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## **BPA puts big price on lost benefits**

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Replacing all the power benefits from the lower Snake River dams would cost \$400 million to \$550 million yearly, the Bonneville Power Administration announced Friday.

The agency's report comes in response to a 2006 study by environmental and sport fishing groups that claimed removing the four dams would save the region money.

"There are a lot of issues in the Northwest around power production and transmission that are very gray, but we see this as a very black-and-white issue," said BPA spokesman Scott Simms. "The dams should not be removed."

If BPA had to spend \$1.5 billion to \$3.8 billion in the next decade to replace all of the benefits provided by the four dams, Simms said individual utility customers could see their bills increase by \$7 to \$9 per megawatt-hour.

Last year, Bonneville was signing agreements with those customers to provide power at \$27.30 per megawatt-hour over the next three years, which would raise power purchase costs by 26 percent to 33 percent.

In 2006, the coalition of environmental and sport fishing groups delivered a very different conclusion. Its best-case scenario claimed that removing the dams would save as much as \$1.83 billion over the next 10 years. At worst, the groups contended that removing the dams would cost \$1.2 billion during the decade.

That analysis, titled Revenue Stream, said it considered taxpayer savings, benefits from increased tourism, new outdoor recreation opportunities and better sport and commercial fishing opportunities. The energy analysis in Revenue Stream, the only portion of the study challenged by BPA, found that replacing the power from the four dams would cost \$79 million to \$170 million.

"We couldn't disagree more," Simms said. "It would cost the region money. There are huge issues that have been overlooked by the groups who are making an attempt to downplay the benefits of these dams."

The dams are only four of 31 operated by BPA in the Northwest, but the agency said they represent a value that cannot be matched by other power sources, such as wind or coal. In an average year, the dams produce about 1,022 megawatts of energy, which represents 15 percent of BPA's total power supply.

"These dams produce enough electricity to supply a city about the size of Seattle at a very low cost," said BPA Administrator Steve Wright. "Their output cannot be replaced easily or inexpensively."

The dams can produce three times as much energy as is typically needed and provide BPA with a legally mandated reserve capacity that functions as an energy cushion, should something drastic happen within the system.

Representatives from groups that researched and prepared Revenue Stream were unfazed.

"We remain confident that Revenue Stream presents the facts fairly and accurately, based on the best government and private sector research available to us," said Therese Wells, a spokeswoman from Save

Our Wild Salmon. "It was always intended to serve as a catalyst for debate, and we're gratified that it is doing that in the region and beyond."

Wells said she was not surprised BPA "would question the validity of any report that makes a compelling case for dam removal."

Michael Garrity, associate director of Columbia Basin programs for American Rivers, said the discrepancies between the two analyses highlight the need for a third-party review.

"This supports the need for our regional leadership to sponsor a bill that calls for getting all the information out on the table from as close to an unbiased source as you can find," Garrity said.

American Rivers helped draft a bill sponsored by U.S. Reps. Jim McDermott, D-Wash., and Tom Petri, R-Wis., that calls on the National Academies of Science to evaluate the biological impacts of removing the dams and would require the Government Accountability Office to review the economic values.

The bill was blasted last month by Northwest RiverPartners, a coalition of regional businesses, utilities, farmers and ports that tagged the proposed legislation as an "ill-conceived and needless distraction" from real efforts to protect threatened species of salmon and steelhead.

"This bill is completely disingenuous," said Terry Flores, executive director of Northwest RiverPartners. "It purports to be about salmon recovery, and mentions the other factors affecting fish survival, but the bill focuses primarily on removing the dams."

In 2002, the Army Corps of Engineers Corps released an environmental impact statement that was seven years in the making and concluded that breaching the lower Snake River dams would cost customers \$373 million per year and generate \$106 million per year in benefits and avoided costs.

Simms said that report is the independent analysis environmental groups are asking for and continuing to spend money to look at the issue isn't likely to change the results.

"There's been a tremendous amount of time and money spent on studying this," Simms said. "The question that needs to be asked now is: 'How many times are we going to study this before we believe what these assertions are saying?' "