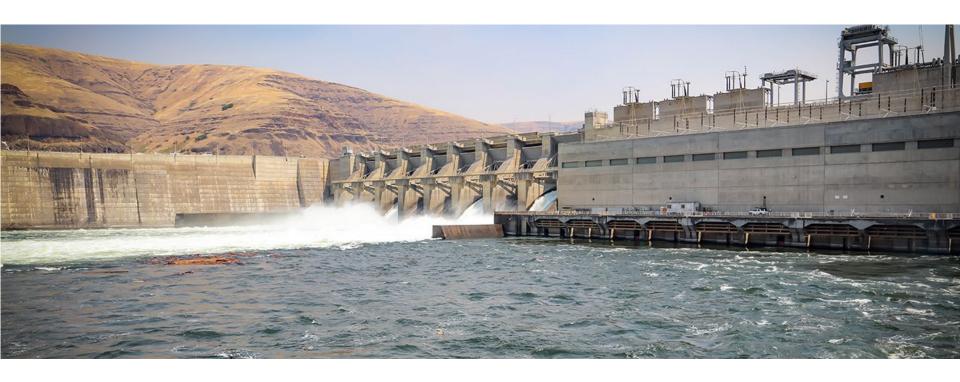
Federal Columbia and Snake River System Operations Settlement Agreement



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Why We're Here

- Status of the process underway
- Highlights of the agreement
- Parties involved in the legal proceedings
- What it means to Chelan PUD
- Questions that remain
- Next steps

No decisions requested



What Happened?

- Memorandum of Understanding (MOU) between US Government and "Six Sovereigns" intended to pause Endangered Species Act litigation for 5-10 years
- Creates framework for increased funding for fish and replacement power, and changes how "fish-related" decisions are made
- Negotiations were closed door, subject to confidentiality agreements, and inaccessible to utilities, navigation and agriculture interests
- Legal process playing out



Parties Involved

- The "Six Sovereigns"
 - State of Washington
 - State of Oregon
 - Confederated Tribes and Bands of the Yakama Nation
 - Confederated Tribes of the Umatilla Indian Reservation
 - Confederated Tribes of the Warm Springs Reservation of Oregon
 - Nez Perce Tribe
- Legal Opposition
 - Idaho
 - Montana
 - Public Power Council
 - NW River Partners
 - Inland Ports and Navigation Group



Highlights of the Agreement

- Bonneville Power Administration commitments (in addition to current funding levels):
 - \$200 million in hatchery upgrades
 - \$100 million for Six Sovereign projects
 - Incorporates earlier agreement with Upper Columbia River tribes for \$200 million over 20 years for reintroduction feasibility studies
- Department of Energy support for 1-3 gigawatts of new clean energy Pacific Northwest Tribal Energy Program to "replace" the Snake River dams



Key Considerations

- Electric demand growth projections suggests the region will need both new renewables AND the Lower Snake River Dams
- NOAA Fisheries expects no changes to our Habitat Conservations Plans due to agreement
- Many unanswered questions about future funding, congressional authority, and regional decision-making
- BPA customers predicting significant rate increases



Next Steps

- Court evaluating U.S. Government's motion for a 5year stay
- Settling parties intend to proceed with MOU implementation regardless of court's decision
- River user groups will continue their advocacy
- Rep. Dan Newhouse (R-WA) introduced bill to bar federal funding
- Work may begin on tribal energy program structure and a regional energy needs planning process
- We will continue to monitor and report back on any key findings or changes to the process

