

WPUDA Supports Timely Action to Ensure a Modern Columbia River Treaty



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

Timely action by the State Department to move the proposal forward is essential to PUD ratepayers.

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 Treaty was implemented in 1964 and most of the provisions may be terminated by Canada or the United States after September 2024 with a 10-year advance notice. *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. Some of our members operate large hydroelectric projects on the Columbia River, while others rely on power generated by the Federal-based system to serve their communities.*

Treaty Impacts 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. This is due to a variety of factors, including changed U.S. operations for fish and the addition of more U.S. storage. 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.

Considerations for Treaty discussions

WPUDA is part of the regional Power Group that supports a rebalancing of the Canadian Entitlement under the Columbia River Treaty. We are pleased with the recommendation made to the State Department and with its acknowledgement of the environmental work already taking place in the region.