

**REMARKS TO THE SENATE STATE
ADMINISTRATION COMMITTEE
FEBRUARY 4, 2004
PRESENTED BY: BRUCE MEASURE
APPOINTEE TO THE
NORTHWEST POWER AND CONSERVATION
COUNCIL**

INTRODUCTION/RESUME

COPIES OF RESUME ARE ATTACHED

NORTHWEST POWER AND CONSERVATION COUNCIL

THE NORTHWEST POWER AND CONSERVATION COUNCIL WAS CREATED BY CONGRESS TO GIVE THE CITIZENS OF MONTANA, IDAHO, OREGON AND WASHINGTON A STRONGER VOICE IN DETERMINING THE FUTURE OF KEY RESOURCES COMMON TO ALL FOUR STATES — NAMELY, THE ELECTRICITY GENERATED AT, AND THE FISH AND WILDLIFE AFFECTED BY THE COLUMBIA RIVER BASIN HYDROPOWER DAMS.

THE COUNCIL IS A UNIQUE ORGANIZATION, AN INTERSTATE COMPACT, THAT HELPS THE PACIFIC NORTHWEST STATES MAKE CRITICAL DECISIONS THAT BALANCE THE MULTIPLE PURPOSES OF THE COLUMBIA RIVER AND ITS TRIBUTARIES

THE COUNCIL DEVELOPS A POWER PLAN EVERY FIVE YEARS TO HELP ENSURE AN ADEQUATE, EFFICIENT, ECONOMIC AND RELIABLE POWER SUPPLY IN THE

REGION. THE COUNCIL HAS JUST RELEASED ITS FIFTH POWER PLAN SINCE ITS' CREATION IN 1980. IN THAT POWER PLAN, THE COUNCIL STRESSES THE IMPORTANCE OF CONSERVATION AND WIND POWER IN THE UPCOMING YEARS TO MEET THE DEMAND FOR ELECTRICITY IN THE PACIFIC NORTHWEST AND KEEP RATES STABLE AND LOW AND TO AVOID THE TYPE OF POWER CRISIS WE EXPERIENCED IN 2001.

THE COUNCIL ALSO DEVELOPS A FISH AND WILDLIFE PLAN, WHICH RHONDA WHITING WILL DISCUSS DURING CONSIDERATION OF HER APPOINTMENT.

THE WORD THAT SEEMS TO COME UP QUITE OFTEN IN CONSIDERING ADVANCING MONTANA'S AGENDA BEFORE THE COUNCIL IS "BALANCE". BALANCE BETWEEN POWER AND FISH. BALANCE BETWEEN COMPETING INTERESTS (AGRICULTURE, IRRIGATION, FLOOD CONTROL, RECREATION, AND TREATY RIGHTS) BALANCE BETWEEN EACH AFFECTED STATE AND TRIBE, AS WELL AS THE BALANCE BETWEEN UPSTREAM, DOWNSTREAM AND OCEAN FISHERY INTERESTS. I WILL LOOK TO FIND THAT BALANCE.

YOU CAN PROBABLY TELL FROM MY DESCRIPTION OF THE COUNCIL THAT COUNCIL DELIBERATIONS OFTEN FOCUS ON THE MOST EFFICIENT USE OF HYDROPOWER AND WATER IN GENERAL. I AM SURE MANY OF YOU TOO OFTEN SEE WATER BEING USED INEFFICIENTLY. FROM MY PERSPECTIVE, IN THE NORTHWEST, SUCH A SCARCE COMMODITY NEEDS TO BE USED WITH COMMON SENSE.

THE FOLLOWING COMMENTS MAY PUT THE HYDROPOWER DIALOGUE INTO PERSPECTIVE.

HYDROPOWER/BPA FACTS

ABOUT TWO-THIRDS OF THE REGION'S ENERGY COMES FROM HYDROPOWER. ABOUT ONE-HALF OF THE GENERATING CAPACITY IN MONTANA IS ALSO FROM HYDROPOWER. HYDROPOWER IS GENERALLY THE CHEAPEST FORM OF ELECTRICAL GENERATION.

THE BONNEVILLE POWER ADMINISTRATION, WHICH THE COUNCIL ADVISES ON ENERGY AND FISH AND WILDLIFE ISSUES, IS RESPONSIBLE FOR MARKETING ABOUT 45% OF THE ELECTRICITY IN THE NORTHWEST. MOST OF THIS ELECTRICITY COMES FROM THE 31 FEDERAL HYDROELECTRIC DAMS IN THE REGION, INCLUDING LIBBY AND HUNGRY HORSE IN MONTANA. MOST OF THE ELECTRICITY GENERATED FROM THESE DAMS GOES TO PUBLIC UTILITIES THROUGHOUT THE NORTHWEST, INCLUDING MANY PUBLICS IN MT.

AS YOU CAN SEE, HYDROPOWER IS A VALUABLE COMMODITY. BECAUSE IT IS SO VALUABLE FOR SO MANY DIFFERENT REASONS, CONFLICTS OFTEN OCCUR BETWEEN THE INTERESTS OF THE MANY USES OF THE WATER IN THE PACIFIC NORTHWEST.

I BELIEVE THE KEY TO MY JOB AS A COUNCIL MEMBER IS TO BALANCE THE MANY COMPETING AND IN MANY CASES MUTUALLY EXCLUSIVE USES FOR THE WATER IN THE COLUMBIA RIVER BASIN AND TO REPRESENT BOTH MONTANA AND REGIONAL INTERESTS IN DECISIONS.

A GREAT NUMBER OF ENTITIES HAVE SOME INPUT IN HOW THESE DECISIONS ARE MADE.

I'LL WORK HARD WITH ALL THE AGENCIES, GROUPS, AND INDIVIDUALS, BUT I WILL NOT ALLOW MONTANA RATEPAYERS, WATER USERS OR RECREATIONISTS TO RECEIVE ANYTHING LESS THAN ITS FAIR SHARE OF THE RIVER SYSTEM'S RESOURCES. I LOOK FORWARD TO WORKING WITH THOSE MOST AFFECTED BY COUNCIL DECISIONS HERE IN MONTANA, INCLUDING MANY ELECTRICAL COOPERATIVES, MISSION VALLEY POWER, THE MONTANA DEPARTMENT OF FISH WILDLIFE AND PARKS, THE SALISH AND KOOTENAI TRIBES, AND OTHER RATEPAYERS AND RIVER USERS. THE COUNCIL HAS STRICT LEGAL REQUIREMENTS TO HAVE EXTENSIVE PUBLIC INVOLVEMENT IN ALL ITS DECISIONS, AND IT WILL BE A POINT OF EMPHASIS FOR ME.

MONTANA ISSUES

AS I HAVE DISCUSSED, I WILL WORK EXTENSIVELY ON REGIONAL ISSUES SUCH AS THE COUNCIL'S POWER PLAN, AND ENCOURAGE THE STATES OF OREGON, WASHINGTON, AND IDAHO TO DO WHAT IS BEST FOR THE PACIFIC NORTHEAST. A LARGE PORTION OF OUR WORK, HOWEVER, WILL INVOLVE MONTANA ISSUES.

RHONDA WHITING AND I HAVE BEEN ASKED TO WORK WITH THE GOVERNOR TO PUT TOGETHER AN ENERGY SUMMIT THIS SUMMER THAT WILL BRING IN THE BEST AND THE BRIGHTEST TO DISCUSS MONTANA'S ENERGY NEEDS FOR THE FUTURE.

TOWARD THAT GOAL, I LOOK FORWARD TO LISTENING TO THE IDEAS AND CONCERNS OF POWER DEVELOPERS, TRANSMITTERS, AND OTHERS WHO INTEND TO DEVELOP THIS STATE'S ABUNDANT ENERGY RESOURCES CONSISTENT WITH RATEPAYER

PROTECTION AND THE PROTECTION OF OUR MOST CRITICAL RESOURCES, THE HEALTH, SAFETY, WELFARE AND ENVIRONMENT OF ITS CITIZENS.

OUR OFFICE TRACKS AND ANALYZES CURRENT ENERGY BILLS WITH THE INTENTION OF CONTRIBUTING OUR KNOWLEDGE AND PERSPECTIVE TO HELP DEVELOP SOUND ENERGY POLICY FOR MONTANA AND THE REGION. THIS MAY INCLUDE A COMBINATION OF SMART INVESTMENT IN NEW POWER GENERATION, CONSERVATION, AND OTHER MEASURES.

I LOOK FORWARD TO WORKING ON THESE ISSUES WITH THE LEGISLATURE, WORKING WITH POWER DEVELOPERS WHO ARE INTERESTED IN WIND, COAL, AND OTHER FORMS OF POWER GENERATION, AND WORKING WITH ALL INTERESTED GROUPS TO DEVELOP THAT POLICY.

ONE ISSUE THAT IS SPECIFIC TO OUR JOB THAT I WOULD BRIEFLY LIKE TO TOUCH ON DEALS WITH DAM OPERATIONS AT LIBBY AND HUNGRY HORSE.

LIBBY AND HUNGRY HORSE

WE IN MONTANA HAVE LONG BEEN SEEKING DAM OPERATIONS THAT WOULD STABILIZE FLOWS OUT OF LIBBY AND HUNGRY HORSE AND A REDUCTION IN THE DRAWDOWN OF THOSE RESERVOIRS BY THE FEDERAL AGENCIES. THESE OPERATIONS BENEFIT MONTANA'S FISH IN PROXIMITY TO THE DAMS.

THERE HAS BEEN A HISTORY OF BAD FEELINGS ABOUT THESE DAM OPERATIONS, MAINLY BECAUSE CURRENT POLICY REQUIRES MONTANA'S CITIZENS TO PROVIDE A

DISPROPORTIONAL AMOUNT OF RELIEF FOR SALMON RECOVERY PROBLEMS THAT WE NEITHER CREATED OR INFLUENCED SIGNIFICANTLY.

THE UNSEASONAL FLUCTUATIONS OF OUR RESERVOIRS HARMS MONTANA'S FISH AND WILDLIFE ABOVE AND BELOW THE DAMS, AND SIGNIFICANTLY IMPACTS THE RECREATIONAL/ECONOMIC OPPORTUNITIES AT LIBBY AND HUNGRY HORSE FOR OUR CITIZENS AND VISITORS.

THE COUNCIL HAS A PLAN THAT CALLS FOR STABLE FLOWS AND A REDUCTION IN THE AMOUNT OF WATER DRAFTED OUT OF LIBBY AND HUNGRY HORSE. WE LOOK FORWARD TO FIGHTING FOR THE IMPLEMENTATION OF THIS PROVISION AND WORKING WITH THE FEDERAL AGENCIES ON COMMON SENSE OPERATIONS FOR MONTANA AND THE REGION.

CONCLUSION

THE REGION'S PLATE IS NOW FULL WITH REGARD TO ENERGY AND HYDROPOWER ISSUES. A LOT OF THESE ISSUES EITHER DIRECTLY OR INDIRECTLY AFFECT MONTANA. I'LL NEED YOUR SUPPORT, INPUT AND EXPERTISE TO ADVANCE MONTANA'S INTERESTS WITH THE INTERESTED AGENCIES AND WITH THE COUNCIL AND TO ENSURE WE HAVE AN APPROPRIATE INFLUENCE ON THE OPERATION OF THE COLUMBIA BASIN HYDROPOWER SYSTEM. TOO OFTEN, MONTANA'S INTERESTS FALL SHORT TO THE MORE POWERFUL POLITICAL DOWNSTREAM INTERESTS. WE ALSO NEED EVERYONE'S HELP TO STABILIZE MONTANA'S ENERGY FUTURE, AND PROTECT THE RATEPAYERS OF MONTANA FOR GENERATIONS TO COME.

THANK YOU FOR YOUR CONSIDERATION. I WOULD BE HAPPY TO TRY TO ANSWER ANY QUESTIONS YOU MAY HAVE. I LOOK FORWARD TO WORKING WITH YOU ON ANY FUTURE ISSUES WHERE I MIGHT BE OF ASSISTANCE IN MY CAPACITY OF COUNCIL MEMBER IF CONFIRMED.