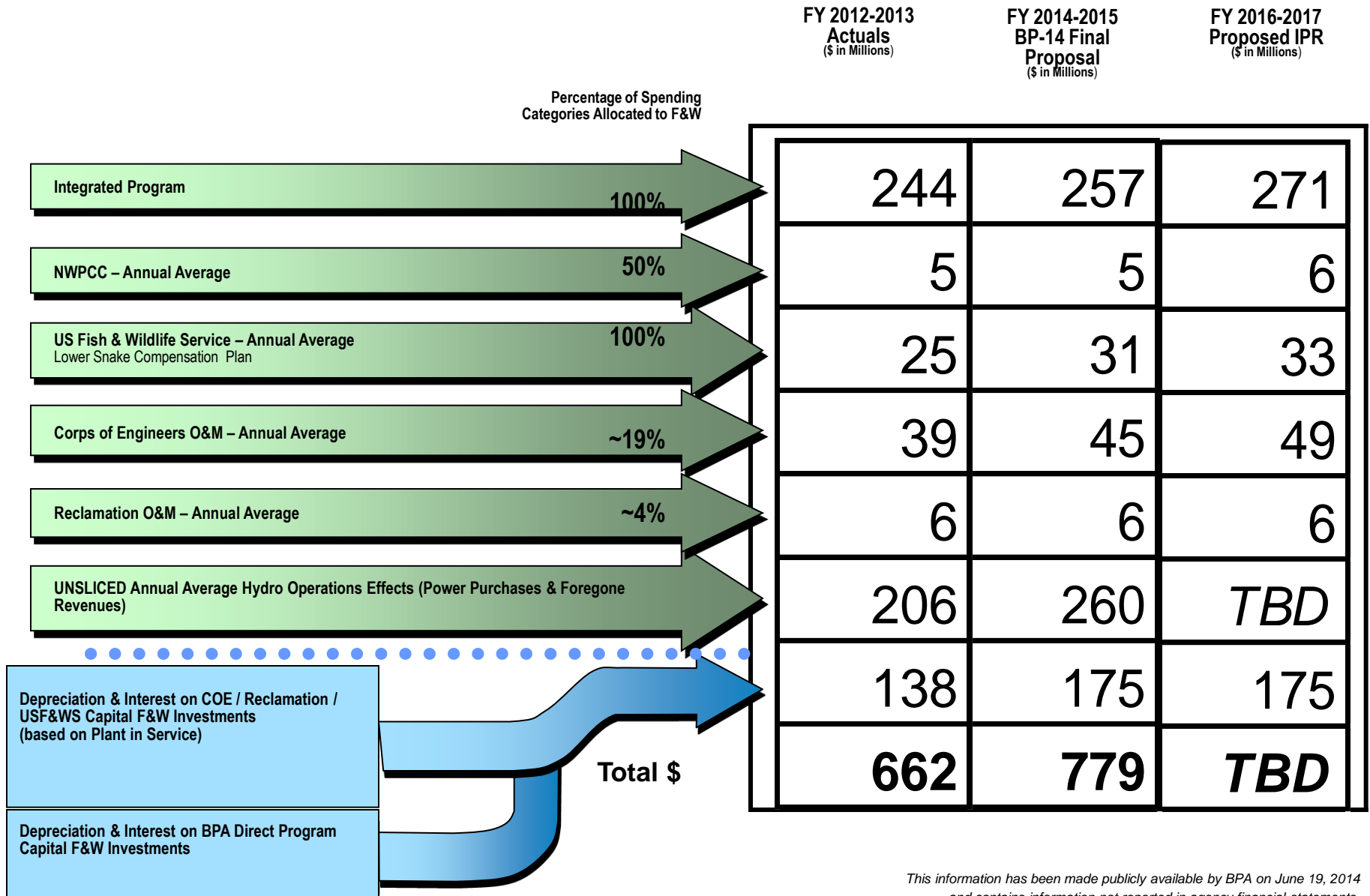


# **Integrated Program Review Fish & Wildlife**

June 19, 2014

# Total Annual Average Cost of BPA Fish & Wildlife Actions



This information has been made publicly available by BPA on June 19, 2014 and contains information not reported in agency financial statements.

## Financial Components of BPA's F&W Program

- **Integrated program** –The Fish and Wildlife Program funds several hundred mitigation projects to meet both BPA's Northwest Power Act and ESA obligations.
- **Debt service** – The projected amortization, depreciation and interest payments for investments directly funded through BPA borrowing, as well as capital investments by the Corps and Reclamation funded by the U.S. Treasury and reimbursed by BPA.
- **Fish-related O&M** (“reimbursable expenses”) – The hydroelectric share of O&M and other non-capital expenditures for fish and wildlife activities by the Corps and Reclamation (i.e., O&M of fish facilities at the federal mainstem dams and Corps/Reclamation mitigation hatcheries), and U.S. Fish & Wildlife Service (for hatcheries under the Lower Snake River Compensation Plan – 11 hatcheries and 18 satellite facilities).
- **River operations** – The power production effects of river operations required by NOAA Fisheries and USFWS Biological Opinions.

## Fish & Wildlife and LSRCP - Expense

(\$ Thousands)	2013 Actuals	2014 Rate Case	2015 Rate Case	2016 IPR	2017 IPR
Fish & Wildlife	\$238,984	\$254,000	\$260,000	\$267,000	\$274,000
Lower Snake Hatcheries	\$28,700	\$30,670	\$31,670	\$32,303	\$32,949
<b>Total</b>	<b>\$267,684</b>	<b>\$284,670</b>	<b>\$291,670</b>	<b>\$299,303</b>	<b>\$306,949</b>

### Program Description

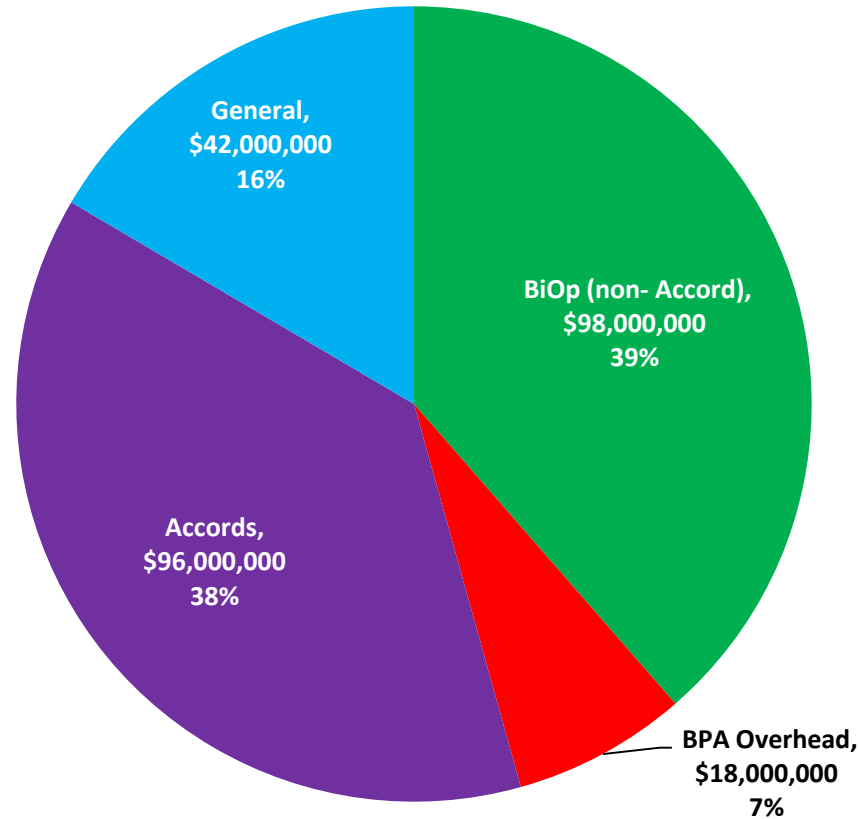
- BPA’s Fish and Wildlife Program implements projects that meet BPA's fish and wildlife mitigation objectives under the Northwest Power Act consistent with the Program adopted by the Northwest Power and Conservation Council. The projects also meet BPA’s Endangered Species Act (ESA) fish and wildlife requirements under biological opinions from the U.S. Fish and Wildlife Service and National Oceanic and Atmospheric Administration (NOAA Fisheries), and the commitments encompassed within the Columbia Basin Fish Accords.

### Key Products and Outputs

- BPA meets its Power Act and ESA objectives in the Fish and Wildlife Program primarily through the negotiation and award of mitigation contracts to state, federal, and tribal entities. These contracts implement projects that meet BPA's objectives in the following categories: tributary and estuary habitat improvement, hatcheries, harvest, research, monitoring and evaluation, and predator control. Project outcomes are credited and accounted for as contributions toward the recovery and mitigation obligations of BPA.
- The Fish and Wildlife Program (Program) is carried out in partnership with the Northwest Power and Conservation Council (Council). The Council develops and updates the Program every 5 years, making recommendations to BPA for projects to implement in support of the Program.
- The Fish and Wildlife Program expense budget also ensures the agency's environmental and cultural resource compliance for Program activities, through analysis and documentation consistent with the requirements of the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA).

# FY14 End of Year Forecast for F&W Spending – Expense

## \$254,000,000



Key multi-year components:

- Biological Opinion requirements (salmon, white sturgeon, bull trout)
- Columbia Basin Fish Accords (seven Tribes and three States)
- 2.5% inflation adjustment

# Fish & Wildlife Program Budget

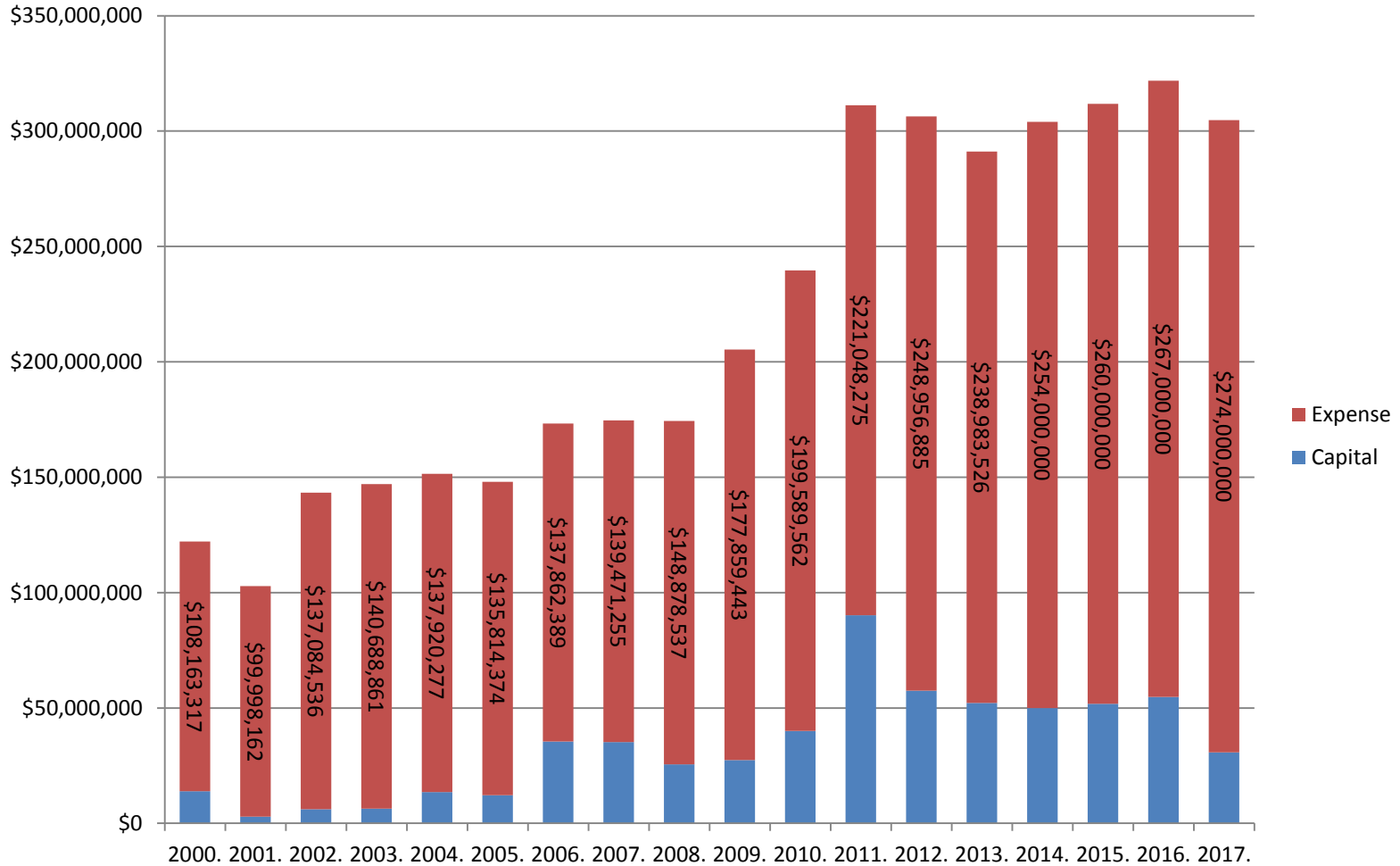
## IPR Drivers for 2016-17:

- Proposed funding levels remain consistent with commitments and obligations under the Columbia Basin Fish Accord, various BiOps, wildlife settlements and Northwest Power and Conservation Council recommendations, as well as congressionally-mandated Lower Snake River Compensation Plan facilities.

## Risk Factors:

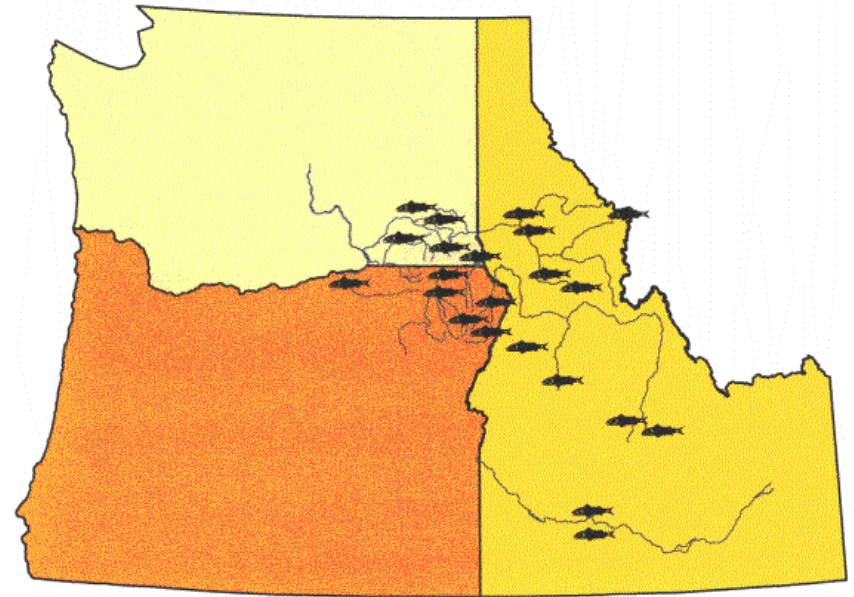
- Managing to the Fish and Wildlife Program to fulfill the requirements of the Fish Accords, BiOps, and other agreements has inherent risks associated with the nature of the work funded (weather, permitting, and/or landowner engagement, for example). This uncertainty and Accord partner use of funding flexibility afforded in the Accords continues to be a significant challenge. Thus, while striving to maintain budget levels through management tools, BPA duly notes the potential need for short-term increase to IPR spending estimates should BiOp or Fish Accord requirements exceed expectations.
- Separate from the Fish and Wildlife Program, BPA funds the operation and maintenance costs for: 1) Corp of Engineers operated fish passage facilities and hatcheries associated with FCRPS dams, 2) Bureau of Reclamation Leavenworth, Entiat and Winthrop National Fish Hatcheries (“Complex”) to mitigate for Grand Coulee Dam and 3) USFWS-managed Lower Snake River Hatcheries which mitigate for the four Lower Snake River dams. Several of these facilities have deferred maintenance which continues to require some increased costs for operations and maintenance.
- Post-2018 expense levels will reflect the requirements of a new FCRPS Biological Opinion and any future Fish Accord agreements. Regional discussion of these issues is likely to occur in 2016-2017.

# Annual Expenditures of Fish and Wildlife Program



## Lower Snake Compensation Hatcheries

- Oregon
  - Lookingglass (Imnaha)
  - Wallowa (LSC, BC)
  - Irrigon
- Washington
  - Lyons Ferry (Cotton & DP)
  - Tucannon (Curl Lk)
  - Snake River Lab
- Idaho
  - Clearwater (CR, Red, Powell)
  - Magic Valley
  - Hagerman NFH
  - McCall (S. Fork)
  - Sawtooth (E. Fork)
  - Capt J., Pitt. & Big Canyon (with BPA)
  - Dworshak (joint with COE)
  - IDFG Fish Health Lab





## Lower Snake Compensation Hatcheries

- **Purpose:** Provide legally mandated mitigation for federal Snake River dams
- **Operations:** Costs to collect broodstock, rear and release healthy fish, while meeting local, state and federal standards.
- **Evaluations:** Costs to monitor success in meeting mandated goals and provide data needed to secure ESA permits.
- **Non-recurring maintenance:** Costs to fix broken assets, ensures assets comply with regulations, replaces equipment, preventative maintenance and mission requirements. LSRCP hatcheries have developed and are using a proposed 20 year Asset Management Plan.

## Lower Snake Compensation Hatcheries

### Comprehensive Asset Management Plan

- Structured approach to assessing needs, including:
  - Onsite condition assessment inspections, bridge and seismic surveys .
  - ESA, NPDES, & environmental compliance audits
  - ADA, & human safety audits.
  - Mission , scientific & programmatic requirements.
- Program components: Deferred, preventative, corrective, programmatic, routine maintenance and equipment.
- All projects ranked through a formal rating process:
  - Importance, substitutability, mission, energy efficiency
  - Human safety, ADA compliance, fish security
  - Environmental compliance, Scientific defensibility
  - Risk of future deterioration, visitor services.
- Human safety, fish security and legal obligations are met first.

## Potential Future Drivers (beyond 2017)

- Biological Opinion litigation
- Lamprey and Sturgeon conservation
- Hatchery reform implementation
- Regional interest related to toxics and invasive species
- Northeast Oregon hatchery
- Montana resident fish settlements
- Idaho wildlife settlements

# Financial Disclosure

## *Financial Disclosure*

This information has been made publicly available by BPA on June 18, 2014 and contains information not reported in agency financial statements.