

INITIAL RESPONSE OF THE PUBLIC POWER COUNCIL TO ECONORTHWEST LOWER SNAKE RIVER DAMS ECONOMIC TRADEOFFS OF REMOVAL REPORT

July 31, 2019

PPC and its members welcome thoughtful consideration of the benefits that the Federal Columbia River Power System provides, as well as its impacts. BPA customers fund substantial fish and wildlife mitigation efforts to offset the environmental impact of these projects, including the Lower Snake River dams, each year. Factually-grounded analysis is important as the region discusses the long-term plan for these dams and weighs the trade-offs provided by their continued operation and all potential alternatives.

The recent report by ECONorthwest on behalf of Vulcan, Inc. relies on inaccurate information to conclude that breaching the Lower Snake River dams would be economically beneficial for the region. The report contains minimal original analysis and cherry-picks from existing, and often disputed or outdated sources, to reach this conclusion. Some of our primary concerns with this report include:

- *The stated positive economic impact of removing the dams is from “non-use benefits,” which are based on controversial and, in this instance, unsupportable economic analysis.* The study uses a contentious “stated preference” economic analysis that relies on unscientific public polling instead of solid economics to quantify what people would pay for removing the dams.
- *Power benefits of the dams are significantly understated.* The examination of the power and “grid services” benefits of the dams are based on outdated and flawed analysis. PPC has pointed out many issues with some of these source studies previously, including that they do not properly assess the capacity, reliability, and carbon-free attributes of the power produced by the Lower Snake River dams. These projects are part of a reliable, clean, and affordable future for the grid and cannot be replaced at low cost by intermittent renewable resources.
- *The report minimizes the greenhouse gas impact of dam removal.* The report dismisses the increased carbon emissions resulting from dam removal, fails to acknowledge the role of these dams in integrating intermittent renewable resources needed to meet greenhouse gas reduction targets, and fails to address the increased carbon emissions associated with shifting grain transport to trucks and rail.
- *The report does not assert a substantial benefit to endangered salmon from dam removal.* Although potential benefits to wild salmon is cited as a central purpose of dam removal, the report does not provide any quantitative estimate of such benefit or a reasonable probability it would outweigh costs.

This report, like many before it, is useful in raising regional awareness of the presence of the Lower Snake River dams but is fatally flawed for at least the reasons above and stifles the opportunity for a holistic fact-driven discussion.

Federal agencies are currently conducting a multi-year, comprehensive evaluation of the federal hydro system, including an evaluation of the Lower Snake River projects and the potential impacts of breaching them. This analysis is driven by the National Environmental Policy Act (NEPA) and contains broad scientific and economic review, as well as robust public process and input. PPC welcomes the balanced and fact-based discussion of these projects that will occur in the NEPA process and encourages the advocates of this recent report to participate in the federal review.