abundant Salmon, Steelhead, and Other Native Fish Populations in the Columbia River Basin, September 27, 2023, Joseph R. Biden.
[6] Historic and Ongoing Impacts of Federal Dams on the Columbia River Basin Tribes, June 2024, Department of the Interior.

resources affected by the FCRPS. This funding must be adequate to restore treaty resources as soon as practicable and will be necessary for as long as the dams are in place and until mitigation actions are no longer needed to repair the damage done by construction and operation of the FCRPS.

The costs presented in BPA's BP-26 IPR do not demonstrate a commitment to embracing healthy and abundant goals adopted by the NPCC starting in 1987, reinforced and adopted by the Region in 2022 through the Columbia Basin Partnership, and expressed as a policy objective by the USG in 2023. The urgency of the situation demands attention.

II. Expense Estimates

The WDFW appreciates that BPA provided expense estimates for the Integrated Fish and Wildlife Program. However, the presentation material provided on BPA's BP-26 Rate Case website, while appearing to be comprehensive, is confusing. Importantly, and raising cause for concern, the cost values included in various materials–several PowerPoints, IPR Publication tables, and other supporting material– are inconsistent. Thus, it is difficult to discern where increases or decreases in spending may occur during the BP-26 Rate Period.

The WDFW recognizes that there is a proposed increase of approximately $31 million annually during the BP-26 Rate Period, compared to the BP-24 Rate Period. However, it is not clear how and/or to whom the additional funding will be allocated. Bonneville has recently signed on to several new agreements including the RCBA, the Memorandum of Understanding and Mediated Settlement Agreement related to the Phase 2 Implementation Plan, and Accords with the Coeur d'Alene Tribe and the Spokane Tribe of Indians. Does BPA intend for the $31 million annual increase over the BP-26 Rate Period to address any of these agreements?

In 2024 many projects received inflation adjustments for the first time in 5-10 years. It is imperative that the Fish and Wildlife Program funding keeps pace with inflation. The WDFW remains concerned about inflation adjustments going forward and whether they have been accounted for in the BP-26 Rate Period.

The most significant cost increase in the overall Fish and Wildlife Program funding appears to be BPA's own Fish and Wildlife Enterprise Services General and Administrative (G&A) costs. The increase of 59.8 percent for Enterprise G&A Services for the BP-26 Rate Period does not match the overall rate of increase for the Integrated Expense Program of 4.9 percent. BPA is the largest recipient of Fish and Wildlife Program funding dollars, and its own program increases far exceed the rate at which the rest of the program is increasing.

III. Capital Estimates and Asset Maintenance

The BP-26 IPR materials identify a spending plan for Capital estimates that appears consistent with the 2024 Strategic Asset Management Plan. It is difficult to assess because numbers are not provided to support the graphs in the presentation. It is very important that these funding levels support adjustment of past commitments that have completed the planning and development phase, and now their construction costs are significantly higher due to inflation and construction delays.

BPA-funded Fish and Wildlife Program assets have long suffered from insufficient Operations and Maintenance (O&M) funding. While the RCBA has provided additional commitments for the Lower Snake River Compensation Plan (LSRCP) Capital, the overall asset management approach needs close examination.

USFWS LSRCP O&M Budget

The spreadsheet below contains the O&M needs for hatcheries across the Columbia Basin as provided by facility operators through coordination in the *US v Oregon* Production Advisory Committee.

Lower Snake River Compensation Plan - Lower Snake River Dam Mitigation - 100% Bonneville Power Administration direct funding agreement with U.S. Fish and Wildlife Service			
Clearwater Dworshak NFH Spring Chinook Hagerman NFH Irrigon Lookingglass Lyons Ferry Magic Valley McCall Sawtooth Tucannon Wallowa	Water Resource Development Act 1976 (90 Stat. 2917). Mitigation for four Lower Snake River Dams	FY24 Funding level $32.750M. Reduction in maintenance funding to meet $$ allocated by BPA	Funding needed: FY25 - $35.6M, FY26 - $37.7M, FY27 - $41.2M

The BPA proposed IPR numbers are $33.77 million for FY26, $34.71 million for FY27, and $35.67 million for FY28. This results in a deficit of approximately $2 million annually. If the region is going to make good on mitigation promises, catch up on outstanding non-recurring maintenance needs, and prevent an excessive buildup of new needs, BPA and the U.S. Fish and Wildlife Service (USFWS) need to fund LSRCP O&M budgets at the level requested in this table.

USFWS LSRCP Capital Budget

The RCBA Commitment for LSCRCP capital investments is $200M over 10 years, which averages $20M/year. The IPR proposal of $59M for the three years is consistent with that commitment. However, due to urgent needs at the mitigation hatcheries, it would be wise for BPA and USFWS to expedite spending on this commitment and budget for the fisheries co-managers request of about $80M during the BP-26 Rate Period. If BPA continues to underfund known needs, the backlog of maintenance issues will continue to rise.

U.S. Army Corps of Engineers O&M and Capital Budget

The WDFW as a part of the Six Sovereigns, working with the USG, has identified a $1 billion backlog in maintenance needs at the mainstem dams. The only commitment to address the $1 billion backlog in fish passage maintenance needs was the $50 million from the U.S. Army Corps of Engineers (USCOE) for FY24. BPA's proposed funding, while addressing annual inflation adjustments does not significantly increase the USCOE O&M funding levels during the BP-26 Rate Period. BPA and USCOE proposed spending $55 million in FY26, $60 million in FY27, and $64 million in FY28. In 2022, an effort by the Columbia River Inter-Tribal Fish Commission (CRITFC), in partnership with the member tribes and in collaboration of USCOE staff from its Northwestern Division, including information from the System Configuration Team, Fish Passage Operations and Maintenance committee and other regional bodies, identified over $220 million in additional O&M needs for the mainstem dams for the next 8 years ($27.6 million annually). BPA and USCOE should increase the USCOE O&M budget by at least $27.6 million per year to adequately address the backlog of fish passage and hatchery needs at the mainstem dams. The survival estimates in the 2020 NOAA Biological Opinion should be revisited if the fish passage structures at the dams continue to degrade and fail.

IV. Long-Term Agreements

During the BP-26 Rate Period, BPA will be renegotiating long-term funding agreements and accords with the states and tribes. Under the current circumstances, additional funds will be needed to address inflation pressures that each of the projects has been under for the past 5-10 years. The WDFW's concern is that there be sufficient funding in the BP-26 budgets to support continued agreements when factoring in inflation pressure.

Furthermore, WDFW strongly urges BPA to consider providing adequate fish and wildlife funding to address known inflation and planning needs during the BP-26 Rate Period, and to embrace the recommendations of the fish and wildlife managers for addressing the needs essential to rebuild healthy and abundant salmon and steelhead and other native fish returns. It is clear that significantly more funding will be required during any future Agreements if we are going to address the urgency declared in the 2023 Presidential Memorandum and if we are going to rebuild healthy and abundant salmon and steelhead and other native fish species.

Respectfully,

Kelly Susewind
Director

CONFEDERATED TRIBES OF
WARM SPRINGS
1855

Confederated Tribes of Warm Spring, Oregon
Branch of Natural Resources
PO BOX C
Warm Springs, OR 97761
Phone: 541-553-2002
Fax: 541-553-1994

August 16, 2024

VIA WEBSITE: www.bpa.gov/comment

John Hairston
Administrator and Chief Executive Officer
Bonneville Power Administration
Post Office Box 3621
Portland, Oregon 97208-3621

RE: Integrated Program Review: Initial Publication, June 2024

Dear Administrator Hairston:

I am the General Manager for the Branch of Natural Resources for the Confederated Tribes of Warm Springs Reservation of Oregon ("CTWSRO" or "Tribe") a federally recognized, self-governing, sovereign Indian tribe and the legal successor-in-interest to the Indian signatories of the Treaty with the Tribes of Middle Oregon ("Treaty" or "Treaty of 1855")[1], dated, June 25, 1855. I am writing to provide written comments and information in response to the Bonneville Power Administration ("BPA") invitation to *"…review and comment on BPA's estimates of projected capital and expense costs for the next rate period…"* as found within the BP-26 Integrated Program Review, Initial Publication, June 2024, on the IPR website[2].

Overview of the Tribe and Its Management Interests in the Columbia River Basin
The Tribe is legally organized under a constitution and bylaws ratified by the members of the Tribe on December 18, 1937, and approved by the Assistant Secretary of the Interior of the United States on February 14, 1938, pursuant to Section 12 of the Act of June 18, 1934, as amended and consists of three confederated Indian tribal groups: the Warm Springs, the Wasco and the Paiute. Pursuant to the Treaty of 1855, the Tribe ceded approximately 10 million acres of land ("ceded lands")[3] to the United States and reserved approximately 640,000 acres for exclusive use and occupation of the Tribe and its members as a permanent homeland ("Warm Springs Reservation").

The Treaty of 1855 recognizes the Tribe as a sovereign entity, possessing inherent rights to provide for the general welfare of its people, including the right to manage its natural resources and the right to take salmon, lamprey, sturgeon and other fishes. The Treaty expressly reserves rights, to the Tribe, for its members to go outside (or "off") the Warm Springs Reservation to all

[1] Treaty of with the Tribes of Middle Oregon attached as Exhibit 1
[2] The CTWSRO submits these comments with the understanding that the rest of the "Six Sovereigns" (the Confederated Tribes of the Umatilla Indian Reservation, the Nez Perce Tribe, the Confederated Tribes and Bands of the Yakama Nation, the State of Washington, and the State of Oregon) are submitting similar comments.
[3] Map of with CTWSRO reservation, ceded lands boundary, and properties attached as Exhibit 2.

of the lands and waters that it had used prior to the treaty to hunt, fish, gather roots and berries, and to pasture livestock. The Treaty also protects rights in areas beyond the ceded lands if those areas were used by Tribal members from time to time at or before they entered into the Treaty. Retaining the Tribe's right to continue its fishing practices was a primary objective of the Tribe during the treaty negotiations. The tribal Treaty rights to fish, unimpeded, at all usual and accustomed places has been recognized and upheld by federal courts, including the Supreme Court of the United States, since the early 1900's, meaning that the Tribe has legally enforceable Treaty-protected rights throughout all areas the Tribe historically fished.

The Tribe strives to restore, protect and enhance traditional and Treaty-protected fish and wildlife resources throughout the Columbia River Basin. The Tribe is integrally involved in the major institutional structures governing anadromous fish restoration in the Columbia Basin: the 2018-2027 *United States v. Oregon* Management Agreement; the Pacific Salmon Treaty; the Northwest Power and Conservation Council ("NPCC") Fish and Wildlife Plan adopted under the authority of the Pacific Northwest Power Planning and Conservation Act of 1980 (Northwest Power Act); the orders of the Federal Energy Regulatory Commission, and the processes authorized under the Endangered Species Act ("ESA"), including but not limited to the *National Wildlife Federation, et al. and Oregon v. National Marine Fisheries Services, et al*. proceedings; the Columbia River System ("CRS") and implementation of the December 14, 2023 Resilient Columbia Basin Agreement ("CBRA").

Bonneville Power Administration's Environmental Mitigation Obligations and Commitments

The BPA must set power rates at a level sufficient to cover the actual fish and wildlife costs of the Federal Columbia River Power System ("FCRPS"). While the BP-26 rate proposal moves away from the flat funding of BP-24, it appears the status quo of underfunding necessary Environmental, Fish and Wildlife ("EFW") expenses and capital projects continues. The increases in the BP-26 EFW projected spending needs more transparency, as it currently lacks assurances that BPA will be able to cover the range of existing mitigation obligations and on-going commitments.

The United States ("USG") is a signatory to the Treaty of 1855 and is bound by the obligations contained therein. The USG is the trustee of Indian reserved rights, including fishing rights[4]. The obligations of the USG as trustee and fiduciary of Indian resources and rights extends to all agencies and departments of the Executive Branch[5]. "In carrying out its fiduciary duty, it is the federal government's, and subsequently…[federal agencies'], responsibility to ensure that Indian treaty rights are given full effect."[6] As a federal agency, BPA is bound by the same obligations, and has acknowledged as much. DOE Order No. 144.1 also provides that, "DOE will pursue actions that uphold treaty and other federally recognized and reserved rights of the Indian nations

[4] *See, e.g., Joint Bd. of Control v. United States,* 862 F.2d 195, 198 (9th Cir. 1988). *See also, Muckleshoot,* 698 F.Supp. at 1510-1511.
[5] *See Pyramid Lake Paiute tribe v. Dept. of the Navy,* 898 F.2d 1410, 1420 (9th Cir. 1990). *See also, Covelo Indian Community v. FERC,* 895 F.2d 581, 586 (9th Cir. 1990).
[6] *NW Seafarms v. U.S. Army Corps of Eng'rs,* 931 F.Supp. 1515, 1520 (W.D. Wash. 1996) *citing Seminole Nation v. United States,* 316 U.S. 286, 296-297 (1942) (finding that the United States owes the highest fiduciary duty to protect contract rights as embodied by Treaties.)

and peoples ... and will, to the extent of its authority, protect and promote these treaty and trust resources ..."[7]

Chronic underspending for EFW continues to put undue risk on essential infrastructure and efforts to protect and recovery Treaty-protected resources. The NPCC Fish and Wildlife Program has quantifiable mitigation goals for salmon and steelhead attributable to the operation of the FCRPS. In the five-year period from 2018-2023, the total Columbia River salmon and steelhead run size has averaged less than 25 percent of the NPCC's F&W Program goal of a 10-year rolling average of 5 million salmon and steelhead.[8] With multiple stocks at all-time low[9] and some facing quasi-extinction. That is millions of salmon and steelhead short of the goals established by the NPCC's F&W Program and confirmed by regional stakeholders through the Columbia Basin Partnership.[10] BPA must set forth rates that ensure mitigation funding to support the NPCC mitigation goals.

In their 2022 Rebuilding Report, the National Oceanic and Atmospheric Administration ("NOAA") points out that rebuilding salmon and steelhead runs to levels promised when the dams were built will require "rapid, concerted, system-wide actions keyed to existing strongholds."[11] The Report notes that the efforts to date have been focused on delisting and have not been adequate to support rebuilding. NOAA recognizes that "[the] urgency of the comprehensive suite of actions is accentuated by ongoing climate change," and that "[the] suite of targeted restoration actions should exceed the minimum level of necessary improvement. Otherwise, there is a potential for extreme natural events to cause localized extinctions."[12]

On September 27, 2023, the Biden Administration echoed NOAA's concerns that the region was not meeting their obligations for recovery.[13] The Presidential Memorandum ("PM") directed "[a]ll executive departments and agencies . . . to utilize their authorities and available resources to advance the [USG] policy" to:

> "…honor Federal trust and treaty responsibilities to Tribal Nations" including a commitment to "regulate the [Columbia River System] to adequately protect, mitigate, and *enhance* fish and wildlife affected by the Federal dams in the [Columbia River] Basin in a manner that provides equitable treatment for fish and

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[7] DEPT. OF ENERGY, ORDER NO. 144.1 attach. 2, at 3 (2009)
[8] 2014/2020 Columbia River Basin Fish and Wildlife Program, Northwest Power and Conservation Council Document Number 2014-12, Published Aug. 23, 2017.
[9] *See* Fish Passage Center website (https://www.fpc.org/fpc_homepage.php).
[10] A Vision of Salmon and Steelhead: Goals to Restore Thriving Salmon and Steelhead to the Columbia River Basin, Phase 2 Report of the Columbia River Partnership Task Force of the Marine Fisheries Advisory Committee, October 2022.
[11] Rebuilding Interior Columbia Basin Salmon and Steelhead at 7 (https://media.fisheries.noaa.gov/2022-09/rebuilding-interior-columbia-basin-salmon-steelhead.pdf).
[12] *Id*. at 17 and 22.
[13] Memorandum on Restoring Healthy and Abundant Salmon, Steelhead, and Other Native Fish Populations in the Columbia River Basin, Joseph R. Biden (Sept. 27, 2023).

> wildlife with other purposes for which the Federal dams are managed and operated.[14]

In June 2024, the U.S. Department of the Interior released a report "acknowledging and detailing the historic, ongoing, and cumulative damage and injustices that the federal dams on the Columbia River have caused and continue to cause to Tribal Nations."[15] In that report, the USG documented the injustices and lack of adequate mitigation that has occurred for decades, since the construction of the Federal Hydropower System.[16]

The Tribe understands that in setting rates, Bonneville must balance the risk of charging their customers enough to deliver adequate, efficient, economical, and reliable power and ensuring its Treasury repayment, while also meeting its fish and wildlife obligations.[17] However, the tremendous uncertainty concerning continuing fish population viability due to hydropower system configuration and operations, particularly in the face of climate change, effectively places an increasing burden of risk on the salmon and steelhead populations and, therefore, on the communities that rely thereon as part of their culture and livelihood–including the CTWSRO. The estimate of fish and wildlife costs included in the IPR must be adequate to meet the obligations of the FCRPS to protect, mitigate and *enhance* fish and wildlife resources affected by the FCRPS.[18] This funding must be adequate to restore the Tribe's Treaty-reserved resources as soon as practicable and will be necessary for as long as the dams are in place and until mitigation actions are no longer needed to repair the damage done by construction and operation of the FCRPS.

The costs presented in Bonneville's BP-26 IPR do not demonstrate a commitment to embracing healthy and abundant goals originally adopted by the NPCC, adopted by the Region in 2022 through the Columbia Basin Partnership, expressed as a policy objective by the USG in 2023 in the September 27, Presidential Memorandum on Restoring Healthy and Abundant Salmon, Steelhead and Other Native Fish Populations in the Columbia River Basin, and embraced in the RCBA.

Comments on the BP-26 IPR

Integrated Program Expense Estimates

The BP-26 IPR proposes an increase of approximately $31 million per year for the BPA's Fish and Wildlife Program ("F&W") in Fiscal Year (FY) 2026, FY 2027, and FY 2028. There is a lack of transparency within the IPR document that lays out how these funds will be spent to meet existing obligations and commitments. The BPA needs to provide further granularity about how the funds will be spent.

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[14] *Id*. §§ 1 and 2.
[15] Historic and Ongoing Impacts of Federal Dams on the Columbia River Basin Tribes, Department of the Interior (June 2024).
[16] *See id*.
[17] *See* 16 U.S.C. § 839e(n).
[18] *See* 16 U.S.C. § 839e(n).

Another concern is inflation adjustments. In 2024, some F&W projects received inflation adjustments for the first time in many years. BPA should explain within the IRP how it intends to handle inflation and commit to ensuring that projects are funded with the appropriate inflation.

By far the largest increase to F&W, for BP-26, is within the BPA Enterprise Services G&A. This increase (59.8%) far outpaces the overall rate increase of 4.9% for the Integrated Program Expense Program. This leaves BPA as the largest recipient of F&W dollars. BPA needs to justify this increase and why it is significantly larger than increases for on-the-ground mitigation actions.

Integrated Program Capital Estimates
The F&W Capital needs to be consistent with the 2024 Strategic Asset Management Plan. However, it is difficult to assess if this is the case since there was no breakdown of numbers to support the budget information provided.

Asset Management and Upgrade Needs
The BPA funded F&W Program assets have long suffered from insufficient Operations and Maintenance ("O&M") funding. Although the RCBA has provided additional commitments to fund Lower Snake River Compensation Plan ("LSRCP") capital, the overall asset management approach needs closer examination.

U.S. Fish and Wildlife Service LSRCP Operations and Maintenance Budget
In the IPR, BPA provides funding levels for LSRCP hatcheries for FY 2026, 2027, and 2028 of $33.77 million, $34.71 million, and $35 million, respectively. This is a deficit of approximately $2 million per year based on O&M needs, supplied by facility operators through coordination with the *United States v. Oregon* Production Advisory Committee, for LSRCP hatcheries. By not providing sufficient funding for LSRCP the Region will fall short of making their mitigation promises, will be unable to address outstanding recurring maintenance needs or prevent an excessive buildup of new needs. The BPA and the U.S. Fish and Wildlife Service ("USFWS") need to fund LSRCP O&M budgets at the level requested in the table below.

Lower Snake River Compensation Plan - Lower Snake River Dam Mitigation - 100% Bonneville Power Administration direct funding agreement with U.S. Fish and Wildlife Service			
Clearwater	Water Resource Development Act 1976 (90 Stat. 2917). Mitigation for four Lower Snake River Dams	FY24 Funding level $32.750M. Reduction in maintenance funding to meet $$ allocated by BPA	Funding needed: FY25 - $35.6M, FY26 - $37.7M, FY27 - $41.2M
Dworshak NFH Spring Chinook			
Hagerman NFH			
Irrigon			
Lookingglass			
Lyons Ferry			
Magic Valley			
McCall			
Sawtooth			
Tucannon			
Wallowa			

U.S. Fish and Wildlife Service LSRCP Capital Budget
While the IRP proposal of $59 million per year over the three-year rate case is consistent with the RCBA Commitment for LSRCP of $200 million in capital expenses over 10-years, it falls short of the request by regional fisheries comanagers of $80 million during the BP-26 rate case. The request for additional funds is in acknowledgement of the urgent needs at mitigation

hatcheries. If those funds are not realized, the unaddressed backlog of maintenance issues will continue to rise.

U.S. Army Corp of Engineers O&M Capital Budget
The Six Sovereigns, working with the USG, identified a backlog in the hundreds of millions for maintenance needs at the mainstem dams. The only commitment to address this backlog in fish passage maintenance needs was the $50 million from the U.S. Army Corps of Engineers ("USCOE") for FY 2024. Bonneville's proposed funding, while addressing annual inflation adjustments does not significantly increase the USCOE O&M funding levels during the BP-26 Rate Period. Bonneville and USCOE propose spending $55 million in FY 2026, $60 million in FY 2027, and $64 million in FY 2028. In 2022, an effort by the Columbia River Inter-Tribal Fish Commission–in partnership with its member tribes and in collaboration with USCOE staff from its Northwestern Division, including information from the System Configuration Team, Fish Passage operations and Maintenance committee and other regional bodies–identified over $220 million in outstanding, additional operation and maintenance needs for the mainstem dams for the next eight years ($27.6 million per year). BPA and COE should increase the USCOE O&M budget by at least $27 million per year to adequately address the backlog of fish passage and hatchery needs at the mainstem dams.

National Historic Preservation Act
In the IPR, BPA identifies a "new organization" to provide support for cultural resource compliance services and the renegotiation of the FCRPS Systemwide Programmatic Agreement. It is unclear how this new organization is accounted for within the budget and any impacts it may have on exiting National Historic Preservation Act activities currently funded.

Canadian Entitlement
In the Agreement-in-Principe with Canada on the Columbia River Treaty, announced July 11, 2024, there is an immediate ramp down of power sent to Canada. The reduction of Canadian Entitlement should be accounted for to the extent that it effects the BP-26 rate case, revenues, or budget.

Conclusion
Increases in fish and wildlife costs are only a small part of the cost increases being realized in the BPA-26 IPR proposal. This rate proposal addresses a chronic avoidance in inflation needs across the agency which is necessary. We strongly urge BPA to adequately fund fish and wildlife obligations to address known inflation and planning needs during the BP-26 Rate Period, and to embrace the recommendations of the fish and wildlife managers for addressing the needs necessary to rebuild healthy and abundant salmon returns.

Sincerely,
DocuSigned by:
Austin L. Smith Jr.
7F08015F76DE435...
Austin L. Smith, Jr.
General Manager, Branch of Natural Resources
The Confederated Tribes of the Warm Springs Reservation of Oregon

EXHIBIT 1

1855 WL 10418(Trty.)
(TREATY)

TREATY WITH THE TRIBES OF MIDDLE OREGON, 1855.

June 25, 1855.

Articles of agreement and convention made and concluded at Wasco, near the Dalles of the Columbia River, in Oregon Territory, by Joel Palmer, superintendent of Indian affairs, on the part of the United States, and the following-named chiefs and head-men of the confederated tribes and bands of Indians, residing in Middle Oregon, they being duly authorized thereto by their respective bands, to wit: Symtustus, Locks-quis-sa, Shick-a-me, and Kuck-up, chiefs of the Taih or Upper De Chutes band of Walla-Wallas; Stocket-ly and Iso, chiefs of the Wyam or Lower De Chutes band of Walla-Wallas; Alexis and Talkish, chiefs of the Tenino band of Walla-Wallas; Yise, chief of the Dock-Spus or John Day's River band of Walla-Wallas; Mark, William Chenook, and Cush-Kella, chiefs of the Dalles band of the Wascoes; Toh-simph, chief of the Ki-gal-twal-la band of Wascoes; and Wal-la-chin, chief of the Dog River band of Wascoes. [FNA][FNB]

ARTICLE 1

The above-named confederated bands of Indians cede to the United States all their right, title, and claim to all and every part of the country claimed by them, included in the following boundaries, to wit: [FNC]

Commencing in the middle of the Columbia River, at the Cascade Falls, and running thence southerly to the summit of the Cascade Mountains; thence along said summit to the forty-fourth parallel of north latitude; thence east on that parallel to the summit of the Blue Mountains, or the western boundary of the Sho-sho-ne or Snake country; thence northerly along that summit to a point due east from the head-waters of Willow Creek; thence west to the head-waters of said creek; thence down said stream to its junction with the Columbia River; and thence down the channel of the Columbia River to the place of beginning. Provided, however, that so much of the country described above as is contained in the following boundaries, shall, until otherwise directed by the President of the United States, be set apart as a residence for said Indians, which tract for the purposes contemplated shall be held and regarded as an Indian reservation, to wit: [FND][FNE]

Commencing in the middle of the channel of the De Chutes River opposite the eastern termination of a range of high lands usually known as the Mutton Mountains; thence westerly to the summit of said range, along the divide to its connection with the Cascade Mountains; [FNF] thence to the summit of said mountains; thence southerly to Mount Jefferson; thence down the main branch of De Chutes River; heading in this peak, to its junction with De Chutes River; and thence down the middle of the channel of said river to the place of beginning. All of which tract shall be set apart, and, so far as necessary, surveyed and marked out for their exclusive use; nor shall any white person be permitted to reside upon the same without the concurrent permission of the agent and superintendent. [FNG]

The said bands and tribes agree to remove to and settle upon the same within one year after the ratification of this treaty, without any additional expense to the United States other than is provided for by this treaty; and, until the expiration of the time specified, the said bands shall be permitted to occupy and reside upon the tracts now possessed by them, guaranteeing to all white citizens the right to enter upon and occupy as settlers any lands not included in said reservation, and not actually inclosed by said Indians. Provided, however, That prior to the removal of said Indians to said reservation, and before any improvements contemplated by this treaty shall have been commenced, that if the three principal bands, to wit: the Wascopum, Tiah, or Upper De Chutes, and the Lower De Chutes bands of Walla-Wallas shall express in council, a desire that some other reservation may be selected for them, that the three bands named may select each three persons of their respective bands, who with the superintendent of Indian affairs or agent, as may by him be directed, shall proceed to examine, and if another location can be selected, better suited to the condition and wants of said Indians, that is unoccupied by the whites, and upon which the board of commissioners thus selected may agree, the same shall be declared a reservation for said Indians, instead of the tract named in this treaty. Provided, also, That the exclusive right of taking fish in the streams running through and bordering said reservation is hereby secured to said Indians; and at all other usual and accustomed stations, in common with citizens of the United States, and of erecting suitable houses for curing the same; also the privilege of hunting, gathering roots and berries, and pasturing their stock on unclaimed lands, in common with citizens, is secured to them. And provided, also, That if any band or bands of Indians, residing in and claiming any portion or portions of the country in this article, shall not accede to the terms of this treaty, then the bands becoming parties hereunto agree to receive such parr of the several and other payments herein named as a consideration for the entire country described as aforesaid as shall be in the proportion that their aggregate number may have to the whole number of Indians residing in and claiming the entire country aforesaid, as consideration and payment in full for the tracts in said country claimed by them. And provided, also, That where substantial improvements have been made by any members of the bands being parties to this treaty, who are compelled to abandon them in consequence of said treaty, the same shall be valued, under the direction of the President of the United States, and payment made therefor; or, in lieu of said payment, improvements of equal extent and value at their option shall be made for them on the tracts assigned to each respectively. [FNH][FNI][FNJ][FNK] [FNL][FNM]

ARTICLE 2

In consideration of, and payment for, the country hereby ceded, the United States agree to pay the bands and tribes of Indians claiming territory and residing in said country, the several sums of money following, to wit: [FNN]

Eight thousand dollars per annum for the first five years, commencing on the first day of September, 1856, or as soon thereafter as practicable.

Six thousand dollars per annum for the term of five years next succeeding the first five.

Four thousand dollars per annum for the term of five years next succeeding the second five; and

Two thousand dollars per annum for the term of five years next succeeding the third five.

All of which several sums of money shall be expended for the use and benefit of the confederated bands, under the direction of the President of the United States, who may from time to time, at his discretion determine what proportion thereof shall be expended for such objects as in his judgment will promote their well-being and advance them in civilization; for their moral improvement and education; for building, opening and fencing farms, breaking land, providing teams, stock, agricultural implements, seeds, &c.; for clothing, provisions, and tools; for medical purposes, providing mechanics and farmers, and for arms and ammunition. [FNO]

ARTICLE 3

The United States agree to pay said Indians the additional sum of fifty thousand dollars, a portion whereof shall be applied to the payment for such articles as may be advanced them at the time of signing this treaty, and in providing, after the ratification thereof and prior to their removal, such articles as may be deemed by the President essential to their want; for the erection of buildings on the reservation, fencing and opening farms; for the purchase of teams, farming implements, clothing and provisions, tools, seeds, and for the payment of employees; and for subsisting the Indians the first year after their removal. [FNP]

ARTICLE 4

In addition to the considerations specified the United States agree to erect, at suitable points on the reservation, one sawmill and one flouring-mill; suitable hospital buildings; one school-house; one blacksmith-shop with a tin and a gunsmith-shop thereto attached; one wagon and plough maker shop; and for one sawyer, one miller, one superintendent of farming operations, a farmer, a physician, a school-teacher, a blacksmith, and a wagon and plough maker, a dwelling house and the requisite outbuildings for each; and to purchase and keep in repair for the time specified for furnishing employees all necessary mill-fixtures, mechanics' tools, medicines and hospital stores, books and stationery for schools, and furniture for employees. [FNQ]

The United States further engage to secure and pay for the services and subsistence, for the term of fifteen years, of one farmer, one blacksmith, and one wagon and plough maker; and for the term of twenty years, of one physician, one sawyer, one miller, one superintendent of farming operations, and one school teacher. [FNR]

The United States also engage to erect four dwelling-houses, one for the head chief of the confederated bands, and one each for the Upper and Lower De Chutes bands of Walla-Wallas, and for the Wascopum band of Wascoes, and to fence and plough for each of the said chiefs ten acres of land; also to pay the head chief of the confederated bands a salary of five hundred dollars per annum for twenty years, commencing six months after the three principal bands named in this treaty shall have removed to the reservation, or as soon thereafter as a head chief should be elected: And provided, also, That at any time when by the death, resignation, or removal of the chief selected, there shall be a vacancy and a successor appointed or selected, the salary, the dwelling, and improvements shall be possessed by said successor, so long as he shall occupy the position as head chief; so also with reference to the dwellings and improvements provided for by this treaty for the head chiefs of the three principal bands named. [FNS][FNT]

ARTICLE 5

The President may, from time to time, at his discretion, cause the whole, or such portion as he may think proper, of the tract that may now or hereafter be set apart as a permanent home for these Indians, to be surveyed into lots and assigned to such Indians of the confederated bands as may wish to enjoy the privilege, and locate[FNU] thereon permanently. To a single person over twenty-one years of age, forty acres; to a family of two persons, sixty acres; to a family of three and not exceeding five, eighty acres; to a family of six persons, and not exceeding ten, one hundred and twenty acres; and to each family over ten in number, twenty acres for each additional three members. And the President may provide such rules and regulations as will secure to the family in case of the death of the head thereof the possession and enjoyment of such permanent home and the improvement thereon; and he may, at any time, at his discretion, after such person or family has made location on the land assigned as a permanent home, issue a patent to such person or family for such assigned land, conditioned that the tract shall not be aliened or leased for a longer term than two years and shall be exempt from levy, sale, or forfeiture, which condition shall continue in force until a State constitution embracing such lands within its limits shall have been formed, and the legislature of the State shall remove the restrictions. Provided, however, That no State legislature shall remove the restrictions herein provided for without the consent of Congress. And provided, also, That if any person or family shall at any time neglect or refuse to occupy or till a portion of the land assigned and on which they have located, or shall roam from place to place indicating a desire to abandon his home, the President may, if the patent shall have been issued, revoke the same, and if not issued, cancel the assignment, and may also withhold from such person, or family, their portion of the annuities, or other money due them, until they shall have returned to such permanent home and resumed the pursuits of industry, and in default of their return the tract may be declared abandoned, and thereafter assigned to some other person or family of Indians residing on said reservation. [FNV][FNW][FNX]

ARTICLE 6

The annuities of the Indians shall not be taken to pay the debts of individuals. [FNY]

ARTICLE 7

The confederated bands acknowledge their dependence on the Government of the United States, and promise to be friendly with all the citizens thereof, and pledge themselves to commit no depredation on the property of said citizens; and should any one or more of the Indians violate this pledge, and the fact be satisfactorily proven before the agent, the property taken shall be returned, or in default thereof, or if injured or destroyed, compensation may be made by the Government out of their annuities; nor will they make war on any other tribe of Indians except in self-defence, but submit all matters of difference between them and other Indians to the Government of the United States, or its agents for decision, and abide thereby; and if any of the said

Indians commit any depredations on other Indians, the same rule shall prevail as that prescribed in the case of depredations against citizens; said Indians further engage to submit to and observe all laws, rules, and regulations which may be prescribed by the United States for the government of said Indians. [FNZ][FNAA] [FNBB]

ARTICLE 8

In order to prevent the evils of intemperance among said Indians, it is hereby provided, that if any one of them shall drink liquor to excess, or procure it for others to drink, his or her proportion of the annuities may be withheld from him or her for such time as the President may determine. [FNCC]

ARTICLE 9

The said confederated bands agree that whensoever, in the opinion of the President of the United States, the public interest may require it, that all roads, highways, and railroads shall have the right of way through the reservation herein designated, or which may at any time hereafter be set apart as a reservation for said Indians. [FNDD]

This treaty shall be obligatory on the contracting parties as soon as the same shall be ratified by the President and Senate of the United States. [FNEE]

In testimony whereof, the said Joel Palmer, on the part of the United States, and the undersigned, chiefs, headmen, and delegates of the said confederated bands, have hereunto set their hands and seals, this twenty-fifth day of June, eighteen hundred fifty-five.

Joel Palmer, Superintendent of Indian Affairs, O.T. (L.S.)

Wasco:

Mark, his x mark. (L.S.)

William Chenook, his x mark. (L.S.)

Cush Kella, his x mark. (L.S.)

Lower De Chutes:

Stock-etley, his x mark. (L.S.)

Iso, his x mark. (L.S.)

Upper De Chutes:

Simtustus, his x mark. (L.S.)

Locksquissa, his x mark. (L.S.)

Shick-ame, his x mark. (L.S.)

Kuck-up, his x mark. (L.S.)

Tenino:

Alexsee, his x mark. (L.S.)

Talekish, his x mark. (L.S.)

Dog River Wasco:

Walachin, his x mark. (L.S.)

Tah Symph, his x mark. (L.S.)

Ash-na-chat, his x mark. (L.S.)

Che-wot-nleth, his x mark. (L.S.)

Te-cho, his x mark. (L.S.)

Sha-qually, his x mark. (L.S.)

Louis, his x mark. (L.S.)

Yise, his x mark. (L.S.)

Stamite, his x mark. (L.S.)

Ta-cho, his x mark. (L.S.)

Penop-teyot, his x mark. (L.S.)

Elosh-kish-kie, his x mark. (L.S.)

Am. Zelic, his x mark. (L.S.)

Ke-chac, his x mark. (L.S.)

Tanes Salmon, his x mark. (L.S.)

Ta-kos, his x mark. (L.S.)

David, his x mark. (L.S.)

Sowal-we, his x mark. (L.S.)

Postie, his x mark. (L.S.)

Yawan-shewit, his x mark. (L.S.)

Own-aps, his x mark. (L.S.)

Kossa, his x mark. (L.S.)

Pa-wash-ti-mane, his x mark. (L.S.)

Ma-we-nit, his x mark. (L.S.)

Tipso, his x mark. (L.S.)

Jim, his x mark. (L.S.)

Peter, his x mark. (L.S.)

Na-yoct, his x mark. (L.S.)

Wal-tacom, his x mark. (L.S.)

Cho-kalth, his x mark. (L.S.)

Pal-sta, his x mark. (L.S.)

Mission John, his x mark. (L.S.)

Le Ka-ya, his x mark. (L.S.)

La-wit-chin, his x mark. (L.S.)

Low-las, his x mark. (L.S.)

Thomson, his x mark. (L.S.)

Charley, his x mark. (L.S.)

Copefornia, his x mark. (L.S.)

Wa-toi-mettla, his x mark. (L.S.)

Ke-la, his x mark. (L.S.)

Pa-ow-ne, his x mark. (L.S.)

Kuck-up, his x mark. (L.S.)

Poyet, his x mark. (L.S.)

Ya-wa-clax, his x mark. (L.S.)

Tam-cha-wit, his x mark. (L.S.)

Tam-mo-yo-cam, his x mark. (L.S.)

Was-ca-can, his x mark. (L.S.)

Talle Kish, his x mark. (L.S.)

Waleme Toach, his x mark. (L.S.)

Site-we-loch, his x mark. (L.S.)

Ma-ni-nect, his x mark. (L.S.)

Pich-kan, his x mark. (L.S.)

Pouh-que, his x mark. (L.S.)

Eye-eya, his x mark. (L.S.)

Kam-kus, his x mark. (L.S.)

Sim-yo, his x mark. (L.S.)

Kas-la-chin, his x mark. (L.S.)

Pio-sho-she, his x mark. (L.S.)

Mop-pa-man, his x mark. (L.S.)

Sho-es, his x mark. (L.S.)

Ta-mo-lits, his x mark. (L.S.)

Ka-lim, his x mark. (L.S.)

Ta-yes, his x mark. (L.S.)

Was-en-was, his x mark. (L.S.)

E-yath Kloppy, his x mark. (L.S.)

Paddy, his x mark. (L.S.)

Sto-quin, his x mark. (L.S.)

Charley-man, his x mark. (L.S.)

Ile-cho, his x mark. (L.S.)

Pate-cham, his x mark. (L.S.)

Yan-che-woc, his x mark. (L.S.)

Ya-toch-la-le, his x mark. (L.S.)

Alpy, his x mark. (L.S.)

Pich, his x mark. (L.S.)

William, his x mark. (L.S.)

Peter, his x mark. (L.S.)

Ischa Ya, his x mark. (L.S.)

George, his x mark. (L.S.)

Jim, his x mark. (L.S.)

Se-ya-las-ka, his x mark. (L.S.)

Ha-lai-kola, his x mark. (L.S.)

Pierro, his x mark. (L.S.)

Ash-lo-wash, his x mark. (L.S.)

Paya-tilch, his x mark. (L.S.)

Sae-pa-waltcha, his x mark. (L.S.)

Shalquilkey, his x mark. (L.S.)

Wa-qual-lol, his x mark. (L.S.)

Sim-kui-kui, his x mark. (L.S.)

Wacha-chiley, his x mark. (L.S.)

Chi-kal-kin, his x mark. (L.S.)

Squa-yash, his x mark. (L.S.)

Sha Ka, his x mark. (L.S.)

Keaui-sene, his x mark. (L.S.)

Che-chis, his x mark. (L.S.)

Sche-noway, his x mark. (L.S.)

Scho-ley, his x mark. (L.S.)

We-ya-thley, his x mark. (L.S.)

Pa-leyathley, his x mark. (L.S.)

Keyath, his x mark. (L.S.)

I-poth-pal, his x mark. (L.S.)

S. Kolps, his x mark. (L.S.)

Walimtalin, his x mark. (L.S.)

Tash Wick, his x mark. (L.S.)

Hawatch-can, his x mark. (L.S.)

Ta-wait-cla, his x mark. (L.S.)

Patoch Snort, his x mark. (L.S.)

Tachins, his x mark. (L.S.)

Comochal, his x mark. (L.S.)

Passayei, his x mark. (L.S.)

Watan-cha, his x mark. (L.S.)

Ta-wash, his x mark. (L.S.)

A-nouth-shot, his x mark. (L.S.)

Hanwake, his x mark. (L.S.)

Pata-la-set, his x mark. (L.S.)

Tash-weict, his x mark. (L.S.)

Wescha-matolla, his x mark. (L.S.)

Chle-mochle-mo, his x mark. (L.S.)

Quae-tus, his x mark. (L.S.)

Skuilts, his x mark. (L.S.)

Panospam, his x mark. (L.S.)

Stolameta, his x mark. (L.S.)

Tamayechotote, his x mark. (L.S.)

Qua-losh-kin, his x mark. (L.S.)

Wiska Ka, his x mark. (L.S.)

Che-lo-tha, his x mark. (L.S.)

Wetone-yath, his x mark. (L.S.)

We-ya-lo-cho-wit, his x mark. (L.S.)

Yoka-nolth, his x mark. (L.S.)

Wacha-ka-polle, his x mark. (L.S.)

Kon-ne, his x mark. (L.S.)

Ash-ka-wish, his x mark. (L.S.)

Pasquai, his x mark. (L.S.)

Wasso-kui, his x mark. (L.S.)

Quaino-sath, his x mark. (L.S.)

Cha-ya-tema, his x mark. (L.S.)

Wa-ya-lo-chol-wit, his x mark. (L.S.)

Flitch Kui Kui, his x mark. (L.S.)

Walcha Kas, his x mark. (L.S.)

Watch-tla, his x mark. (L.S.)

Enias, his x mark. (L.S.)

Signed in presence of - -

Wm. C. McKay, secretary of treaty, O.T.

R. R. Thompson, Indian agent.

R. B. Metcalfe, Indian sub-agent.

C. Mespotie.

John Flett, interpreter.

Dominick Jondron, his x mark, interpreter.

Mathew Dofa, his x mark, interpreter.

Footnotes

A Ratified Mar. 8, 1859.

FNB Proclaimed Apr. 18, 1859.

FNC Cession of lands to the United States.

FND Boundaries.

FNE Reservation.

FNF Boundaries.

FNG Whites not to reside thereon unless, etc.

FNH Bands to settle thereon within a year.

FNI Another reservation to be selected in lieu of this, if, etc.

FNJ Rights and privileges secured to Indians.

FNK See Art. 1, treaty of Nov. 1, 1865.

FNL Proviso in case any band does not accede to this treaty.

FNM Allowance for improvements if, etc.

FNN Payments by the United States.

FNO How to be expended.

FNP $50,000 additional to be expended for buildings, etc.

FNQ United States to erect sawmills, school-house, etc.

FNR To furnish farmer, mechanics, physician, etc.

FNS To erect dwelling houses, etc., for head chiefs.

FNT Successor of head chief to take them.

FNU Lands may be allotted to individual Indians for permanent homes.

FNV Patents to issue therefor; conditions thereof.

FNW Restrictions not to be removed without, etc.

FNX Patent may be cancelled.

FNY Annuities of Indians not to pay debt of individuals.

FNZ Bands to preserve friendly relations.

FNAA To pay for depredations.

FNBB Not to make war, except, etc.

FNCC Annuities to be withheld from those drinking liquor to excess.

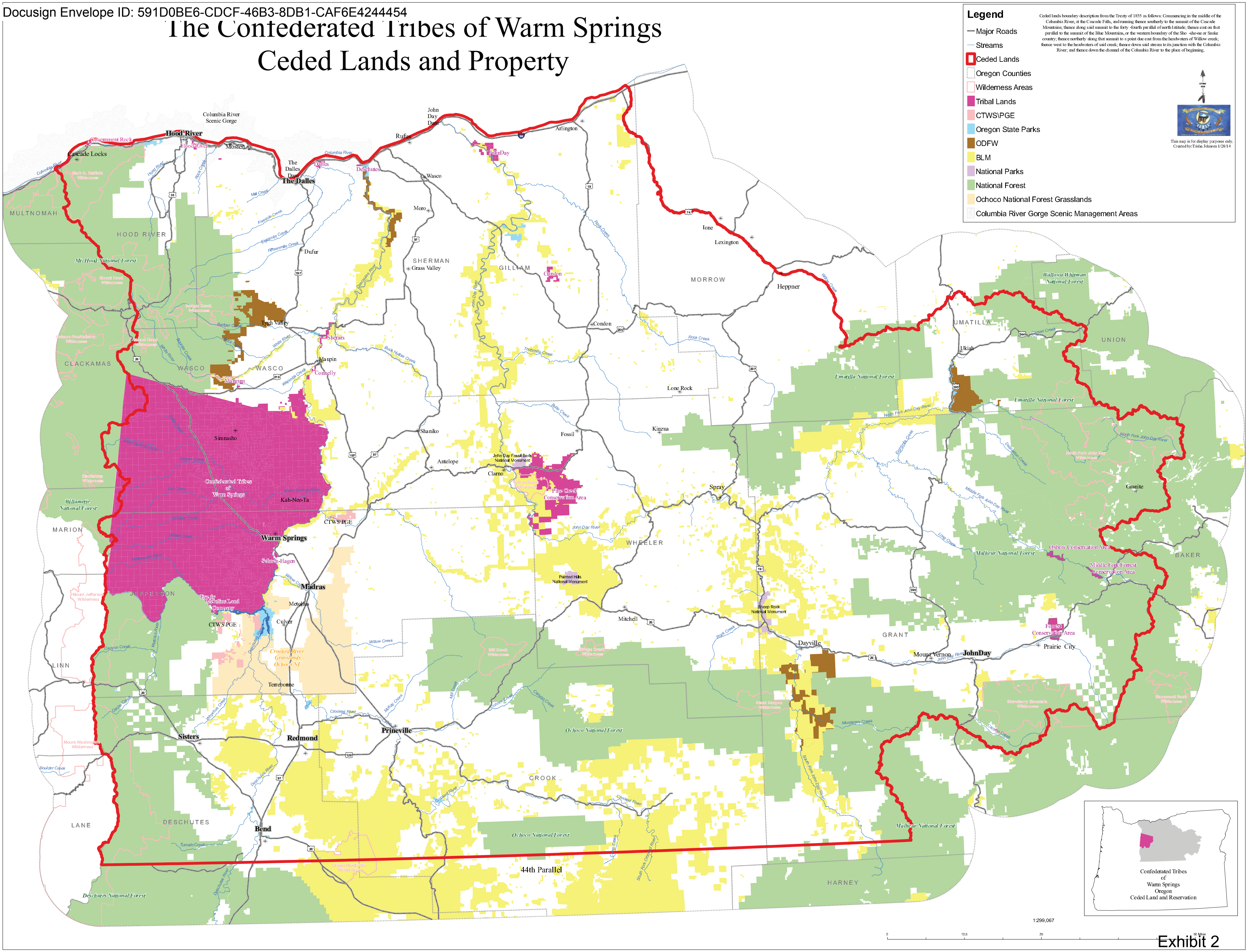
FNDD Roads, etc., may be made through reservation.

FNEE When treaty to take effect.

End of Document

EXHIBIT 2

The Confederated Tribes of Warm Springs Ceded Lands and Property



Oregon
Tina Kotek, Governor

Department of Fish and Wildlife
Ocean Salmon Columbia River Program
17330 SE Evlyn St
Clackamas, OR 97015
Phone: 971-673-6033
www.dfw.state.or.us

August 18, 2024

John Hairston, Administrator
Bonneville Power Administration
905 NE 11th Avenue
Portland, OR 97232

Dear Administrator Hairston,

I write in response to the Bonneville Power Administration's ("Bonneville") invitation to submit comments as part of Bonneville's BP-26 Rate Case Integrated Program Review ("IPR"), which provides part of the basis for its rate setting for FY 2026, FY 2027, and FY 2028. While I thank you for the opportunity to submit comments, the Oregon Department of Fish and Wildlife (ODFW) was not aware of the Fish & Wildlife IPR meeting and was unable to attend. The presentation material provided on Bonneville's BP-26 Rate Case website, while appearing to be comprehensive, is confusing. Importantly, and raising cause for concern, the cost values included in various materials–several PowerPoints, IPR Publication tables, and other supporting material– are inconsistent. Because of this, it is difficult to discern where increases or decreases in spending may occur during the BP-26 Rate Period.

I submit these comments in collaboration with the Six Sovereigns (the State of Oregon, the State of Washington, the Confederated Tribes and Bands of the Yakama Nation, the Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes of the Warm Springs Reservation of Oregon, the Nez Perce Tribe).

The funding levels proposed in the IPR for the BP-26 Rate Period appear consistent with the Resilient Columbia Basin Agreement ("RCBA"). In the RCBA, the Six Sovereigns committed to working with the "whole of government" to address healthy and abundant goals identified in the September 27, 2023 Presidential Memorandum. As long as the RCBA is in place, ODFW will partner with Bonneville, and the rest of the United States Federal Government ("USG"), to work towards the long-standing goal in the Northwest Power Coordinating Council ("NPCC") Fish & Wildlife Program ("F&W Program"), the goals of the Columbia Basin Partnership and native fish abundances envisioned through the CBRI. While the IPR figures for fish and wildlife appear to be consistent with the RCBA, ODFW remains concerned that BPA will provide enough "headroom" (i.e., funding) to support the "changed circumstances and/or legal requirements" that may occur through inflation adjustments, renegotiation of long-term fish accords, or potential changes in the USG level of commitment to the RCBA.[1] All things being equal, BPA could do more to embrace the rebuilding goals recognized in the September 27, 2023 Presidential Memorandum without making rates unaffordable, while providing more equitable support for regional fish and wildlife rebuilding goals.

BONNEVILLE'S FISH AND WILDLIFE MITIGATION OBLIGATIONS

Bonneville must develop a realistic projection of fish and wildlife costs that accurately reflects the information available at the time the rates are set, and the cost recovery mechanisms adopted. In the five-year period from 2018-2023, the total Columbia River salmon and steelhead run size has averaged

[1] U.S. Government Commitments in Support of the Columbia Basin Restoration Initiative at 17.

less than 25 percent of the Northwest Power and Conservation Council's ("Council) F&W Program goal of 5 million salmon and steelhead; many stocks are now at an all-time low.[2] This total abundance target is lower than the Council's estimates of the losses of anadromous fish due to the development and operation of the Columbia River hydroelectric facilities. Nearly fifty percent of the Snake River chinook populations and twenty-five percent of Snake River steelhead populations are at the Quasi-Extinction Threshold (50 fish or less on the spawning grounds for four consecutive years). These populations pass through eight federal dams. We remain millions of fish short of even the low-side annual salmon run goals established by the Council's F&W Program and confirmed by regional stakeholders through the Columbia Basin Partnership.[3]

In their 2022 Rebuilding Report, the National Oceanic and Atmospheric Administration ("NOAA") has also pointed out that rebuilding salmon and steelhead runs to levels promised when the dams were built will require "rapid, concerted, system-wide actions keyed to existing strongholds."[4] The Report notes that the efforts to date have been focused on delisting and have not been adequate to support rebuilding. NOAA recognizes that "[the] urgency of the comprehensive suite of actions is accentuated by ongoing climate change," and that "[the] suite of targeted restoration actions should exceed the minimum level of necessary improvement. Otherwise, there is a potential for extreme natural events to cause localized extinctions."

On September 27, 2023 the Biden Administration echoed NOAA's concerns that the region was not meeting their obligations for recovery.[5] That Presidential Memorandum directed "[a]ll executive departments and agencies . . . to utilize their authorities and available resources to advance the policy established in section 1 of this memorandum [protect, mitigate, and *enhance* (emphasis added)]." The official USG policy is "to restore healthy and abundant salmon, steelhead, and other native fish populations in the Basin."

In June 2024, the US Department of the Interior released a report "acknowledging and detailing the historic, ongoing, and cumulative damage and injustices that the federal dams on the Columbia River have caused and continue to cause to Tribal Nations.[6] In that report, the Federal Government documented the injustices and lack of adequate mitigation that has occurred for years since the construction of the federal hydropower system.

ODFW understands that in setting rates, Bonneville must balance the risk of charging their customers enough to deliver adequate, efficient, economical, and reliable, power and make its Treasury payment, while also meeting its fish and wildlife obligations. However, the tremendous uncertainty concerning continuing fish population viability due to hydropower system configuration and operations, particularly

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[2] Data obtained from Fish Passage Center website.
[3] A Vision for Salmon and Steelhead: Goals to Restore Thriving Salmon and Steelhead to the Columbia River Basin, Phase 2 Report of the Columbia River Partnership Task Force of the Marine Fisheries Advisory Committee, October 2022.
[4] See Rebuilding Interior Columbia Basin Salmon and Steelhead at https://media.fisheries.noaa.gov/2022-09/rebuilding-interior-columbia-basin-salmon-steelhead.pdf
[5] Memorandum on Restoring Healthy and Abundant Salmon, Steelhead, and Other Native Fish Populations in the Columbia River Basin, September 27, 2023, Joseph R. Biden.
[6] Historic and Ongoing Impacts of Federal Dams on the Columbia River Basin Tribes, June 2024, Department of the Interior.

in the face of climate change, effectively places an increasing burden of risk on the salmon and steelhead populations and, therefore, on the communities that rely on them as part of their culture and livelihood. The estimate of fish and wildlife costs included in the IPR must be adequate to meet the obligations of the Federal Columbia River Power System ("FCRPS") to protect, mitigate and *enhance* fish and wildlife resources affected by the FCRPS. This funding must be adequate to restore treaty resources as soon as practicable and will be necessary for as long as the dams are in place and until mitigation actions are no longer needed to repair the damage done by construction and operation of the FCRPS.

The costs presented in BPA's BP-26 Integrated Program Review do not demonstrate a commitment to embracing healthy and abundant goals adopted by the Northwest Power and Conservation Council in 1987 (and in every F&W Program since), reinforced and adopted by the Region in 2022 through the Columbia Basin Partnership, and expressed as a policy objective by the US Government in 2023. The urgency of the situation demands attention.

INTEGRATED PROGRAM EXPENSE ESTIMATES

ODFW appreciates that Bonneville provided expense estimates for the Integrated Fish and Wildlife Program. ODFW recognizes that there is a proposed increase of approximately $31 million per year during the BP-26 Rate Period, compared to the BP-24 Rate Period. However, it is not clear how the additional funding will be allocated. Bonneville has recently signed on to several new agreements including the RCBA, the Memorandum of Understanding and Mediated Settlement Agreement related to the Phase 2 Implementation Plan, and Accords with the Coeur d'Alene Tribe and the Spokane Tribe of Indians. Does Bonneville intend for the $31 million annual increase over the BP-26 Rate Period to address any of these agreements?

In 2024 many projects received inflation adjustments for the first time in 5-10 years. It is imperative that F&W Program funding keep pace with inflation. ODFW remains concerned about inflation adjustments going forward and whether they have been accounted for in the F&W project funding for the BP-26 Rate Period.

The most significant cost increase in the overall F&W Program funding appears to be Bonneville's own F&W Enterprise Services General and Administrative ("G&A") costs. The increase of 59.8% for Enterprise G&A Services for the BP-26 Rate Period does not match the overall rate of increase for the Integrated Expense Program of 4.9%. Bonneville is the largest recipient of F&W Program funding dollars, and its own program increases far exceed the rate at which the rest of the program is increasing.

INTEGRATED PROGRAM CAPITAL ESTIMATES

The BP-26 IPR materials identify a spending plan for EF&W Capital that appears consistent with the 2024 Strategic Asset Management Plan. It is difficult to assess because numbers are not provided to support the graphs in the presentation. It is very important that these funding levels support adjustment of past commitments that have completed the planning and development phase, and now their construction costs are significantly higher due to inflation and construction delays.

RESPONSIVENESS TO ASSET MAINTENANCE AND UPGRADE NEEDS

Bonneville-funded F&W Program assets have long suffered from insufficient Operations and Maintenance ("O&M") funding. While the RCBA has provided additional commitments for LSCRP Capital, the overall asset management approach needs close examination.

USFWS LSRCP O&M BUDGET

The attached spreadsheet contains the O&M needs for hatcheries across the Columbia Basin as provided by facility operators through coordination in the US v OR Production Advisory Committee (PAC).

Lower Snake River Compensation Plan - Lower Snake River Dam Mitigation - 100% Bonneville Power Administration direct funding agreement with U.S. Fish and Wildlife Service			
Clearwater Dworshak NFH Spring Chinook Hagerman NFH Irrigon Lookingglass Lyons Ferry Magic Valley McCall Sawtooth Tucannon Wallowa	Water Resource Development Act 1976 (90 Stat. 2917). Mitigation for four Lower Snake River Dams	FY24 Funding level $32.750M. Reduction in maintenance funding to meet $$ allocated by BPA	Funding needed: FY25 - $35.6M, FY26 - $37.7M, FY27 - $41.2M

The BPA proposed IPR numbers are $33.77M for FY26, $34.71M for FY27, and $35.67M for FY28. This results in a deficit of approximately $2M/year. If the region is going to make good on mitigation promises, catch up on outstanding non-recurring maintenance needs, and prevent an excessive build up of new needs, BPA and the USFWS need to fund LSCRP O&M budgets at the level requested in this table.

USFWS LSRCP Capital BUDGET

The RCBA Commitment for LSCRCP capital investments is $200M over 10 years, which averages $20M/year. The IPR proposal of $59M for the three years is consistent with that commitment. However, due to urgency of needs at the mitigation hatcheries, it would be wise for BPA and USFWS to expedite spending on this commitment and budget for the fisheries co-managers request of $80M during the BP-26 Rate Period. If BPA continues to underfund know needs, the backlog of maintenance issues will continue to rise.

USCOE O&M AND CAPITAL BUDGET

ODFW as a part of the Six Sovereigns, working with the USG, has identified $1 billion backlog in maintenance needs at the mainstem dams. The only commitment to address the $1 billion backlog in fish passage maintenance needs was the $50M from the Corps of Engineers for FY 2024. Bonneville's proposed funding, while addressing annual inflation adjustments does not significantly increase the COE O&M funding levels during the BP-26 Rate Period. BPA and COE proposed spending $55M in FY26, $60M in FY27, and $64M in FY28. In 2022, an effort by the Columbia River Inter-Tribal Fish Commission (CRITFC), in partnership with the member tribes and in collaboration of USACE staff from its Northwestern Division, including information from the System Configuration Team (SCT), Fish Passage Operations and Maintenance (FPOM) committee and other regional bodies, identified over $220M in outstanding, additional operation and maintenance needs for the mainstem dams for the next 8 years ($27.6M annually). There is no reason to believe that this funding level is as important today as it was in several comments on the BP-24 IPR. The survival estimates in the 2020 NOAA BiOp will have to be revisited if the fish passage structures at the dams continue to degrade and fail.

LONG-TERM FISH ACCORDS

During the BP-26 Rate Period, Bonneville will be renegotiating long term funding agreements and accords with the states and tribes. Under the current circumstances, it is safe to assume additional funds will be needed to address inflation pressures that each of the projects has been under for the past 5-10 years. ODFW's concern is that there be sufficient headroom in the BP-26 budgets to support continued agreements at their historic levels when factoring in inflation pressure.

Finally, it is important to note that increases in fish and wildlife costs are only a small part of the cost increases being realized in the BPA-26 IPR proposal. This rate proposal addresses a chronic avoidance in inflation needs across the agency. We strongly urge BPA to consider providing adequate fish and wildlife funding to address known inflation and planning needs during the BP-26 Rate Period, and to embrace the recommendations of the fish and wildlife managers for addressing the needs necessary to rebuild healthy and abundant salmon returns.

Sincerely,

Art Martin
Columbia River Coordination Section Manager
Oregon Department of Fish and Wildlife

Confederated Tribes *of the*
Umatilla Indian Reservation
Department of Natural Resources
Administration

46411 Timíne Way
Pendleton, OR 97801

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Phone 541-276-3165 Fax: 541-276-3095

August 16, 2024

John Hairston, Administrator
Bonneville Power Administration
905 NE 11th Avenue
Portland, OR 97232

Transmitted Electronically via: www.bpa.gov/comment

Subject: Comments of the CTUIR on BPA's BP-26 Rate Case Integrated Program Review

Dear Administrator Hairston,

I write in response to the Bonneville Power Administration's ("Bonneville") invitation to submit comments as part of Bonneville's BP-26 Rate Case Integrated Program Review ("IPR"), which provides part of the basis for its rate setting for FY 2026, FY 2027, and FY 2028. While I thank you for the opportunity to submit comments, the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) Department of Natural resources (DNR) was not aware of the Fish & Wildlife IPR meeting and was unable to attend. The presentation material provided on Bonneville's BP-26 Rate Case website, while appearing to be comprehensive, is confusing. Importantly, and raising cause for concern, the cost values included in various materials–several PowerPoints, IPR Publication tables, and other supporting material– are inconsistent. Because of this, it is difficult to discern where increases or decreases in spending may occur during the BP-26 Rate Period.

The CTUIR is a federally recognized Indian tribe, with a reservation in northeast Oregon. In 1855, predecessors to the CTUIR—ancestors with the Cayuse, Umatilla, and Walla Walla Tribes—negotiated and signed the Treaty of 1855 with the United States, 12 Stat. 945. In our Treaty, we ceded millions of acres of land to the federal government, and in exchange, received assurances that our sovereignty would be recognized and respected, our various pre-existing tribal rights would be honored, and our interests would be maintained and safeguarded, in perpetuity. Those rights include but are not limited to reserved rights to fish at all CTUIR usual and accustomed areas throughout the Columbia Basin. BPA has a legal obligation and duty to honor and uphold all Indian treaties, including our Treaty of 1855, and to act as a steward and trustee to ensure that the terms and commitments of such treaties are fulfilled pursuant to its federal Trust Responsibility.

In the Resilient Columbia Basin Agreement ("RCBA"), the Six Sovereigns committed to working with the "whole of government" to address healthy and abundant goals identified in the September 27, 2023 Presidential Memorandum. As long as the RCBA is in place, CTUIR will partner with Bonneville, and the rest of the United States Federal Government ("USG"), to work towards the long-standing goal in the Northwest Power Coordinating Council ("NPCC") Fish &

Wildlife Program ("F&W Program"), the goals of the Columbia Basin Partnership, and any other goals that trend towards fish abundance as was promised in the Treaty of 1855. The CTUIR remains concerned that BPA will provide enough funding to support the "changed circumstances and/or legal requirements" that may occur through inflation adjustments, renegotiation of long-term fish accords, or potential changes in the USG level of commitment to the RCBA.[1]

Bonneville's Fish and Wildlife Mitigation Obligations

Bonneville must develop a realistic projection of fish and wildlife costs that accurately reflects the information available at the time the rates are set, and the cost recovery mechanisms adopted. In the five-year period from 2018-2023, the total Columbia River salmon and steelhead run size has averaged less than 25 percent of the Northwest Power and Conservation Council's ("Council") F&W Program goal of 5 million salmon and steelhead. This abundance goal of 5 million is millions of salmon and steelhead short of the goals established by the Council's F&W Program and confirmed by regional stakeholders through the Columbia Basin Partnership.[2] Unfortunately, many stocks are now at an all-time low.[3] Nearly 50 percent of the Snake River chinook populations and 25 percent of Snake River steelhead populations, which pass through eight Federal dams, are at the Quasi-Extinction Threshold (50 fish or less on the spawning grounds for four consecutive years).

In its 2022 Rebuilding Report, the National Oceanic and Atmospheric Administration ("NOAA") pointed out that rebuilding salmon and steelhead runs to levels promised when the dams were built will require "rapid, concerted, system-wide actions keyed to existing strongholds."[4] The Report notes that the efforts to date have been focused on delisting and have not been adequate to support rebuilding. NOAA recognizes that "[the] urgency of the comprehensive suite of actions is accentuated by ongoing climate change," and that "[the] suite of targeted restoration actions should exceed the minimum level of necessary improvement. Otherwise, there is a potential for extreme natural events to cause localized extinctions."

On September 27, 2023 the Biden Administration echoed NOAA's concerns that the region was not meeting their obligations for recovery.[5] That Presidential Memorandum directed "[a]ll executive departments and agencies . . . to utilize their authorities and available resources to advance the policy established in section 1 of this memorandum [protect, mitigate, and *enhance* (emphasis added)]." The official USG policy is "to restore healthy and abundant salmon, steelhead, and other native fish populations in the Basin."

[1] U.S. Government Commitments in Support of the Columbia Basin Restoration Initiative at 17.
[2] A Vision for Salmon and Steelhead: Goals to Restore Thriving Salmon and Steelhead to the Columbia River Basin, Phase 2 Report of the Columbia River Partnership Task Force of the Marine Fisheries Advisory Committee, October 2022.
[3] Data obtained from Fish Passage Center website.
[4] See Rebuilding Interior Columbia Basin Salmon and Steelhead at https://media.fisheries.noaa.gov/2022-09/rebuilding-interior-columbia-basin-salmon-steelhead.pdf
[5] Memorandum on Restoring Healthy and Abundant Salmon, Steelhead, and Other Native Fish Populations in the Columbia River Basin, September 27, 2023, Joseph R. Biden.

In June 2024, the US Department of the Interior released a report "acknowledging and detailing the historic, ongoing, and cumulative damage and injustices that the federal dams on the Columbia River have caused and continue to cause to Tribal Nations."[6] In that report, the Federal Government documented the injustices and lack of adequate mitigation that has occurred for years since the construction of the federal hydropower system.

CTUIR understands that in setting rates, Bonneville must balance the risk of charging their customers enough to deliver adequate, efficient, economical, and reliable, power and make its Treasury payment, while also meeting its fish and wildlife obligations. However, the tremendous uncertainty concerning continuing fish population viability due to hydropower system configuration and operations, particularly in the face of climate change, effectively places an increasing burden of risk on the salmon and steelhead populations and, therefore, on the communities that rely on them as part of their culture and livelihood. The estimate of fish and wildlife costs included in the IPR must be adequate to meet the obligations of the Federal Columbia River Power System ("FCRPS") to protect, mitigate and *enhance* fish and wildlife resources affected by the FCRPS. This funding must be adequate to restore treaty resources as soon as practicable and will be necessary for as long as the dams are in place and until mitigation actions are no longer needed to repair the damage done by construction and operation of the FCRPS.

The costs presented in BPA's BP-26 Integrated Program Review do not demonstrate a commitment to embracing healthy and abundant goals adopted by the Northwest Power and Conservation Council in 1987 (and in every F&W Program since), reinforced and adopted by the Region in 2022 through the Columbia Basin Partnership, and expressed as a policy objective by the US Government in 2023. The urgency of the situation demands attention.

Integrated Program Expense Estimates

CTUIR appreciates that Bonneville provided expense estimates for the Integrated Fish and Wildlife Program. CTUIR recognizes that there is a proposed increase of approximately $31 million per year during the BP-26 Rate Period, compared to the BP-24 Rate Period. However, it is not clear how and/or to whom the additional funding will be allocated. Bonneville has recently signed on to several new agreements including the RCBA, the Memorandum of Understanding and Mediated Settlement Agreement related to the Phase 2 Implementation Plan, and Accords with the Coeur d'Alene Tribe and the Spokane Tribe of Indians. Does Bonneville intend for the $31 million annual increase over the BP-26 Rate Period to address any of these agreements?

[6] White House Press Release available at https://www.whitehouse.gov/ceq/news-updates/2024/06/18/biden-harris-administration-launches-task-force-to-advance-historic-commitment-to-restore-wild-salmon-other-native-fish-in-the-columbia-river-basin/ announcing the Historic and Ongoing Impacts of Federal Dams on the Columbia River Basin Tribes, June 2024, Department of the Interior.

In 2024 many projects received inflation adjustments for the first time in 5-10 years. It is imperative that F&W Program funding keep pace with inflation. CTUIR remains concerned about inflation adjustments going forward and whether they have been accounted for in the F&W project funding for the BP-26 Rate Period.
The most significant cost increase in the overall F&W Program funding appears to be Bonneville's own F&W Enterprise Services General and Administrative ("G&A") costs. The increase of 59.8% for Enterprise G&A Services for the BP-26 Rate Period does not match the overall rate of increase for the Integrated Expense Program of 4.9%. Bonneville is the largest recipient of F&W Program funding dollars, and its own program increases far exceed the rate at which the rest of the program is increasing.

Integrated Program Capital Estimates

The BP-26 IPR materials identify a spending plan for EF&W Capital that appears consistent with the 2024 Strategic Asset Management Plan. It is difficult to assess because numbers are not provided to support the graphs in the presentation. It is very important that these funding levels support adjustment of past commitments that have completed the planning and development phase, and now their construction costs are significantly higher due to inflation and construction delays.

Asset Maintenance and Upgrade Needs

Bonneville-funded F&W Program assets have long suffered from insufficient Operations and Maintenance ("O&M") funding. While the RCBA has provided additional commitments for the Lower Snake River Compensation Plan (LSRCP) Capital, the overall asset management approach needs close examination.

USFWS LSRCP Operations & Maintenance Budget

The attached spreadsheet contains the O&M needs for hatcheries across the Columbia Basin as provided by facility operators through coordination in the *US v OR* Production Advisory Committee (PAC).

Lower Snake River Compensation Plan - Lower Snake River Dam Mitigation - 100% Bonneville Power Administration direct funding agreement with U.S. Fish and Wildlife Service			
Clearwater Dworshak NFH Spring Chinook Hagerman NFH Irrigon Lookingglass Lyons Ferry Magic Valley McCall Sawtooth Tucannon Wallowa	Water Resource Development Act 1976 (90 Stat. 2917). Mitigation for four Lower Snake River Dams	FY24 Funding level $32.750M. Reduction in maintenance funding to meet $$ allocated by BPA	Funding needed: FY25 - $35.6M, FY26 - $37.7M, FY27 - $41.2M

The BPA proposed IPR numbers are $33.77M for FY26, $34.71M for FY27, and $35.67M for FY28. This results in a deficit of approximately $2M – 6.5M depending upon the year. If the USG is going to satisfy its mitigation obligations and promises, catch up on outstanding non-recurring maintenance needs, and prevent an excessive build-up of new needs, BPA and the USFWS need to fund LSCRP O&M budgets at the level requested in this table.

USFWS LSRCP Capital Budget

The RCBA Commitment for LSCRCP capital investments is $200M over 10 years, which averages $20M/year. The IPR proposal of $59M for the three years is consistent with that commitment. However, due to urgent needs at the mitigation hatcheries, it would be wise for BPA and USFWS to expedite spending on this commitment and budget for the fisheries co-managers request of about $80M during the BP-26 Rate Period. If BPA continues to underfund known needs, the backlog of maintenance issues will continue to rise.

US Corps of Engineers O&M and Capital Budget

The CTUIR as a part of the Six Sovereigns, working with the USG, has identified a $1 billion backlog in maintenance needs at the mainstem dams. The only commitment to address the $1 billion backlog in fish passage maintenance needs was the $50M from the Corps of Engineers ("COE") for FY 2024. Bonneville's proposed funding, while addressing annual inflation adjustments does not significantly increase the COE O&M funding levels during the BP-26 Rate Period. BPA and COE proposed spending $55M in FY26, $60M in FY27, and $64M in FY28. In 2022, an effort by the Columbia River Inter-Tribal Fish Commission (CRITFC), in partnership with the member tribes and in collaboration of USACE staff from its Northwestern Division, including information from the System Configuration Team (SCT), Fish Passage Operations and Maintenance (FPOM) committee and other regional bodies, identified over $220M in outstanding, additional operation and maintenance needs for the mainstem dams for the next 8 years ($27.6M annually). The survival estimates in the 2020 NOAA BiOp will have to be revisited if the fish passage structures at the dams continue to degrade and fail.

Long-Term Funding Agreements

During the BP-26 Rate Period, Bonneville will be renegotiating long-term funding agreements and accords with the states and tribes. Under the current circumstances, it is safe to assume additional funds will be needed to address inflation pressures that each of the projects has been under for the past 5-10 years. CTUIR's concern is that there be sufficient headroom in the BP-26 budgets to support continued agreements at their historic levels when factoring in inflation pressure.

Finally, it is important to note that increases in fish and wildlife costs are only a small part of the cost increases being realized in the BPA-26 IPR proposal. This rate proposal addresses a chronic avoidance in inflation needs across the agency. We strongly urge BPA to consider providing adequate fish and wildlife funding to address known inflation and planning needs during the BP-

26 Rate Period, and to embrace the recommendations of the fish and wildlife managers for addressing the needs necessary to rebuild healthy and abundant salmon and steelhead and other native fish returns.

The CTUIR DNR appreciates the opportunity to provide these comments.

Respectfully,

Eric J. Quaempts, Director
Department of Natural Resources

7/3/2024

Comments Re: BP-26 Integrated Program Review

Comments by James Adcock, Electrical Engineer, MIT, retired, Bellevue WA

James has been involved in IOU IRPs in Washington State for about 15 years.

I wish to express concerns about a couple areas, in terms of BPA interactions, in practice, with Washington State Environmental Law, primarily CETA. And BPA interactions with Washington State IOUs.

What I hear from Washington State IOUs is that BPA is not being timely and responsive in terms of developing the necessary long-distance additional transmission line capacity that those IOUs in turn need to bring Renewable Energy to market, or to their home territories, so that those IOUs can meet the requirements of Washington State CETA law, which requires them to be 80% actually clean non-emitting or renewable power delivered to their customers, by 2030. And that BPA has no intention of implementing such additional transmission line services within that time frame, only after 2030. And that as such BPA is acting as a "blocker", preventing Washington State IOUs from being able to meet the requirements of Washington State Law. If this is true, and I assume it is, then I believe that it is inappropriate that BPA acts in a way that "blocks" Washington State IOUs from meeting the requirements of Washington State Environmental Law. "It Is Our Water". It is not BPA's Water. BPA should be a "good citizen" in the PNW, and act in a way that is commensurate with each state's laws, both BPA following those laws themselves– even if BPA considers that it is doing so on a "voluntary basis". And also allowing and encouraging the other generating and distribution companies, the IOUs and Publics, to follow state laws, and to act in the best interest of the continuing existence of the planet and the human race in the face of climate change. Such would not be "business as usual" for BPA. It would require BPA to change, and to change for the better, and to better reflect on BPA's role in the region, the nation, and the world.

Further, I understand based on readings its own writings that BPA is not being entirely cooperative with Washington State, and its utilities, when it comes to providing the necessary information for utilities to correctly and easily calculate the carbon content of the power that BPA provides to the various utilities. This is a mistake on BPA's part, I believe. Rather, BPA should be open, transparent, and cooperative with all the utilities which rely in any way on BPA power, or on BPA's information about the carbon content of that power. Please do start cooperating fully on these matters with no foot-dragging. BPA should consider it fully to be within its charter, to not only try to *actually* keep salmon from going extinct, but also the rest of the planet, and the human race. If BPA has not done so already, it should review the Bressler "Mortality Cost of Carbon" paper to understand just how many tens of thousands of lives are being lost already do these kinds of pointless and destructive "game playing."

Sincerely, James Adcock, Bellevue WA