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From the desk of*Dick Adams*

To: PNUCC Members

The Columbia River Treaty review remains a high priority in our work plan and is a mainstay at our board meetings. The reason – starting in September 2014, either party, the US or Canada, have the option to give ten year notice to terminate and renegotiate the power benefits portion of the Treaty.

With that, summer is fast approaching, and I envision that the BPA and Corps' draft recommendation to the Department of State for the Columbia River Treaty is on the horizon. This recommendation will be integral in setting the stage for upcoming talks. The region is arriving at a crossroads and has the opportunity to rebalance downstream power benefits. This could potentially increase the Northwest's usable hydro production by hundreds of average megawatts.

Debt paid. By 2024, a common perspective is that the US will have fully compensated Canada for the three Treaty dams. Today, the US sends Canada half of the calculated downstream power benefits. These benefits come from the storage created by the three dams plus the value of coordinated water releases using a Treaty-mandated formula. I expect that the US recommendation will reflect the fulfillment of its obligations. Going forward, many in the region believe the downstream power benefit should only be based on the value of coordinated water releases.

Continue Coordination. The US and Canada still have much to gain through coordinated water releases beyond 2024. Studies indicate that on a yearly basis, coordinated releases are worth around 100 average megawatts. But on a monthly basis coordinated releases can be worth over 1,000 average megawatts depending on the time of year and flow levels. Renegotiating the Treaty to capture this benefit is good for both nations. Hydropower is a carbon free dispatchable resource – we should strive to maximize it.

Terminate to Renegotiate. The word “termination” has an inherent negative connotation to it, and has been tip-toed around when discussing options for the Columbia River Treaty. This is unfortunate. A notice to terminate the Treaty simply provides the opportunity to start anew and properly realign the power benefits. The Treaty has provided both nations with considerable benefits since 1964. A renegotiation of the Treaty will ensure that these benefits continue for decades to come.

Stay tuned.....



Dick Adams
Executive Director

