

# WPUDA supports a modern Columbia River Treaty with a rebalanced Canadian Entitlement



*Providing equitable distribution of power benefits between the U.S. and Canada with continued flood control protections is essential to Northwest ratepayers.*

## **WPUDA supports renegotiation of the Treaty to address inequitable distribution of power benefits**

**How it impacts PUDs:** The Columbia River Treaty between Canada and the United States provides for the cooperative development and operation of Columbia River Basin water resources to reduce the effect of flooding and increase the dependable and usable amounts of hydropower generation. The costs and benefits are borne by Pacific Northwest utility customers, and therefore, the Treaty has a direct impact on WPUDA members and the more than 600,000 customers they serve across the State of Washington.

**The current Treaty puts a greater financial burden than necessary on Northwest ratepayers:** Of primary concern to Northwest utilities is the current, inequitable distribution of power benefits between the U.S. and Canada. Under the Treaty, the U.S. paid \$64.4 million for sixty years of flood control benefits and Canada constructed three dams in British Columbia, providing additional storage to reduce the potential for flooding as well as increased hydroelectric power generation. Under the Treaty the U.S. also delivers to Canada one-half of the downstream power benefits resulting from the improved stream flow in the U.S. on an on-going basis. This is called the “Canadian Entitlement.” The Canadian Entitlement is being delivered in the form of hydroelectric capacity and energy.

According to extensive analysis by the Bonneville Power Administration (BPA), the computed downstream power benefits that determine the Canadian Entitlement far exceed the actual benefits, and are estimated to be about 10 times more than what they would be based on the actual operation of the river. That means Pacific Northwest ratepayers are paying more than they might otherwise pay if the benefits were based on actual power benefits reflective of how the river is operated today. The U.S. currently overpays Canada about 70 – 90 percent for downstream power benefits from Canadian storage. This overpayment translates into approximately 3 billion kilowatt hours per year, and over the last decade has resulted in a Northwest electric ratepayer overpayment of approximately \$1.25 billion.

**Modernizing the Treaty is important to Washington’s clean, reliable, affordable energy future:** WPUDA is part of the regional Power Group that supports a rebalancing of the Canadian Entitlement under the Columbia River Treaty. We appreciate the Delegation’s continued engagement in moving the process forward.

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