



Department of Energy

Official File

Bonneville Power Administration
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POWER SERVICES

Regional Power Manager
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In response to: Notice of Application for Lease of Power Privilege (LOPP) for Columbia Basin Hydropower (CBHP) 500 MW Pump Storage Facility between Banks Lake and Roosevelt Lake

Mr. Summers:

On May 18th, 2020, the Bureau of Reclamation provided notice to the Bonneville Power Administration that a formal request to initiate the Lease of Power Privilege process has been received for the proposed CBHP 500 MW Pump Storage Facility between Banks Lake and Roosevelt Lake.

While Bonneville Power Administration, as the power marketing administration, has the right to develop the site on behalf of the federal government, and such a right is given priority over non-federal development, we decline to do so given the existing federal investment in the John W. Keys III Pump-Generating Plant (Keys) at essentially the same location.

Bonneville believes that the federal government has already developed the site by constructing and also investing in rehabilitating Keys. While Keys currently provides up to 600 MW of pumping load and 300 MW of generation, the proposed facility has a capacity of 500 MW of pumping load and generation. Indeed, the intakes and outlets from Roosevelt Lake and Banks Lake for the proposed project will be in relatively close proximity to the existing Keys' intakes and outlets, essentially providing a duplicate of the existing Keys project.

Bonneville sees no value in adding this additional capacity at the Grand Coulee location, and in fact foresees a multitude of problems with potentially competing operations impacting Roosevelt Lake and Bank Lake which are already operationally constrained during many time periods.

Bonneville's understanding is that a LOPP project must not impair the efficiency of Reclamation generated power or water deliveries, jeopardize public safety, or negatively affect any other

Reclamation project purposes. Bonneville is concerned that the proposed project will significantly complicate Grand Coulee Dam and Keys operations and will need clear limitations to avoid degrading the value of the existing federal investment.

Bonneville works closely with Reclamation to meet project constraints, maintain lake level and stability targets, comply with environmental laws, and meet irrigation demand. Bonneville is concerned that CBHP would have difficulty operating the proposed facility in a manner compatible with federal operations, as federal operations will have first priority. Bonneville is also concerned about potential environmental and cultural impacts and tribal concerns for our stakeholders in the region.

Bonneville has intervened in the Federal Energy Regulatory Commission process related to CBHP and will continue to monitor the docket for effects the proposal may have on federal operations. At this time, Bonneville can only envision this project moving forward with the understanding that Bonneville and Reclamation will have the ability to impose ongoing operational constraints on the proposed project in order to ensure that our federal obligations are not impacted.

Therefore, we request that Reclamation confirm their commitment that CBHP is only entitled to excess capacity after all federal requirements are met and that the new project will not impact optimal water management of the federal operations. It is Bonneville's understanding that any LOPP issued by Reclamation to CBHP will contain explicit language limiting its operations in such a way that there will be no impact on Grand Coulee operations including the Keys Pump-Generating Plant.

In addition, we request that Bonneville be included in development of the requirements of the Preliminary Lease Agreement for this proposed project to ensure that the federal power interests are represented.

Please feel free to contact me at (503) 230-3902, if you have any questions or would like to discuss.

Sincerely,



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