



*Striking a Balance Between Energy and the Environment in the Columbia River Basin*

## Biological Opinion Litigation Affects Only One Part of Larger Fish and Wildlife Mitigation Effort



June federal court ruling invalidating the federal government's operations plan for the Columbia and Snake river dams created uncertainty but did not derail a broader regional strategy for protecting and enhancing fish and wildlife in the Columbia River Basin.

The regional strategy, which comprises a framework of actions, responds to recommendations of the four Northwest governors, who asked in 2003 that their offices collaborate with the Northwest Power and Conservation Council, regional federal executives and Columbia Basin Indian tribes to develop common objectives and strategies for protecting and enhancing fish and wildlife. The resulting framework, which integrates the Council's Columbia River

Basin Fish and Wildlife Program, includes actions to improve fish survival in the hydropower system, at hatcheries, through harvest management and in habitat. The framework calls for:

- Completing subbasin plans as guides for prioritization of projects for funding and as the basis for locally led recovery planning under the Endangered Species Act
- Relying on local leadership and state and tribal collaboration
- Measuring progress with a regional monitoring strategy

One component of the regional strategy is the federal river operations blueprint, the 2004 Biological Opinion. U.S. District

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The Bonneville Power Administration released for public comment its Draft Closeout Report for the Power Function Review, which is intended to help establish Bonneville's costs for the 2007-2009 rate period. After reviewing the draft report, the Council agreed to send a comment letter expressing concern that the proposed level of funding for energy conservation is unlikely to achieve Bonneville's share of the regional conservation target in the Council's Fifth Northwest Power Plan.

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Notes from the  
CHAIR  
Melinda Eden



With the ramifications of federal district Judge Redden's decision to invalidate the 2004 Biological Opinion (see story above) still largely unknown, stakeholders in fish and wildlife recovery efforts are struggling to understand where we go from here. The rejection of the federal government's rationale for its river operations plan places the fractious debate over dams and fish front and center.

Amidst so much uncertainty, what is clear is the need for the kind of open, honest, and balanced discussion of the choices before us. This is not an impossible

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# Litigation Doesn't Affect Larger Mitigation Effort

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Judge James Redden invalidated the biological opinion on June 10 in response to a legal challenge to its policy framework.

While this caused temporary uncertainty, it has not affected other elements of the regional strategy. The Council participated as a friend of the court in the litigation to support its fish and wildlife program. The Council's program is the source of some of the actions in the biological opinion, particularly those that would occur away from the dams (described in the plan as "offsite mitigation") but contribute to improving the survival of fish in conjunction with actions at the dams. Thus, implementation of the Council's fish and wildlife program, which addresses hydro-power impacts on all fish and wildlife of the Columbia River Basin including listed species, is coordinated with actions in the biological opinion. Judge Redden asked parties to the biological opinion litigation to discuss disputed matters this summer and return to court in September.

Through the Council's program, many of the short-term habitat strategic goals in the 2000 Biological Opinion have been achieved.

Meanwhile, the Council continues to collaborate with federal agencies on salmon and steelhead recovery. Recently the Council completed amending its fish and wildlife program with 58 plans for individual subbasins of the Columbia and Snake rivers. The plans, developed over a two-year period by fish and wildlife agencies, Indian tribes and watershed council, will guide future implementation of the program. NOAA Fisheries, the federal agency that

wrote the invalidated biological opinion, plans to use subbasin plans to guide future implementation of the biological opinion and form the foundations of recovery plans for federally protected species.

Through the Council's program, many of the short-term habitat strategic goals established by NOAA Fisheries for the biological opinion have been achieved. Recently the Council also completed a systematic review of hatchery performance and now is engaged in prioritizing habitat protection and restoration, guided by the scientifically reviewed subbasin plans. The Council also is working to prioritize hatchery performance improvements, fund a regionally integrated monitoring and evaluation infrastructure and address estuary and mainstem predation measures. [CCQ](#)

## Together, the Council's Program and the Biological Opinion used Specific Actions for the Off-site Mitigation Strategy, Including:

- Developing a regional water brokerage to secure instream flow improvements from willing sellers. In 2004 there were 24 transactions yielding 319 cubic feet per second of instream flow and 32,000 acre-feet of water. A similar rate of effort is anticipated for 2005 and 2006.
- Installing irrigation screens and fish-passage improvements in tributaries and securing productive habitat. Through one project in Idaho's Salmon River drainage, 26 miles of habitat have been opened for access since 2002, and 14 miles are planned in 2006. In Washington's Yakima River, two screens were installed in 2004 yielding 40,000 acre-feet of water and 116 cubic feet per second of instream flow. Also in the Yakima basin, 920 acres of habitat have been protected since 1997, and opportunities for further habitat protection that have been identified are pending resolution of Bonneville financial policies.
- Enrolling landowners in federal land protection programs to reduce sedimentation and water temperatures through incentive payments. In Oregon's John Day River Basin, 224 acres and 14.5 miles of riparian buffers have been protected in Wheeler County, and the goal is for 35 landowner agreements in 2006.

## NW/Q&A: Marilyn Showalter, Executive Director, Public Power Council

**M**arilyn Showalter became the executive director of the Public Power Council in April. The PPC represents the Pacific Northwest's consumer-owned utilities on important issues within the region and in Washington, D.C. with a particular focus on the Bonneville Power Administration.

Prior to her current position, Ms. Showalter served for six years as chairwoman of the Washington Utilities and Transportation Commission. The commission regulates investor-owned utilities. She is also immediate past president of the National Association of Regulatory Utility Commissioners.

A graduate of Harvard College and Harvard Law School, Ms. Showalter has served in a number of governmental capacities in the state of Washington, including counsel to the governor, chief clerk of the state House of Representatives, counsel to the state House Appropriations Committee, and senior deputy prosecuting attorney. She has also practiced law privately and taught law school courses.

**How are you enjoying your new role? Is it what you expected?**

It's all I expected—and more. I took this job because I believe in the values of public power, and because I think now is a critical time to protect those values. Public power has been good for the people and economy of the Northwest, and will continue to serve them well in the future, if we can secure the basic structure within which public power can thrive.

The job is “more” than I expected in many senses: more issues that need immediate attention, more dimensions and intensity to the work, more nuances among different utilities' interests, and potentially more rewarding if we succeed in forging a regionally supported approach to the future.

**The NWPPC's power plan, and the [regional representatives working on] Grid West, have identified a number of problems with the operation of the regional transmission system. How do you think they should be resolved?**

I think we need to avoid “big think” in which an idealized notion of the “big solu-



tion” will solve all problems. Instead, we should proceed incrementally along several fronts—scheduling, coordinating reliability and security requirements, and planning for expansions of the transmission system—by using our existing institutions in improved ways. I am speaking of the Transmission Improvements Group (TIG) process, which has examined carefully what we can gain without creating a new, untested, FERC-jurisdictional utility such as Grid West.

Some advocates for Grid West argue that 1) our current system is not building needed transmission and 2) Grid West will be better at getting it built. I don't think either proposition holds up.

It's important to note that every inch of transmission thus far built in the Northwest has been built without a new regional transmission entity. Further, the Northwest's recent track record of building transmission compares favorably to any region in the country. According to FERC's “State of the Market 2004,” the Northwest was far and away the leader in 2004 in circuit miles built. Notably, no transmission was built in ISO New England, ISO New York, or the Midwest ISO region—hardly a ringing endorsement for the efficacy of new RTOs, which have shown themselves to be costly and cumbersome.

In my view, if we press ahead with Grid West now, we will merely invite everyone to watch and wait until it gets going, or tries to get going, and we will delay, not hasten, improvements in transmission. For nearly a decade, the region has tried to devise some grand plan for transmission

(IndeGO, RTO West, Grid West) and nothing has panned out as more cost-effective or more politically accountable than what we've got. We should give up on the grand plans and turn our attention to ongoing, real-world solutions—and that is what TIG is doing.

**The Comprehensive Review, the NWPPC's power plan, and Bonneville's own policies recommend that the agency be relieved of the responsibility of meeting the load growth of public utilities, except on a bilateral and incremental cost basis. What are your views on this policy?**

There are two parts to this idea: first, that we should secure the benefits of Bonneville's hydro-base system for the Northwest over as long a term as possible—up to 20 years. And second, that utilities will need to plan for the remainder of their needs, either through Bonneville (at incremental cost) or on their own.

In order to make either part work, we need confidence in the future of Bonneville and confidence in the long-term, larger structure in which Bonneville and all of us operate. (I like the word “confidence” more than “certainty,” which is unachievable.) PPC and others are working on several ways to increase customer confidence in Bonneville as a good financial and managerial bet for the future, in order to increase the likelihood that utilities will want to sign long-term contracts for Bonneville's base-system power.

Utilities must have equal confidence, though, in their ability to secure their remaining generation needs, be it from BPA or elsewhere. And they won't have that confidence unless they know they have adequate long-term transmission rights necessary for obtaining incremental generation. And that brings us back to whether Grid West will help or hurt that confidence. As I've already explained, I think Grid West will cast more doubt on the future of transmission rights and costs, and therefore will hinder and delay the ability of the Northwest to meet its long-term needs.

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# Council Plans Level Funding for Most Fish and Wildlife Projects in 2006; Prepares for 2007

Fiscal Year 2006 will be a transition year for projects funded by the Bonneville Power Administration to implement the Council's Columbia River Basin Fish and Wildlife Program. Current funding for projects will end, and a new three-year project-funding cycle will begin in 2007. The Council is working with Bonneville to establish a target fish and wildlife spending level for the next electricity rate period, 2007-2009.

For 2006, the Council's fish and wildlife staff reviewed the purposes, budgets and accomplishments for all projects currently funded through the program. The Council anticipates that most projects will be funded next year at the 2005 level with the exception of those that have extraordinary circumstances that necessitate additional funding or are nearing completion.

The Council plans that the selection of future habitat and production projects and, as a result, funding levels, will be directed by subbasin plans. The Council did not conduct a project solicitation for 2006 funding because subbasin plans were not available in time to be used for that purpose. As well, membership on the Independent Scientific Review Panel, which assesses all projects proposed for funding through the Council's program, is changing — seven of the 11 members are being replaced as their terms expire. With subbasin plans in place and the ISRP membership settled, a solicitation and

Despite the uncertainty surrounding the biological opinion, the Council determined a planning budget of \$160 million in direct spending


review process for projects to fund in Fiscal Year 2007 will begin later this year.

For 2006, the Council asked sponsors to explain their projects, their accomplishments to date and their budget requests for the coming year. The sponsors also were asked to describe what they planned to achieve in 2006 and how their projects are consistent with subbasin plans, if relevant. The Council received 352 responses from sponsors requesting funding for around 300 projects. The responses from project sponsors, including accomplishments, have been gathered and published on the Council's website, [www.nwccouncil.org](http://www.nwccouncil.org).

While the Council does not intend to solicit new projects for Fiscal Year 2006, Bonneville has set aside funding in its fish and wildlife budget for new projects required under the Endangered Species Act to protected threatened and endangered

salmon and steelhead populations. Those projects are going ahead despite the decision in June by Judge James Redden of the U.S. District Court in Oregon to invalidate the 2004 Biological Opinion on Hydropower Operations. The projects were included in the Updated Proposed Action of the now-invalid biological opinion.

Despite the uncertainty surrounding the biological opinion, the Council determined a planning budget of \$160 million in direct spending and \$36 million in capital funding would be consistent with the responses and budget requests provided by the project sponsors. The Council anticipates that actual expenditures in 2006 would be significantly below the planning budget targets and would be consistent with Bonneville's intended spending of about \$143 million in direct expenditures and \$36 million in capital projects in 2006, the last year of the current rate case.

The Council plans to make its project-funding recommendations to Bonneville later this summer. The fiscal year begins on October 1. 


## Notes from the Chair

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task. For over a year, the Council worked with federal and state agencies, tribal governments, landowners, and watershed groups on fish and wildlife enhancement plans. This summer the Council concluded its approval of 58 plans from throughout the Columbia River Basin. The biological opinion—and therefore Judge Redden's decision—pertains to the operation of the federal hydropower system. In contrast, the Council's subbasin plans are habitat based. Because they were developed collaboratively, they reflect the priorities and objectives of local communities and enjoy wide support. The cooperation forged in

the development of these plans will provide the impetus to work toward common goals in other areas as well.

When a species is in crisis, results, not rhetoric, are the remedy. The Council and many other interests in the Northwest have worked hard toward a shared vision that requires the health of our watersheds, but also acknowledges that human activities are part of the equation, too. Over the course of 25 years, the Council has helped build a network of partnerships that bring tangible benefits to fish and wildlife, from

projects like habitat restoration to fish passage improvements at dams. We remain committed to this approach as the most effective way to help salmon and steelhead in the basin. 

# Success Stories – Yakima River

## Steelhead Kelt Reconditioning Project

Steelhead trout, considered part of the salmon family and currently a listed population under the Endangered Species Act, are unique from other anadromous fish in this respect: They have the ability to spawn more than once. Fish managers for the Columbia River Inter-Tribal Fish Commission hope that this characteristic, called iteroparity, can be encouraged to enhance steelhead populations and restore an important life history pattern in the Columbia River Basin. The Kelt Reconditioning Project, sponsored by CRITFC, is providing valuable research to support this premise.

The project began in 1999 when CRITFC, in collaboration with the Yakima/Klickitat Fisheries Project, captured wild emigrating kelt steelhead from the Yakima River to test the possibility that “reconditioning” post-spawn fish would improve their ability to spawn again. Post-spawn steelhead, or kelts, are kept in a captive environment and nurtured to encourage their feeding, growth, and redevelopment of reproductive organs. The techniques were initially developed for Atlantic salmon and sea trout.

Although historical rates of iteroparity for Columbia River steelhead are not well documented, from 1956 to 1964 outmigrating steelhead averaged 50 percent of the total upstream runs in the Clackamas River. Current rates for Columbia River Basin steelhead are considerably lower due largely to the high mortality of downstream migrating kelts at dams. Fish passage facilities have never been designed for downstream moving adult steelhead, however large numbers of steelhead are seen every year in the juvenile bypass systems on the mainstem dams. This project is seizing the opportunity to rejuvenate wild fish that would have died so they can contribute again to the spawning run.

The project has investigated a variety of reconditioning and transportation strategies to evaluate a suite of potential steelhead management alternatives.



Recently, a collaborative study to measure the reproductive success of reconditioned kelt steelhead has been initiated by CRITFC and cooperating tribes. Using parentage analysis based on DNA-typing the studies will determine if artificial reconditioning affects reproductive success.

Initial research established that kelt reconditioning not only worked, it substantially bolstered the number of repeat spawners in the Yakima River. During 2000, the Yakama Nation collected 512 wild kelts (38 percent of the subbasin’s run that year) for reconditioning at Prosser Hatchery. Kelt rematuration rates in captivity have been 21 percent in 2001, 50 percent in 2002, and 85 percent in 2003.

In addition, the research is giving fish managers a greater understanding of kelt husbandry, food type preference, condition, and rearing environments. Since the project’s beginning, 20 to 30 percent of the total annual steelhead migration has been successfully reconditioned, and radio telemetry studies have demonstrated successful spawning migrations and redd construction. In terms of numbers, an additional 100 to 200 reconditioned steelhead females could spawn a second time (a projected

300,000 to 600,000 additional eggs at an estimated 3,000 eggs per female) each year in the Yakima River.

It’s still too early to know what the total contribution of reconditioning will be in rebuilding populations of steelhead in the basin. But these early results are encouraging and provide important clues about a life history strategy that may be one key to increasing the number of listed steelhead in the Columbia River Basin.

## Fish Managers to Assess Reasons for the Lower than Expected Spring Chinook Run

A disappointing spring Chinook salmon run concluded in June, leaving fish managers still perplexed by the lower than forecasted numbers. Managers had determined a preseason forecast of 254,100; by mid-June only 100,340 had been counted at Bonneville Dam. The 10-year average is 160,149.

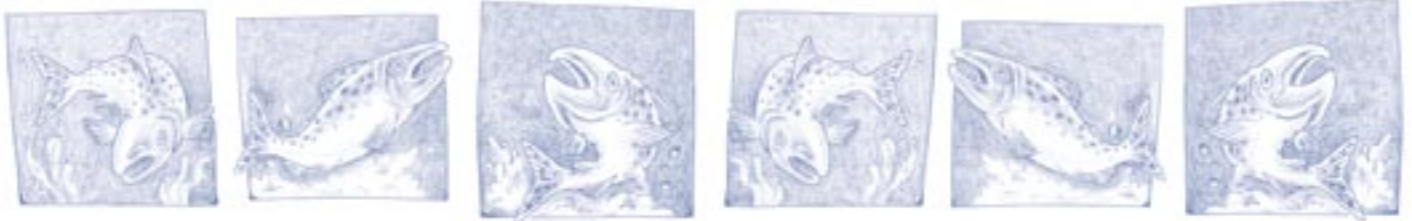
When it became apparent that the spring run would be much lower than expected, officials closed the sport fishing season around mid-April. The forecast is based on last year's jack count of over 9,000

fish. This year's count of 5,000 jacks is about half the 10-year average.

Fish managers are predicting a run of 62,400 for summer Chinook salmon, with an escapement goal of 29,000. The allocation for both treaty and non-treaty fisheries, based on the preseason forecast, is 15,150. Fishing opened on June 16 for the summer run and continues through the end of July.

As for the case of the missing spring Chinook, fish managers will attempt to explain the discrepancy in the months to come. "It's still a mystery," says Robin

Ehlke, a Washington Department of Fish and Wildlife biologist. "We'll be doing a lot of review and looking at multiple areas as to why the return was so much lower than anticipated. Once the numbers are finalized, we'll be looking at our forecast methods and things like ocean temperature, food in the ocean, and out-migration," explains Ehlke. "It's likely that a combination of factors played a part." [CQ](#)



## NW/Q&A: Marilyn Showalter, Executive Director, Public Power Council

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The NWPCC's power plan has identified an aggressive acquisition of conservation as the priority action for the region over the next few years. How do you expect customer-owned utilities to respond to this challenge? What should Bonneville's role be in this effort? What do you see as the keys to helping customer-owned utilities achieve these goals?

Conservation is a resource—a way to meet demand—and is highly valuable to the region. As consumer-owned utilities assume more responsibility for meeting their own load growth, they will evaluate conservation as an alternative to acquiring more generation. And as Bonneville customers they will continue their involvement with Bonneville's conservation programs. It's also important to analyze the costs and practicality of administering conservation programs, and do it in a way that allows "buy-in" from all quarters of our region. In other words, some flexibility for smaller utilities to implement conservation that works best for them ultimately will help the whole region conserve.

Independent power producers are now a factor in the region's energy system. What do you think is their appropriate role? If they are to play an important role, how can this be facilitated?

IPPs can play an important and profitable role in the region if they fit themselves to a wholesale and retail system that supports end-use (retail) customers. Utilities looking to meet new demand may also want to diversify their resources. They may want a mix of owned and contracted resources, a mix of long-term and medium-term contracts, a mix of BPA and non-BPA contracts, and a mix of fuel sources. IPPs can be competitive in meeting many of these needs. IPPs should be wary, however, of re-structuring proposals that appear to be helpful to them but which actually will destabilize the ability of utilities to make long-term commitments, including commitments to IPPs.

We will all benefit from a system that provides long-term financial and political stability. That is what will induce the investment and commitment necessary to secure afford-

able, reliable electricity for businesses and consumers into the future. These are the values of public power. [CQ](#)

# Calendar

## Calendar of Council Meetings and Other Events:

- August 18-19: Columbia River Inter-Tribal Fish Commission, Portland. Contact Sandra Peterson, 503-238-0667.
- August 21-24: Pacific States Marine Fisheries Commission Annual Meeting, Girdwood, Alaska. Information at [www.psmfc.org](http://www.psmfc.org)
- September 11-17: International Association of Fish and Wildlife Agencies 95th Annual Meeting, Nashville, Tennessee. Information at [www.iawfa.org](http://www.iawfa.org).
- September 13-15: Northwest Power and Conservation Council. Spokane, Washington. Information at [www.nwccouncil.org](http://www.nwccouncil.org).
- September 15-16: Columbia River Inter-Tribal Fish Commission, Portland. Contact Sandra Peterson, 503-238-0667.
- September 18-23: Pacific Fishery Management Council, Portland. Information at [www.pccouncil.org](http://www.pccouncil.org).
- September 19-22: Affiliated Tribes of Northwest Indians Annual Conference, Coeur d'Alene, Idaho. Information at [www.atntribes.org](http://www.atntribes.org).

# Council Decisions

(continued from front page)

## ISRP appointments

### June

The Council appointed six scientists to the 11-member Independent Scientific Review Panel, which reviews projects proposed for funding through the Council's Columbia River Basin Fish and Wildlife Program. The scientists, their places of employment and specialized knowledge include: Richard Alldredge, Ph.D. (Washington State University, statistics), Linda Hardesty, Ph.D. (Washington State University, range management/biological diversity of eastern Washington), Colin Levings, Ph.D. (Fisheries and Oceans Canada, marine environment and habitat), Katherine Myers, Ph.D. (University of Washington, high seas salmon research), Tom Poe, M.S. (consulting fisheries scientist, behavioral ecology of fishes), and Bruce Ward (British Columbia Ministry of Water, Land and Air Protection, also University of British Columbia, population dynamics, aquatic ecosystems, international fisheries). In addition, the Council appointed 42 scientists to the pool of ISRP Peer Review Group members. The pool

now includes more than 100 scientists. Peer Review Groups assist the ISRP as needed. The Council appoints ISRP members based on recommendations from the National Research Council.

## Artificial Production Review and Evaluation

The Council completed its basin-wide review of fish hatcheries, a multi-year task that included a thorough examination of the management, function and performance of more than 220 fish hatcheries and fish-production programs in the Columbia River Basin, and voted to send its recommendations to Congress for use in future funding decisions. The Council's four key recommendations are:

- Establish long-term management objectives for hatchery and wild stocks of fish describing measur-

able contributions to fish harvest and conservation.

- Identify hatchery programs as either integrated with wild fish or segregated from them and describe how hatchery fish and wild fish will contribute to long-term fish-management objectives.
- Implement hatchery reforms to align with basinwide fish-management goals and objectives, giving priority to biological benefits and cost-effectiveness.
- Monitor, review and regularly report progress of each hatchery toward long-term fish-management objectives.

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