

Memorandum

July 29, 2013

To: The Klamath Basin Task Force

From: Ed Sheets, Facilitator for Klamath Basin Agreement

Subject: Upper Basin Power Issues

Summary

The congressional delegation and Governor Kitzhaber have asked the Klamath Basin Task Force for recommendations to address outstanding power issues related to providing affordable and certain power supplies for the Klamath Reclamation Project and the Upper Klamath Basin irrigators.

This memorandum provides a status report on the two workgroups addressing this assignment.

Background

The Klamath Basin Agreements include a number of measures designed to provide near-term and long-term affordable electricity to both On-Project and Off-Project power users. Under those agreements the Power for Water Management Program would be available to irrigators that participate in other Klamath Basin Agreement programs to 1) increase water for Klamath River instream flows and Upper Klamath Lake levels, 2) habitat programs, and/or 3) water efficiency programs.

Power rates have increased by 2000 percent since 1996. This has significantly increased the costs to irrigators and the cost to move water to wildlife refuges and from the Klamath Project to the Klamath River.

There are three elements to the Power for Water Management Program:

- An interim program to provide funding to assist with power costs while the long-term program is being developed. Implementation of this program requires federal legislation.
- A long-term program to develop renewable resources that would provide revenue to assist with power costs. Implementation of this program requires federal legislation.
- A Federal Power Program to provide lower-cost federal power to On-Project and Off-Project irrigators. Reclamation currently has authority to purchase federal power and deliver it to On-Project loads. Service to Off-Project irrigators will require federal legislation.

Upper Basin Power Issues

This workgroup had an organizational conference call on July 26th. A follow up meeting is schedule to follow the Task Force meeting on August 1st.

The workgroup is comprised of: Greg Addington, Hollie Cannon, Gus DeVries, Frank Hammerich, Bill Kennedy, Martin Kerns, Glenn Lorenz, and Mike Neuman, Jason Phillips, Karl Scronce, Matt Walters, and Cathy Waters.

During the organizational call, the workgroup identified two issues:

- Support for legislation that would allow implementation of the programs to provide affordable power for both On-Project and Off-Project power users.
- Review of the eligibility criteria.

Federal Power Delivery

Representatives from the Bonneville Power Administration, Western Area Power Administration, Bureau of Reclamation, PacifiCorp, Klamath Water and Power Authority, and Klamath Water Users have held a series of calls to develop a detailed workplan.

The workplan describes the steps necessary for Reclamation to purchase federal power and deliver it to the Klamath Reclamation Project. BPA power would be used to serve Oregon electricity loads and WAPA power would serve California loads. The workplan will also provide a model to serve Off-Project loads when federal legislation has been enacted.