

Perspectives on 25 Years of Mid-C Seminar plus Treaty update

Bill Dearing, Dearing Consulting

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How did we get here?

- Rock Island first on the river, started 1930
- The “308” report maps the river, early 30s
- Suggests 10 potentials dam sites
- Bonneville Dam and Grand Coulee, 1934
- Bonneville Power Act, 1937
- Post WW2, Corps and Bureau get to work
- Then, Eisenhower elected, 1952
- Steps back opening the way for the PUDs



The Mid-C

- Canadian Treaty and Pacific NW Coordination Agreement signed early 60s- monthly coord
- With run of the river plants, always trading
- In the 60's to 80's -Intercompany Pool of IOUs /secondary market
- Rise of non-load serving marketers, resource developers and entry of banks in the 90's
- Many IOUs spun off non-regulated side to trade
- Mid-C becomes major trading point



What has changed in 25 years?

- Cal ISO formed and gets off to a rocky start
- Several failed attempts in NW to create RTO
- The marginal resource has shifted from gas to renewables
- The typical high load/ light load spread has been turned upside down
- With so much non-dispatchable energy, energy imbalance markets beyond RTOs emerge/ end of OTC trading?
- RTO for all starting to get closer



Where will it go from here?

- As we will hear today, more options as the system is stressed to handle variable generation, the famous duck curve and climate
- Questions yet to be answered:
 - Will storage ever get big and cheap enough to really help on a utility scale?
 - Hydrogen and other “clean” fuel options?
 - Can we build transmission to integrate?
 - Are we headed for more Texas events and rolling blackouts?
- Stay tuned!



Columbia River Treaty- what's happening?

- Could have been terminated beginning 2014 with 10 years notice by either US or Canada- Not yet!
- Mixed view across the border on value
 - US utilities think the calculation of half the value that must be returned to Canada is too much
 - Canadians haven't been too happy with reservoir operations and control issues
- BPA/ Corps developed consensus opinion
- US State Department took over freezing out any non-federal utility participation



Status and what will change in 2024

- US and Canada have held about 10 joint meetings
- Dynamic is no longer power only but includes tribes and environmental concerns
- No notable progress
- The big issue- flood control
 - US paid for first 50 years through congressional appropriation (not BPA rates)- expires 2024
 - New protocol is “on-call storage”
 - Disagreement on how it will work and cost
 - The flow threshold to trigger Canadian action and US reservoir participation big issues



Next steps

- Waiting for State Department and Canada to come to agreement
- Hope the State Department understands (and cares about) the power issues
- Wait some more
- We will see!



Questions

