

From: [Richard](#)
To: [UTC DL Records Center](#)
Subject: Comments for official record in Docket No. UE-160918
Date: Tuesday, July 25, 2017 11:33:19 AM
Attachments: [March 1999 amendment Columbia River Treaty Agree Copy.pdf](#)
[Disposal Agreement re Canadian Entitlement.pdf](#)

Dear Records-

Please also include the email(s) below and the attachments in the official records for Docket No. UE-160918 (PSE Electric IRP).

Richard Lauckhart
Energy Consultant
Davis, Ca
916-769-6704

From: Richard <lauckjr@hotmail.com>
Sent: Tuesday, July 25, 2017 9:29 AM
To: records@utc.wa.gov
Subject: Fw: Additional comments on Columbia Grid Draft 2017 System Assessment

Dear Records-

Please also file the email below and it attachments under under Docket No. 170791.

Richard Lauckhart
Energy Consultant
Davis, Ca
916-769-6704

From: Richard <lauckjr@hotmail.com>
Sent: Monday, July 24, 2017 11:01 PM
To: paul@columbiagrid.org
Subject: Additional comments on Columbia Grid Draft 2017 System Assessment

Dear ColumbiaGrid/Paul-

Last Friday June 21, 2017 I sent you an email with attached letter providing comments/questions on the ColumbiaGrid Draft 2017 System Assessment. By this email and its attachments I am supplementing those comments. Please additionally include this email with its attachments in the formal comments on the ColumbiaGrid Draft 2017 System Assessment.

In my June 21, 2017 delivery on this matter at my point number five I pointed out that our research cannot find that there is a Firm Commitment on the part of BPA or anyone else in the United States to deliver Canadian Entitlement power to the Canada border. I asked that you provide any evidence that ColumbiaGrid has that there is a Firm Commitment to deliver Canadian Entitlement power to the Canadian border. To date you have provided no such evidence.

By this email and its attachments I point out that there is clear evidence that there is **no** Firm Commitment to deliver Canadian Entitlement (e.g. 1,350 MW) to Canada. That evidence is contained in the attached COLUMBIA RIVER TREATY **ENTITY AGREEMENT** on ASPECTS OF THE DELIVERY OF THE CANADIAN ENTITLEMENT for APRIL 1, 1998 THROUGH SEPTEMBER 15,2024 BETWEEN THE CANADIAN ENTITY AND THE UNITED STATES ENTITY DATED MARCH 29,1999. I have highlighted the relevant sections of this Agreement.

As can be seen in this document, the original plan (in the 1960's) for delivering Entitlement Power to Canada was for those deliveries to be made at Oliver, British Columbia. That plan which would have required the building of transmission lines from two directions to Oliver, BC was put on hold for 30 years when Canada sold its share of Canadian Entitlement power for 30 years to entities in the United States. This Oliver delivery point plan would have required BPA to build new 500 KV transmission from near Grand Coulee Dam north to Oliver, BC. BC Hydro would need to build 500 KV from Oliver, BC to the vicinity of Vancouver, BC. Building these lines would have been a major and expensive undertaking.

When those 30 year sales of Canadian Entitlement power to US entities was about to expire in the last 1990's, once again the parties were faced with building Transmission lines to Oliver, BC. This 1999 Entity Agreement eliminated the obligation of both parties to build those lines. This 1999 Entity agreement refers to the similarly dated 1999 **Disposal Agreement** (also attached to this email). The Disposal Agreement allows for Canada to sell its share of Treaty power within the United States on a short term basis (i.e. having that power delivered from the generating points on the Columbia River to delivery points in the United States where Canada [i.e. BC Hydro] has made arrangements from day to day to sell the power to a U.S. entity). This power never needs to be delivered to the Canadian Border.

The Entity Agreement states that if Canada would like the power to be delivered to the Canadian Border at any particular point in time (rather to some US located entity), then since

the lines to Oliver have not been built, the power would be delivered to existing connections points at Blaine and Nelway, **but only if there is available transmission capacity to those points**. See paragraph 3 in the Entity Agreement...note in particular the paragraph starting with "Subject to paragraphs 8 through 11..." Note paragraph 9 states that if the United States Entity is not able to purchase Firm Transmission to Blaine and Nelway, then it may be that the power can not be delivered to those points because of transmission constraints. Under paragraph 9 (b), if Canada decides later that it wants Firm Transmission to the Canadian Border, then Canada would need to request that the US entity procure the needed delivery capability (e.g. through construction or otherwise) and if Canada is willing to pay certain amounts for the US procuring the capability, then the Deliveries could be made under a Firm Commitment to Canada. Canada never made such a request. BPA responded in to a Public Record Act request that they never received such a request from Canada. Therefore the treaty documents provide clear evidence that the deliveries to Blaine and Nelway are not Firm Commitments. Meaning that deliveries of Canadian Entitlement power can not be made to these points under all weather and contingency conditions.

BPA has known since at least 1999 (when the treaty was amended) that it would not be able to deliver Canada's share of downstream benefits to Canada under all weather and contingency conditions. In 2009, Puget Sound Area Study Group members developed a draft report entitled "Assessment of Puget Sound Area/Northern Intertie Curtailment Risk." That study describes certain system operating plans that could reduce the Curtailment Risk in the south-to-north direction on the tie to Canada.

If there had been in place a Firm Commitment in 1999 to deliver Canadian Entitlement power to the Canada border on a Firm Basis, then studies would have been done back in 1999 (or before) to determine what construction would be necessary to provide that Firm Commitment. Facilities would have been built long ago. Canada would have insisted on it. No one would have waited until PSE had some local needs in the year 2018 or later.

Please correct the erroneous language in your Draft 2017 System Assessment to make it clear that there is no Firm Commitment to deliver 1,350 MW of Canadian Entitlement power to the Canadian border.

I would be happy to meet with you to discuss these matters or have a discussion over the phone if you wish to have a discussion about this evidence.

Richard Lauckhart
Energy Consultant
Davis, California

Commenting on behalf of a large number of interest citizens in the Puget Sound Area.