Committee on Energy and Commerce
Subcommittee on Energy, Climate, and Grid Security
September 20, 2023 Hearing
American Hydropower: Unleashing Reliable, Renewable, Clean Power Across the U.S.
Questions for the Record Submitted to the Bonneville Power Administration

QUESTION FROM REPRESENTATIVE FULCHER

Q1. Interstate transmission infrastructure and limited long-duration energy storage is important to support growth with reliability. Can you outline some thoughts as we go forward?

A1. The Pacific Northwest electric industry is in an era of transformation. The Bonneville Power Administration continues to embark on a strategy to meet the needs of its customers that are driven largely by national and regional decarbonization objectives, electrification of transportation, and other fundamental changes in power supply and demand. These changes come as the region has begun retirement of carbon-emitting resources. A significant number of resources are being proposed for construction on the east side of Bonneville's service territory (Montana, Idaho, eastern Oregon and Washington) to serve growing needs in the load centers on the west side, such as the Portland metro area and Puget Sound region.

The significant changes in the type of generation and locations place importance on expanding long-distance high-voltage electric transmission facilities. Such expansion addresses economic needs, system reliability and resiliency. Bonneville recently identified several new transmission projects to meet our customers' reliability and commercial needs and is beginning the scoping and design process for these projects. These projects are estimated to cost $2.2 billion.

In addition, Bonneville and several energy industry entities and utilities have formed the Western Transmission Expansion Coalition (WTEC). This coalition was established to discuss approaches and concerns to wide-spread transmission requirements to support the future energy grid. The group is in the process of engaging with the region to explore West-wide transmission planning that will result in actionable transmission plans to address regional and inter-regional needs.

Several Federal Columbia River hydroelectric projects provide some energy storage benefits. As battery and other storage technology develops, long-duration storage will

likely play an important role in adding to the reliability of variable renewable resources and the potential capability to be located near loads. Bonneville continues to assess the viability of such resources in our transmission planning and operations.

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QUESTIONS FROM REPRESENTATIVE SCHRIER

Q1. Public utilities in my district continue to voice concerns on their ability to plan for future power and dam operations without enough information from federal agencies past September of 2024 when the flood control provisions expire. In order to plan their future operations, they need information from the Bonneville Power Administration about future coordinated river operations, downstream power benefits and their potential obligations under the Columbia River Treaty. I'm hoping you can answer a few questions to give these utilities in my district more clarity.

Q1a. How does BPA plan to maximize the benefits of the treaty provisions, such as improved stream flow, to operate the Columbia River System and ensure fish passage efforts can continue?

A1.a. Bonneville is working closely with our federal agency partners to make sure we optimize the benefits that can be achieved under the Treaty as we continue to negotiate the future of the Treaty with Canada. This includes efforts to ensure improved stream flow to assist with system operations and consideration of reintroduction studies currently underway under a modernized Treaty regime.

Q1b. How will BPA work to ensure downstream power benefits are fair for PUD projects?

A1b. Bonneville and the rest of the U.S. delegation is continuing to seek a rebalancing of the Canadian Entitlement, which is the half-share of the downstream power benefit the United States sends to Canada. To be sustainable over the long term, it is important that the Canadian Entitlement be rebalanced to better align with the value of continued hydropower coordination. Bonneville is working with the PUDs to discuss how these power benefits can be fairly allocated under a modernized Treaty regime.

Q1c. How will BPA calculate the downstream power benefits under a new Treaty?

A1c. This is one of the issues currently being discussed in the ongoing negotiations with Canada for a modernized Treaty regime. Bonneville is seeking a sharing of the downstream power benefits in a manner that is equitable and sustainable.

Q1d. Can Washington utilities expect to export less capacity and energy obligated under the Canadian Entitlement for use for my constituents in Washington State?

A1d. Rebalancing the Canadian Entitlement so that it better aligns with power benefits achieved through coordination is one of the goals in the negotiations to modernize the Treaty regime. Achieving this alignment would be expected to allow for more of the energy that is currently being sent as the Canadian Entitlement to be retained in the Pacific Northwest for use by regional consumers.

Q1e. Absent visibility into future flood and power operations, utilities are having difficulty developing integrated resource plans. Is there something you can do now to reduce uncertainty for utilities in my District?

A1e. Apart from the discussions of the future of the Columbia River Treaty, there is not much Bonneville can do directly to reduce such uncertainties since Bonneville is in a similar situation. Bonneville is open to sharing through its 2024 Resource Program public process its assessment of future energy and capacity needs under various scenarios. Our program is similar to utility integrated resource plans, as it is used by Bonneville to develop a strategy to meet those needs.