

New Industry Analysis: Cost of Replacing Energy Provided by Lower Snake River Dams 80% Greater Than Currently Considered Estimates

EnergyGPS Analysis Estimates Replacement Cost of Energy at \$860 Million Per Year

Vancouver, WA, January 28, 2020 – Northwest RiverPartners, a not-for-profit, member-driven organization that advocates for carbon-free hydropower, today shared the results of a newly-commissioned analysis that evaluates energy replacement cost estimates for the four lower Snake River dams (LSRDs). The results show a striking 80% estimated cost increase for the Northwest when compared with currently accepted analysis, should the LSRDs be breached.

The data refute widely accepted metrics from the now-outdated 2018 NW Energy Coalition (NWECC) study that is receiving attention in the Washington Governor’s LSRDs Taskforce and other regional dialogues currently underway to inform the future of the LSRDs and its impact on regional communities.

Performed by the consulting firm EnergyGPS, the analysis is based on new data made available after the release of the NWECC study, including current state policies and forecasted energy capacity deficit for the Pacific Northwest.

“We continue to have great respect for the Northwest Energy Coalition and its efforts, however, we now operate in a more carbon-constrained world, which means the 2018 NWECC study assumptions are simply not aligned with the current level of resource scarcity,” said Kurt Miller, NWRP executive director. “Any decisions made over the future of the four LSRDs will affect all Northwest residents and this new analysis from EnergyGPS underscores the need for agreement on common assumptions and further research before any definitive conclusions are made.”

Since the NWECC study release, significant policy changes have occurred that shift the appropriate baseline to use for any LSRDs removal study including, notably, Washington’s Clean Energy Transformation Act (“CETA”) in early 2019. This legislation, along with other state and utility actions to decarbonize the

electric sector, significantly reduces energy resources and places additional importance on existing carbon-free resources.

The NWEAC assumptions regarding energy load and supply and demand resources are also largely based on the [NWPCC](#)'s 7th Power Plan which was completed in 2016 and now dated. E.g. the NWEAC study estimated 2,800 MW of Northwest coal generation shutdowns in the next decade, which is nearly 50% less than updated assessments. (1,000 average MW is enough electricity to power a city the size of Seattle.)

Since the publication of the NWEAC study, the [Northwest Power & Conservation Council](#), the [Northwest Power Pool](#), [E3](#), and [Energy Strategies](#) have all issued significant warnings about a potential energy shortage or even blackouts resulting from the retirement of thousands of megawatts of the region's coal plants. Notably, all these forecasts assume that the LSRDs remain in place. The predictions would be much more severe if the LSRDs weren't included in the resource mix.

Consistent with these warnings, EnergyGPS found that the NWEAC study outcome would lead to insufficient energy to meet regional needs or would result in replacement power costs of \$860 million per year or \$96 per megawatt-hour (MWh) - approximately 80% greater than the cost presented in the NWEAC study.

Most of the region's hydroelectricity goes to serve not-for-profit, community-owned utilities, so the replacement costs would likely be borne by their customers in the form of much higher electric bills.

EnergyGPS found other challenges with the NWEAC study, including its assumptions around attainable energy efficiency and demand response. In addition, the NWEAC study does not adequately discuss the appropriate priority of LSRDs replacement resources relative to competing needs for new energy resources.

The full EnergyGPS analysis can be found [here](#).

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About Northwest RiverPartners

Northwest RiverPartners (NWRP) is a not-for-profit, member-driven organization. We represent not-for-profit, community-owned utilities across Washington,

Oregon, Idaho, Montana, and Wyoming. We also proudly represent farmers, ports, and businesses across the region.

NWRP is focused on raising awareness about how the Northwest's hydropower system betters communities and the natural environment, and we encourage science-based solutions that help hydropower and salmon coexist and thrive.

<http://nwriverpartners.org>

For press interviews, contact:

Oonagh Morgan Hurst

Morgan Communications

503-887-4345

oonagh@morgancomms.agency