



July 11, 2022

The Honorable Patty Murray
United States Senate
154 Russell Senate Office Building
Washington, DC 20510

The Honorable Jay Inslee
Office of the Governor
State of Washington
PO Box 40002
Olympia, WA 98504

Dear Senator Murray and Governor Inslee:

Thank you for the opportunity to comment on the Draft Lower Snake River Dams Benefit Replacement Report (Draft Report). Our three organizations represent over 1,500 businesses in the greater Spokane region, and we have a keen interest in this process as the outcome has the potential for significant impacts to our region.

The purpose of the study is to determine whether there are reasonable means for replacing the benefits provided by the Lower Snake River dams (LSRD) sufficient to support dam breaching as part of a salmon recovery strategy for the Snake River and the Pacific Northwest. We have significant concerns with the Draft Report as we believe it undervalues the benefits of the LSRD and over assumes how impacts could be mitigated.

Breaching the LSRD would pose a significant threat to the state and the region's economic competitiveness. It would entail the removal of up to 1,000 MW of non-emitting electricity and an estimated 3,500 MW of capacity from the Bonneville Power Administration (BPA) load. The loss of this clean power will make it more challenging to ensure our businesses have reliable electricity service, especially in times of extreme cold or heat. In addition, the Columbia River System Environmental Impact Statement (2020) indicated a likely 25% rate increase for BPA retail customers if the dams were removed. Such a rate increase represents a significant burden on the businesses that are energy intensive or operate on thin margins.

Our regional economy is dependent on reliable and affordable clean energy. We are 20 minutes or less from the Idaho border, and we compete for the same jobs that rely on abundant and

inexpensive power. The removal of hydropower undermines our competitive advantage and would act as a disincentive to businesses that located themselves in Eastern Washington because of the zero or reduced carbon emissions and third-party certifications it has provided for decades.

While many of our businesses are served by Avista and would not be immediately impacted by a 25% rate increase, the businesses in our rural areas served by co-ops would. With the supply chain challenges and labor shortages, this added burden will increase the cost of doing business that will eventually impact everyone.

In addition to the potential rate increases and the loss of reliability, the loss of clean electricity will also make it more difficult for the state to achieve its decarbonization goals. When the Washington state legislature passed the Clean Energy Transformation Act, the assumption was that the LSRD would be part of the electrical grid. It is concerning and confusing for the state to push for electrification in buildings and transportation while simultaneously considering removing 1,000 MW of non-emitting, reliable energy. With the loss of this non-emitting resource, the cost to recover the difference will be borne by businesses in Washington. It will also result in less reliability and more rate instability as utilities seek power in the open market.

In addition to the concerns regarding electricity reliability and rate increases, breaching the LSRD would have an adverse impact on our communities. The Draft Report appears to make several assumptions about what the loss of the ports, barging, and recreational amenities would have not just on the southeast communities but also its neighboring communities.

The loss of barging is not insignificant. In 2019, over 3.9 million tons of cargo, or the equivalent of 39,204 rail cars or 150,784 semi-trucks, was barged on the Snake River. Without river transport, additional trucks have to travel through our communities, in many places on two-lane highways. Not only does the Draft Report concede there is no economic analysis or funding readily available for these massive transportation modifications, it also seems to deflate safety concerns for our rural communities.

While the report acknowledges the significant impacts breaching would have on the transportation network, including "increased transportation costs, infrastructure maintenance and loss of jobs", it surmises that consequences like these "would need to be considered." This report makes no attempt to properly calculate these costs and their full impacts on our region's communities and economy, and instead seems to leave residents and businesses responsible for these consequences.

Our communities are connected, and many of our members rely on those which have built their economies around the LSRD. The Draft Report brushes off the ports which will be dry-docked, the cruise ship economy which will cease to operate, the negative impacts to riverfront public

recreation, and a host of municipal water issues that would come with dam removal. Our region does not operate in a silo, and the impacts to these communities and industries will reverberate across our region.

Finally, it is disappointing the consultants did not reach out to our organizations or businesses in the greater Spokane area. The impacts of removing the LSRD will not be limited to the immediate community. The loss of reliable electricity, the potential electric rate increases, the transportation impacts and the effect on regional businesses are relevant to our members.

We urge you to consider these important ramifications and reject this report as it is clearly insufficient, overly optimistic and does not properly calculate the impact to our region and state. We would request our organization's comments and concerns be considered and included regarding the impacts of the removal of the LSRD.

Thank you for your consideration.

Greater Spokane Inc.
Greater Spokane Valley Chamber of Commerce
West Plains Chamber of Commerce

cc: Senator Maria Cantwell
Rep. Cathy McMorris Rodgers
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