

September 14, 2020

U.S. Bureau of Reclamation  
Columbia-Pacific Northwest Division

*Submitted electronically*

**RE: Comments of the Public Power Council on the Boise River Basin Feasibility Study Draft Environmental Impact Statement**

The Public Power Council (PPC) appreciates this opportunity to comment on the Boise River Basin Feasibility Study Draft Environmental Impact Statement (D-EIS).

PPC represents the non-profit, community-owned public utility customers that have statutory priority to purchase the output of the Federal Columbia River Power System (FCRPS) from the Bonneville Power Administration (BPA). BPA's wholesale power customers depend on hydropower from the federal system to serve the residents of the Northwest with affordable, reliable, carbon-free power at cost. The wholesale power rates paid by Northwest public power recover the costs of the FCRPS, including the power-related share of incremental investment for improvements at Anderson Ranch Dam as contemplated in the D-EIS.

PPC supports prudent investment to increase the value of multi-use federal projects. In this instance, the proposal appears to provide substantial value, particularly in the areas of water supply and irrigation. Unfortunately, PPC cannot support the proposed improvements without rigorous and equitable cost allocation. We are concerned that the benefits to hydropower from the proposed project may be substantially overstated, resulting in an inequitable allocation of project costs to power users. Although the absolute magnitude of dollars allocated to hydropower in this instance is relatively small, the cost allocation process is important and should be rigorously applied in all instances to ensure equity across multiple authorized purposes.

PPC has several concerns regarding the assumptions and methodology used to develop the hydropower benefits of the proposed project improvement. The first of these is the assumed price of power of \$37 per MWh for incremental generation. The electricity market is dynamic and driven by underlying fundamentals of supply and demand. A

snapshot in time is unlikely to capture future price dynamics. Further, it is not likely that the full incremental storage capacity will capture the highest possible incremental power price, even when discounted for availability of water. The benefit calculation also does not appear to fully consider that the project creates additional storage, but not new total inflows. There is no incremental fuel, therefore the benefit calculation must consider that generation is being moved out of another time-period.

Although the D-EIS asserts qualitatively that power operations may be more efficient due to higher reservoir operations, this is unsupported quantitatively and does not consider the possibility of increased costs from changes to the operation such as turbine cavitation. Finally, calculation of power benefits must account for the fact that there may be alternative sources of supply at lower cost.

PPC is also concerned from a procedural perspective that the Bureau of Reclamation did not consult BPA early in the development of the D-EIS regarding the methodology and assumptions used to calculate incremental power benefits. BPA markets the power from the projects of the FCRPS, including Anderson Ranch, and is in the best position to value incremental generation. Close collaboration between BPA and the U.S. Army Corps of Engineers throughout the Columbia River System Operations Environmental Impact Statement process allowed for a robust analysis of power generation impacts between alternatives and should serve as a template for future NEPA analyses regarding the FCRPS.

We are gratified to hear that the Bureau of Reclamation is now directly engaged with BPA on this matter. We recommend that the Bureau of Reclamation continue to be responsive to requests for information and work closely with BPA to make refinements to the final EIS. This will result in an appropriate valuation of power benefits and cost allocation for this important project.

Thank you for your consideration of these comments.

Sincerely,



Scott Simms  
Executive Director, Public Power Council