

12. Breach alternative MO3 conflated with construction and mitigation costs on other dams.

The DEIS formulation of MO3 is fatally flawed because it took the single action breach alternative and without explanation, added costly work on lower Columbia dams along with more spill. Additional spill has shown little evidence to support its biological benefit thus far and also ties additional loss of power to breaching. This effectively creates the “poison pill” scenario for breaching. Even with additional cost loaded onto breaching to formulate MO3, Table 7-2 of Appendix Q, displaying the change in Annual Equivalent Cost from the NAA shows that MO3 saves \$93 million over the current conditions, and \$97 million over the Preferred Alternative. In addition, the PA is stripped of many features found in the other non-breach alternatives without explanation as a means, apparently, to make the PA look like a low-cost option.

Note that none of these comments attempt to address Fish and Wildlife costs that vary significantly and as the DEIS states are dependent on further analysis, especially in regard to a breaching.

In terms of assessing an overall benefit to cost ratio for the MOs, NAA and PA, no single table does this, although such a table may have been briefed to the Public Power Council by Jim Frederick for the Crops NW division. Lacking such a table, it appears that the DEIS provides costs in three different categories: Implementation costs, Hydro power impact costs, and mitigation costs for MOs, the NAA and PA.

When costs based on the more detailed analysis for the lower Snake River Dams (LSRDs) in the 2002 EIS are corrected, mostly by correcting faulty assumptions, brought forward and then properly accounted for as implementation, power, and mitigation costs, the cost/economic benefits of a “poisoned” MO3 become clearer. With a non-conflated stand-alone breaching alternative, short term costs and life cycle economic benefit are favorable over all non breach MOs and alternatives.

Specifically, when tables 3-308 and 3-309 (Chapter 3) and Tables 7-1 and 7-2 (Appendix Q) are changed by using corrected breaching, mitigation and implementation costs (see attachments) they will show that a “poisoned” MO3 has an annualized implementation cost \$57 million and \$61 million less than the NAA and PA, respectively. This is after **adding in** missing mitigation costs for bridge pier armoring, channel work, hatcheries, RR embankment protection, dredging, gas line protection, cultural resource protection, irrigation modification, \$80 million in RR siding, grain conveyance mods at elevators and upgrading the Port of Columbia’s short line from Prescott to Dayton WA.

These same tables, corrected, would show an **annualized savings of \$100 and \$104 million over the NAA and PA respectively for a breach only alternative!**

In terms of power impacts among the MOs and PA, the DEIS states unexplained claims totaling something over \$1 billion annually (it is hard to tell without a B/C table) in benefits of keeping the dams. Conversely, a \$1 billion cost falls on ratepayers to replace the capabilities of the LSRDs if breached. However, the DEIS is rather vague about how absolute the estimates are and often notes that further analysis is needed if breaching were implemented. Indeed, given the amount of power surplus, BPA’s most recent resource estimates, and how much money they actually generate from secondary sales, the need for replacing the power is unlikely. But by using these high benefit claims as another reason to develop a Preferred Alternative, the agencies have not only ignored their own data but have fatally biased the PA and breaching

in positive and negative manners, respectively. As such the process will never get to an answer any more than the 2002 EIS did because of the inherent pro dam biases of the the Corps and BPA.

These errors and assumptions from the 2002 EIS and expanded upon in the DEIS show the effects of attempting to perjure any form of breach alternative. These fatal flaws are so egregious as to render the DEIS process invalid. As such the Corps and BPA should immediately implement breaching of the LSRDs this year as the only way left to reduce costs to ratepayers, saving BPA, salmon and SRKW.