



REGIONAL AFFAIRS UPDATE

City Light Review Panel

Mike Jones | November 22, 2016



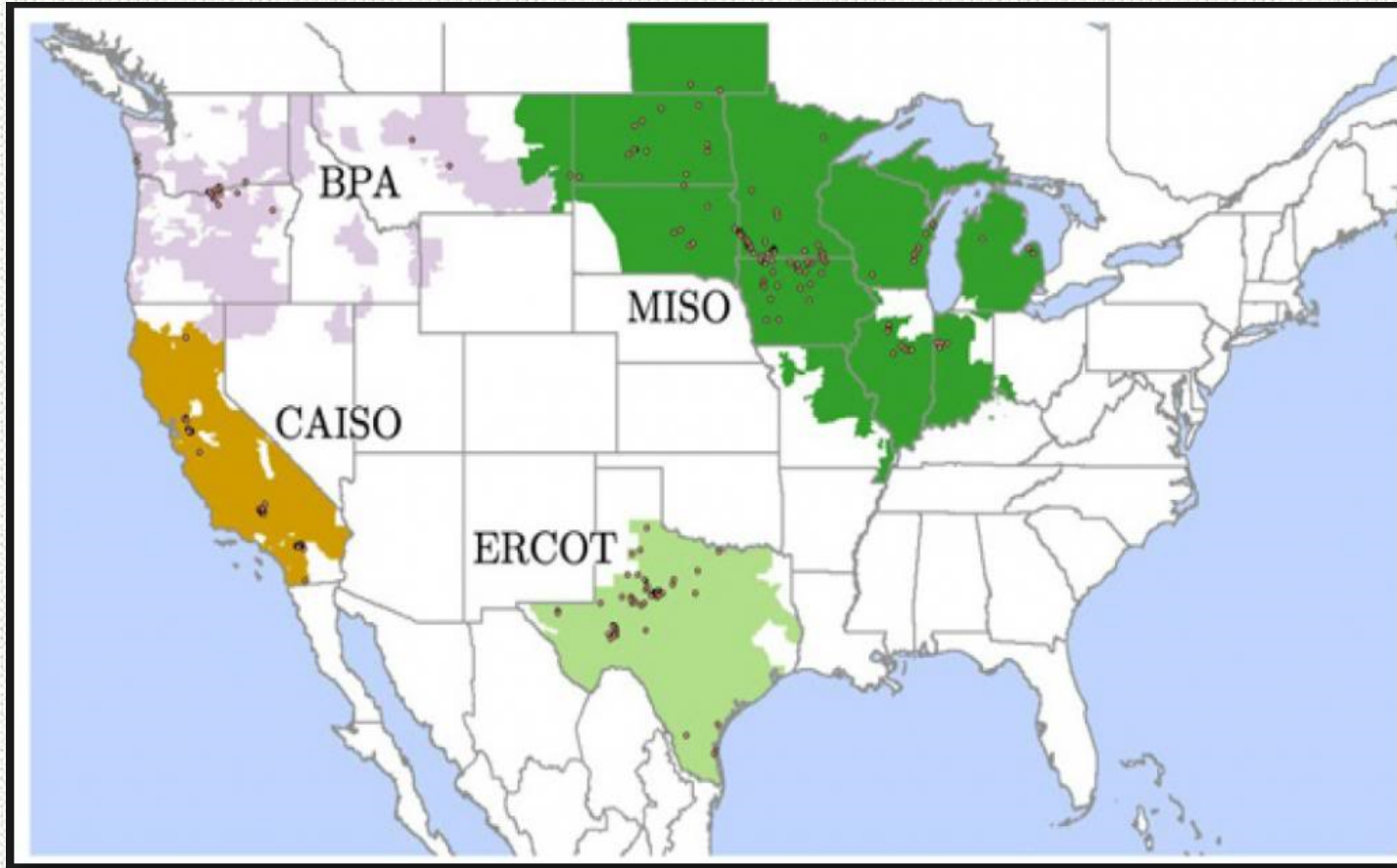
BONNEVILLE POWER ADMINISTRATION

- Bonneville Overview
- Columbia River Treaty
- Endangered Species Act
- Focus 2028

BPA OVERVIEW

- BPA serves 142 “preference” public power customers across OR, WA, ID and western MT
- BPA markets generation from the Federal Columbia River Power System (FCRPS) and the Columbia Generating Station (about 1/3 of PNW)
- BPA owns and operates 15,000 miles of transmission (about 80% of PNW)
- Annual budget of \$3.5B
- 3,100 employees across the northwest

GEOGRAPHIC FOOTPRINTS



COLUMBIA RIVER TREATY (CRT)

- Treaty provides for sharing of power production benefits from coordinated operations between U.S. and Canada and for flood control
- Flood control provisions will change in 2024
- Power provisions of Treaty were designed to be terminable on ten years' notice
- Formula for sharing benefits is dated
- Seattle supports ecosystem as a "third purpose" in a revised Treaty

FCRPS AND THE ENDANGERED SPECIES ACT

- Scope
 - 14 Federal hydropower projects
 - 13 listed species of salmon and steelhead
- ESA requires agencies (BPA, USACE, USBR) to
 - *Ensure their actions are not likely to jeopardize the continued existence of a listed species, nor result in the destruction of critical habitat*
- Agencies prepare Biological Assessment and consult with NOAA Fisheries who drafts a Biological Opinion (BiOp)

COLUMBIA RIVER BASIN



BIOLOGICAL OPINION (BiOp)

- Provides guidance to agencies in operating FCRPS in compliance with the ESA
- Requires a series of mitigation measures called Reasonable and Prudent Alternatives
 - Sets performance standards of
 - 96% average per dam survival of spring migrants
 - 93% for summer migrating fish
 - Addresses additional actions including habitat, predation management and harvest actions

ESA BIOP LITIGATION

- Long-standing litigation around federal agency compliance with Endangered Species Act and National Environmental Policy Act
 - Courts have repeatedly found the agencies in noncompliance with NEPA
 - A recent court order directed agencies to consider all reasonable alternatives, including Lower Snake River dam removal
 - Fish and wildlife costs, including foregone revenue, are equivalent to ~ 1/3 of BPA's power costs
 - Multi-year, procedural in nature

ESA BIOP LITIGATION

- Recent Actions
 - May 6, 2016 - Federal Court Rejects Salmon/Steelhead Recovery Plan; Orders New BiOp By 2018
- Judge Simon said
 - Current BiOp's standard of "trending toward recovery" is insufficient to ensure recovery
 - Habitat improvement benefits are uncertain
 - NOAA Fisheries' assessment of climate change impacts on recovery do not use the best available science
 - U.S. Army Corps of Engineers and the Bureau of Reclamation must comply with NEPA and assess all RPA's, including breaching lower Snake River dams.

ESA BIOP LITIGATION

- September 30, 2016 – Agencies begin scoping process for Columbia River System Operations EIS
 - Includes 14 public meetings -one in Seattle, Dec. 1st
 - Agencies will present reasonable range of alternatives for long-term system operations and evaluate the potential environmental and socioeconomic impacts on:
 1. Electric reliability
 2. Flood risk management
 3. Fish and wildlife
 4. Navigation
 5. Irrigation
 6. Cultural resources
 7. Recreation
 8. Power generation

FOCUS 2028

- BPA power contracts expire September 30, 2028
 - Capital and O&M costs rising faster than inflation
 - Capital maintenance increasing
 - Fish and wildlife costs out-pacing maintenance costs
 - Regional loads are declining
 - BPA engaged in multi-agency effort with USACE and USBR to control rising costs
 - BPA intends to be price competitive in 2028
 - BPA working on long-term rate forecast
 - SCL needs carbon free, reliable power in 2028



OUR VISION

To set the standard—to deliver the best customer service experience of any utility in the nation.

OUR MISSION

Seattle City Light is dedicated to exceeding our customers' expectations in producing and delivering environmentally responsible, safe, low-cost and reliable power.

OUR VALUES

Excellence, Accountability, Trust and Stewardship.

