

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

QUESTIONS FROM CHAIRWOMAN MCMORRIS RODGERS

- Q1. The federal government is seeking a stay of the litigation, and the Administration is insisting that the agreement provide the region legal certainty. Yet the federal government has indicated that it intends to implement the Memorandum of Understanding regardless of a stay decision from the court because the commitments and measures are beyond the litigation and were a result of the Columbia Basin Restoration Initiative. How will a stay of the litigation provide certainty and resolve the litigation if the federal government has not reached a consensus with the parties and MOU implementation is beyond the scope of the litigation?
- A1. The Court has approved the stay agreement requested by the parties. With respect to questions about the litigation, the Department of Justice may be able to provide additional public information, including filings and case status.
- Q2. How does the MOU provide certainty about river operations and fish programs given that parties or new plaintiffs can still raise separate complaints given the MOU is beyond the scope of the initial lawsuit?
- A2. The Court has approved the stay agreement requested by the parties. With respect to questions about the litigation, the Department of Justice may be able to provide additional public information, including filings and case status.
- Q3. The MOU commits the Bonneville Power Administration to \$200 million in hatchery upgrades and \$100 million over 10 years for additional projects identified by the Six Sovereigns. Are these funding commitments being addressed through the Northwest Power and Conservation Council? And if so, how does the Council address the fact that the federal government has only resolved issues with Washington and Oregon?
- A3. Bonneville cannot comment on this question because it implicates legal issues in active litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).
- Q4. There are supposed to be two processes for BPA to set Fish and Wildlife Costs: 1) Pursuant to the Northwest Power Act, Council is responsible for "preparing and adopting (A) a regional conservation and electric power plan and (B) a program to protect, mitigate, and enhance fish and wildlife", BPA determines programs and

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

costs in IPR, and BPA sets rates to recover costs. 2) Pursuant to the Endangered Species Act, a Biological Opinion is used by NOAA, which then Corps and Bureau determine operations and mitigation, which imposes costs on BPA. Which process is BPA using?

- A4. Bonneville cannot comment on this question because it implicates legal issues in active litigation in *Idaho Conservation League, et al. v. Bonneville Power Administration*, Ninth Circuit Case No. 23-593 and in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).
- Q5. The MOU requires BPA to fund \$300 million in additional fish and wildlife costs. First, BPA will make available \$200 million in capital improvements over 10 years for Lower Snake River Compensation Plan (LSRCP) hatchery modernization, upgrades, and maintenance. Second, BPA will also make available \$100 million for projects that contribute to the restoration of salmon and other native fish populations.
- Q5A. What administrative process and public comment did BPA conduct to establish either the \$100 million or \$200 million?
- A5A. Bonneville cannot comment on this question because it implicates legal issues in active litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).
- Q5B. Was the goal for spending the \$300 million to achieve healthy and abundant salmon?
- A5B. The goals of the December 14 agreement are “to work in partnership with Pacific Northwest Tribes and States to restore wild salmon populations, expand Tribally sponsored clean energy production, and provide stability for communities that depend on the Columbia River System.” The \$300 million dollars are BPA ratepayer funds for specific purposes, as described in the December 14 agreement. Of the total amount, \$100M in funding under the Bonneville Administrator’s authority under 16 U.S.C. § 832a(f) over 10 years is for projects that contribute to the restoration of salmon and other native fish populations and \$200M over 10 years in additional capital funding will be

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

made available by Bonneville to the U.S. Fish and Wildlife Service for Lower Snake River Compensation Plan hatchery modernization, upgrades, and maintenance, as guided by the priorities of other fishery managers including the Six Sovereigns.

Q5C. Has BPA agreed that it will follow the healthy and abundant salmon standard?

A5C. BPA applies the legal standards of the Northwest Power Act, the Endangered Species Act, and other applicable laws. Pursuant to the Presidential Memorandum on Restoring Healthy and Abundant Salmon, Steelhead, and Other Native Fish Populations in the Columbia River Basin, Bonneville will, consistent with its legal obligations, utilize its authorities and resources to advance the Administration’s Policy to restore healthy and abundant salmon, steelhead, and other native fish populations in the basin.

Q5D. Was the goal for spending the \$300 million to protect, mitigate, and enhance fish and wildlife?

A5D. The goals of the December 14 agreement are “to work in partnership with Pacific Northwest Tribes and States to restore wild salmon populations, expand Tribally sponsored clean energy production, and provide stability for communities that depend on the Columbia River System.” The \$300 million dollars are BPA ratepayer funds for specific purposes, as described in the December 14 agreement. Of the total amount, \$100M in funding under the Bonneville Administrator’s authority under 16 U.S.C. § 832a(f) over 10 years is for projects that contribute to the restoration of salmon and other native fish populations and \$200M over 10 years in additional capital funding will be made available by Bonneville to the U.S. Fish and Wildlife Service for Lower Snake River Compensation Plan hatchery modernization, upgrades, and maintenance, as guided by the priorities of other fishery managers including the Six Sovereigns.

Q5E. What is the difference between achieving "healthy and abundant salmon" and protecting, mitigating, and enhancing fish and wildlife?

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

- A5E. Fish and wildlife mitigation is part of BPA’s authorizations under the Northwest Power Act. The goal of achieving healthy and abundant salmon is an Administration-wide policy goal established by the President. Further questions on the Administration’s policy goals as they relate to salmon are best addressed to the Administration.
- Q5F. The MOU states that the \$100 million in funding is under BPA’s authority under 16 U.S.C. § 832a(f) (generally “section 2(f)”).
- i. In general, what is meant by BPA’s authority under 16 U.S.C. § 832a(f)?
- A5F. 16 U.S.C. § 832a(f) provides: “Subject only to the provisions of this chapter, the Administrator is authorized to enter into such contracts, agreements, and arrangements, including the amendment, modification, adjustment, or cancelation thereof and the compromise or final settlement of any claim arising thereunder, and to make such expenditures, upon such terms and conditions and in such manner as he may deem necessary.” Bonneville cannot further comment on this question because it involves matters subject to active litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).
- Q5G. What is the contract, agreement or arrangement that provides BPA with the authority to provide \$100 million? Is it the MOU itself?
- A5G. Bonneville cannot comment on this question because it involves matters subject to active litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).
- Q5H. How is agreeing to the \$100 million in funding consistent with ensuring the lowest possible rates to consumers in a manner consistent with sound business principles?
- A5H. Bonneville cannot comment on this question because it involves matters subject to active

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).

Q5I. The MOU does not state that the \$200 million is under BPA’s authority under 16 U.S.C. § 832a(f). What is BPA's authority or statutory basis for providing the \$200 million?

A5I. Bonneville cannot comment on this question because it involves matters subject to active litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).

Q5J. Why did BPA agree to a \$300 million number rather than something different like \$250 million or \$350 million?

A5J. Bonneville cannot comment on this question because it involves matters subject to active litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).

Q5K. Are BPA’s financial obligations under the MOU capped at \$300 million?

A5K. The \$300 million commitment is discussed on page 16 and 17 of the USG Commitments, which the USG agreed to via the December 14 agreement, and states:

“Nothing in these USG commitments or any implementing agreement is intended to affect BPA’s reimbursement obligations regarding the Columbia River Fish Mitigation and O&M costs associated with the CRS project funds provided by the Corps or Reclamation. The USG and agencies, however, intend that all other funds committed by the agencies in support of the USG Commitments are non-reimbursable funds by BPA, whether or not expressly stated. The Federal agencies agree to coordinate before incurring any new reimbursable expenditure in support of the USG Commitments.

“In the event that Congress appropriates funds that require reimbursement by Bonneville for one of the specific USG Commitments identified in this document, and that type of reimbursement does not arise from BPA’s current reimbursement obligations, then that reimbursed amount will count toward Bonneville’s total \$300M funding commitment.”
Bonneville cannot further comment on this question because it involves matters subject to

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

active litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).

Q5L. What is the total amount that the MOU is going to cost BPA?

A5L. Bonneville developed a Preliminary Rate Assessment of the December 14 Agreement. The preliminary assessment stated that, in addition to the \$300M described above, the operational commitments in Appendix B are expected to have a similar impact on revenues as operations selected in the Columbia River System Operations Environmental Impact Statement Record of Decision (on average, a \$1M increase in revenues with a variance of +/- \$10M annually). The actual impacts will depend on water and market conditions in any given year.

Q5M. When does BPA have to start spending that money?

A5M. Bonneville is currently working on implementing all of its applicable USG Commitments, which includes developing funding instruments for \$300 million commitments.

Q5N. Where does that money come from? Will you be seeking special appropriations, or does this come from your customers?

A5N. As a self-funding agency, Bonneville’s costs must be recovered in rates applicable to sales of power and transmission at wholesale. Bonneville is not seeking any special appropriations.

Q5O. What options do customers have to challenge those costs?

A5O. Bonneville cannot comment on this question because it implicates legal issues in active litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).

Q5P. Why did BPA get involved in mediation for a case it's not a party to?

A5P. Bonneville was the respondent (defendant) in the *Pac. Coast Fed’n Fishermen’s Ass’n v.*

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

Bonneville Power Admin. litigation, Ninth Circuit Case No. 20-73761. This case was part of mediated discussions and the petition was dismissed as a result of the mediation and December 14 Agreement.

Q5Q. Why did BPA sign this MOU? If BPA was an independent agency, would you have signed this MOU?

A5Q. Bonneville sought to provide our ratepayers operational certainty and reliability while avoiding costly, unpredictable litigation in support of our mission to provide a reliable, affordable power supply to the Pacific Northwest.

Q5R. By signing the MOU, did BPA agree that it would collaborate and partner to advance the objectives of the Columbia Basin Restoration Initiative?

A5R. As stated in the MOU, the “United States worked with the Six Sovereigns to review, evaluate, and respond to the [Columbia River Basin Restoration Initiative], which culminated in the United States Government’s Commitments in Support of the CBRI (“USG Commitments” (Attachment 2)), including 10-year interim operations (2024-2033) for the four lower Snake River and four lower Columbia River dams (“USG Operations” (Attachment 2, Appendix B)).” The MOU further states that “the Parties further agree not to litigate over the USG Operations for a period of 10 years so long as this MOU remains in effect, to enable fulfillment of the USG Commitments and allow for additional collaboration and partnership between the Parties to further advance the objectives of the Presidential Memorandum and the CBRI.”

Q5S. Is one goal of the Columbia Basin Restoration Initiative to enable breaching the Lower Snake River dams?

A5S. The Columbia Basin Restoration Initiative was developed by the Six Sovereigns. The Agreement reached with parties represents commitments of the U.S. Government in response to the issues raised in the CBRI; the commitments acknowledge that only Congress can authorize dam breach.

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

Q5T. Will BPA collaborate and partner to enable the breaching of the Lower Snake River dams?

A5T. Only Congress can authorize breaching the four lower Snake River dams. The Administration has been clear that it “is not making a judgment on whether to breach the dams, nor does it have the authority to do so; that authority resides with Congress.”

Q6. The MOU imposes commitments upon various US government agencies, including DOE and BPA. For example, there is a commitment regarding accounting for replacement power. Specifically, it states that “the USG and DOE will develop a means of ‘accounting’ for the region’s development of resources available to serve as “replacement” energy services for the lower Snake River dams, based on the particular services needed in the event Congress authorizes dam breach.”

Q6A. When the MOU refers to DOE and imposes commitments on DOE, does that include BPA?

A6A. Many commitments apply to the United States Government, which includes both Bonneville and DOE. Some commitments also differentiate between DOE and Bonneville. In all cases, DOE and Bonneville will coordinate as appropriate.

Q6B. Will BPA be developing or assisting DOE in developing this accounting?

A6B. DOE is leading the developing of an accounting mechanism, and DOE and BPA will coordinate as appropriate.

Q6C. What are all the specific commitments BPA is making under this MOU?

A6C. Bonneville will, as appropriate, participate in and coordinate with other Departments and Agencies on implementing the USG Commitments. In addition, the USG Commitments specifically designate the following commitments to Bonneville.

1. Bonneville will continue the current level of funding to support passage for Pacific lamprey.

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

2. Bonneville will continue the current level of funding to support white sturgeon recovery efforts through FY 2025 to implement NPCC Regional White Sturgeon Framework recommendations and the White Sturgeon Hatchery Master Plan, and provide support for monitoring and evaluation needs.
3. \$200M over 10 years in additional capital funding will be made available by Bonneville to the U.S. Fish and Wildlife Service (FWS) for Lower Snake River Compensation Plan (LSRCP) hatchery modernization, upgrades, and maintenance, as guided by the priorities of other fishery managers including the Six Sovereigns.
4. An additional \$100M in funding under the Bonneville Administrator’s authority under 16 U.S.C. § 832a(f) over 10 years for projects that contribute to the restoration of salmon and other native fish populations. To implement this commitment, Bonneville will provide an annual \$10M payment to the Six Sovereigns in a manner to be agreed upon, to distribute to specific projects, as prioritized by the Six Sovereigns. The Six Sovereigns will coordinate with relevant regional sovereigns as appropriate on projects.
5. Bonneville has already planned, through its Fish and Wildlife program, to add at least an additional \$20 million in combined Capital and Expense funding in FY 2024 and FY 2025 for fish and wildlife efforts throughout the Basin on top of commitments laid out above.
6. Bonneville will initiate a pilot with the Six Sovereigns to expand the use of grant and multi-year agreements within the Six Sovereigns’ portfolio of projects in Bonneville’s Columbia Basin Fish and Wildlife Program as appropriate, based on the type of planned work.

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

7. BPA will also “Work to Accelerate Clean Energy Build-Out,” which is described
in more detail at pages 27-28 of the USG Commitments.

Q6D. Why does the MOU talk about so-called "replacement" power and specifically distinguish that term from the term in the Northwest Power Act?

A6D. The Department recognizes Bonneville’s statutory requirements regarding resource acquisition and replacement power. The MOU distinguishes the term to provide clarity: because the Commitments explicitly acknowledge that only Congress can authorize dam breach or replacement power, and because the Commitments explicitly do not aim to supersede or contravene statutory authorities or obligations under the Northwest Power Act, it was important to be clear that the resource options to be studied and the technical assistance for Tribal project development do not constitute replacement power in a literal or statutory sense.

Q6E. Does the MOU obligate BPA to buy power from the so-called "replacement" resources if they are constructed?

A6E. No. Section 6 of the Northwest Power Act governs the process and requirements for any major resource acquisition by Bonneville.

Q6F. What is BPA's authority to buy this so-called “replacement” power?

A6F. Nothing in the MOU requires Bonneville to buy replacement power. Section 6 of the Northwest Power Act governs the process and requirements for acquiring resources, including major resources, by Bonneville.

Q7. The MOU states that “Nothing in BPA's contract for sales of power shall limit the Administrator’s authority to acquire power consistent with the NWPA, including ‘replacement power’ as defined in this document, in the event any Federal resources become unavailable.”

Q7A. Will BPA’s contract offers for the post-2028 contract obligate customers to pay for power from the so-called “replacement” resources if they are constructed?

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

- A7A. As a self-funding agency, Bonneville must recover its cost from its customers through rates. As a general matter, Bonneville’s power contracts establish the firm electric power obligations that Bonneville will serve at wholesale power rates that will be set to recover Bonneville’s costs, including the cost of additional resources acquired, if any, that are needed to fulfill those obligations. The contracts are not conditioned on acquiring any resource(s) let alone any resource(s) that may be constructed in the future as “replacement” resources. Currently, when Bonneville’s firm power supply obligations exceed the firm capabilities of existing resources, before acquiring any resource, Bonneville determines whether that need is of a short or long-term basis. In either event, the cost of resources acquired to meet the need are recovered in the appropriate rate or rates. The contracts themselves do not determine what resources would be used to serve the obligations.
- Q7B. If not, will a BPA customer be allowed to sign a post-2028 contract that states that it is not required to purchase “replacement” power as defined in the MOU?
- A7B. Bonneville has not yet drafted contracts for the post-2028 period so cannot assert the terms and conditions such contracts will include. Bonneville’s power sale contracts establish the amount of electric power Bonneville is obligated to supply a customer for service to its consumer load. At this time, the contracts do not identify any specific generating resources that may be acquired in the future and used to fulfill Bonneville’s obligations. If Bonneville’s firm power sales obligations exceed the firm capabilities of existing resources, Bonneville would acquire resources as needed. Bonneville’s power sales policy development to date has envisioned giving customers certain flexibilities at the time of contract signing regarding whether Bonneville or the customer will be responsible for serving the customer’s future load growth. This would allow a customer to take on the responsibility of serving its own load growth, thereby avoiding incurring

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

future Bonneville resource costs for supplying power to serve that load growth.

Q8. Does BPA stand by its Final Columbia River System Operations Environmental Impact Statement in July 2020?

A8. The Columbia River System Operations Environmental Impact Statement is currently the environmental compliance document for the operation, maintenance and configuration of the 14 Columbia River System projects.

Q9. Does BPA view the MOU as consistent with that EIS?

A9. Bonneville does not believe the MOU is inconsistent with the Columbia River System Operations Environmental Impact Statement but some operations described in appendix B differ from the operations evaluated in the 2020 biological opinions. BPA is currently working with the Services to determine how to evaluate these differences.

Q10. Does BPA believe the “science is clear” in support of dam removal?

A10. The decision for dam removal is up to Congress, not Bonneville.

Q11. Does the MOU obligate BPA to work towards breaching a dam?

A11. No.

Q11A. If yes, how is dam breach consistent with BPA’s statutory obligations? Where does the money for that work come from?

A11A. Not applicable, given response to Question A11.

Q12. The agreement seems to address topics reserved to the Northwest Power and Conservation Council. How does BPA see the agreement respecting the role of the NWPCC?

A12. Bonneville cannot comment on this question because it implicates legal issues in active litigation in *Public Power Council v. Bonneville Power Administration*, Ninth Circuit Case No. 24-687 (consolidated with Case Nos. 24-745 and 24-1143).

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

Q13. The MOU talks about this “Regional Energy Needs Planning Process” in Appendix A. Isn’t that redundant to the NWPPC’s work?

A13. DOE is pursuing with Washington, other states, and Tribes a regional analysis and stakeholder engagement-based planning process designed to support regional stakeholders collaboratively looking at potential pathways to advance the resource development and infrastructure investment (in generation, transmission, storage, efficiency, and demand response resources, including distributed resources) that will be required to meet the region’s resource adequacy and extreme weather and wildfire resilience needs, as well as other policy goals. The process is intended to help answer additional questions relating to the regional need for electric grid modernization and buildout that has arisen in recent decades and develop scenarios for potential combinations of specific resources and infrastructure investments capable of meeting the region’s energy needs and policies, including at least one scenario looking at how those infrastructure needs could be different in the event Congress authorizes power replacement and breach of the Lower Snake River dams. The Commitments do not alter or modify the Department’s or Bonneville’s statutory requirements and authorities.

Q14. Is BPA going to be involved in that “Regional Energy Needs Planning Process”?

A14. Bonneville and DOE will coordinate as appropriate.

Q15. Were any of the members of the NWPPC involved in drafting the MOU-- Representatives from Idaho or Montana? Why didn't the NWPPC sign?

A15. With respect to questions about the litigation, the Department of Justice may be able to provide additional public information, including filings and case status.

Q16. Is this MOU consistent with the NWPPC's last plan?

A16. The Northwest Power Planning and Conservation Council (NWPPC) produces both a Power Plan and a Fish and Wildlife Plan. DOE are not aware of any inconsistencies with these plans.

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

Q17. Does BPA have discretion to withdraw from the MOU?

A17. The United States is the party to the MOU, and Section 9 of the MOU discusses the ability of the MOU parties to withdraw from or terminate the MOU.

Q18. In what circumstances would BPA withdraw from the MOU?

A18. BPA signed the MOU on December 14, 2023, and intends to carry out provisions therein. Section 9 of the MOU discusses the ability of the MOU parties to withdraw from or terminate the MOU.

Q19. The Administration has stated that all of the lost hydropower will be replaced with other renewable energy like wind. Are wind and hydropower the same from a reliability perspective?

A19. DOE/BPA is not aware of making statements on specific sources of replacement power for resources whose replacement hasn’t been authorized by Congress. It is widely understood that different types of generating resources offer power profiles and other energy services that differ in a number of ways, including their reliability profiles.

Q20. In the final litigation agreement, there are numerous references to tasks and projects which will require congressional appropriations. Congress has not promised, agreed to, or indicated in any way shape or form that it would fund these objectives. If Congress does not appropriate the funding, how does the Administration intend to keep this agreement implementation on track?

A20. BPA and DOE will comply with appropriations and other laws.

Q21. How does the Administration intend to define "healthy and abundant" salmon levels, as written in the final agreement? What metrics is the Administration using to judge what "healthy and abundant" salmon levels are?

A21. Questions regarding the definition of healthy and abundant salmon and the metrics used to measure healthy and abundant levels of salmon are best addressed to the Administration.

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

QUESTIONS FROM REPRESENTATIVE SCHRIER

- Q1. I’d like to direct my questions on the projected rate increases for utilities who purchase power from BPA. BPA markets power to more than 120 customers, the majority of which are Northwest utilities. Utilities’ contracts with BPA are up for re-negotiation in 2028, and they will be deciding whether to sign up for another contract for their service territory. I've heard from our Public Utility Districts about the uncertainty that this agreement brings to that process. PUDs have to decide whether to re-up their existing contracts to continue purchasing power at BPA.
- Q1A. BPA expects rates to rise 2.7% for the next ten years as a result of this agreement and the Upper Columbia River agreement. How certain are these models, and what do you project will be impacts to ratepayers? For the US government's commitments that have funding sources unaccounted for, how could those projections change?
- A1A. The December 14 agreement provides Bonneville with increased certainty on its rates. First, by way of clarity, the 2.7% figure is an estimate of the total rate impact in the 10th year of the agreements (*i.e.*, it is not a 2.7% increase that applies for each year). The average impact over the term of the agreements (10 years) for both Columbia River Salmon Agreement and the Upper Columbia River Agreement is estimated to be approximately 2.2%. Second, the rate impact analysis held all Bonneville program costs and operational assumptions steady and layered in the enumerated Bonneville-specific MOU funding commitments. The analysis assumed spending, both capital and expense, is spread evenly over the periods specified, and it used Bonneville’s BP-24 rate case forecast for borrowing costs. Actual spending patterns may not be flat and the applicable borrowing rates may vary. Accordingly, the analysis addressed the impact of the Bonneville-specific MOU funding commitments presuming other relevant factors remain constant. The analysis was not meant to be a firm projection of Bonneville’s future rates, but rather a comparative assessment to determine rate pressure attributable to Bonneville’s MOU funding commitments it considered in the analysis.

Committee on House Energy and Commerce
Subcommittee on Energy, Climate and Grid Security
Hearing entitled “Exposing President Biden’s Plan to Dismantle the Snake River Dams and the
Negative Impacts to the United States.”
Witness: Administrator John Hairston
January 30, 2024

Bonneville cannot predict an ultimate impact to retail consumer because Bonneville’s rates are at the wholesale level and Bonneville’s utility customers ultimately determine their retail consumer rates. How and whether the estimated rate increase of these agreements is passed on to retail consumers will depend on, among other things, the amount of power each local utility buys from Bonneville.

Q1B. What commitment can you make to the ratepayers of my district that their utility bills will not go up beyond projected rates published by BPA as a result of this mediation agreement?

A1B. Bonneville must establish rates to recover its costs. While Bonneville believes the rate analysis it performed is a reasonable model of the impact of the Bonneville-specific MOU funding commitments (all else held equal) to Bonneville’s rates, Bonneville cannot, outside of its formal statutory ratemaking process, provide commitments regarding future rates. Further, Bonneville as a wholesale power provider, has no control over utility bills and how retail electric utilities establish their rates.