

<https://www.youtube.com/watch?reload=9&feature=youtu.be&v=FcncyrYZsNA&app=desktop>

Luncheon Address by Congressman Mike Simpson (R - Idaho) at the 2019 Andrus Center conference: *Energy, Salmon, Agriculture and Community: Can We Come Together?*

Cecil Andrus Center for Public Policy  
April 23, 2019

Thank you Rick, I don't really deserve that but if you'd like to keep talkin' (laughter)

Good to be with you today. I want you to know a couple of things. First of all the remarks I was going to give today were reduced substantially because Mark Johnson kept taking my speech and making it questions. He even took my quotes that I was gonna use and used those, so you might say, "Hey I've heard that before."

But then it got longer because I kept adding on as I learned from these panelists and their remarks and so forth...uhh...when I was asked to do this I looked at the schedule of events and who was going to be on the panels, and I said you know, I'd like to be there for all of this and my chief of staff said, "Really?" I said, "Yeah."

So we decided to come and listen to these experts that you have listened to today and they've got great ideas and are worth all of us listening to.

I appreciate the opportunity to be here today to talk to you about this issue. It's just like Cecil and his daughter to put a very non controversial subject before us.

My goals here today are two things in these remarks: one is to let you know what brought me to the point that I am at today in this debate, why I'm asking the questions I'm asking that are raising some concerns, probably among many of you, and others in the communities and why it's making so many people so very nervous.

I've had people say, to my chief of staff, not to me, "we don't even like someone of Simpson's seniority asking these questions." I go, "Really? If you can't defend what's going on, then why are you afraid of these questions? If you can't defend it then these questions need to be asked."

We've had people call my chief of staff earlier like late last week and say, "Well what's Simpson going to say at this?" Of course, my chief of staff says, "I got no idea. He doesn't really write a speech out and read it, he kinda writes down remarks and thoughts and things like that and then whatever's on his mind

kinda flows out there." So, that's why my staff's here is to make sure so I don't say anything too bizarre.

But my second goal here is not to set anybody's hair on fire. So if you have matches or a bic lighter please hold it up and we'll come around and get it (mild laughter). Because this is, obviously, a very sensitive subject that everybody has a stake in and everybody has an opinion about.

I'm going to start by telling you three stories. And then I will expand on those stories in my remarks.

First one starts with every year we get an update from the BPA, sometimes twice a year, sometimes more often as necessary. Elliott comes out with his staff and talks to us about what's going on and keeps us in Congress informed about the BPA, the challenges they face and so forth.

I got a little concerned when I read the remarks of Mr. Elliott, and let me say right now we are very lucky to have Elliott as the administrator for the BPA, he is doing a fantastic job, sometimes with his hands tied behind his back. But I think he is absolutely doing a fantastic job, and so is his staff.

But my alarm bells first went off when Elliott spoke at the Northwest Power Planning Council a year ago and you heard the quote that Mark gave earlier that was verified by Elliott so I'm going to say it again: he said that he was not in panic mode, but he is in a very significant sense of urgency mode.

And then he added, "The risks facing Bonneville are real. I feel that even though we've got 10 years left on our power sales contracts that it is the time for action and I think real action and that time is now."

That got me a little concerned about the BPA and the future of the BPA. We heard this and then other things that we had looked at, me and my chief of staff, when I say we it's me and my staff really.

And a day later, Lindsey, my chief of staff, sat down with me, we kinda went over what Elliott had told us and the things we'd been reading and stuff and we looked at each other and said, "The BPA's in trouble."

I don't think anybody here would deny that they are facing serious challenges. Their ability to borrow money, 16 billion dollars in debt, I think it's 2023 or something like that, their ability to borrow runs out and Congress has to reauthorize that and I'm telling you, I don't know that Congress will reauthorize that. I have seen over my period of time more and more pressure in Congress to do away with power marketing administrations. Presidents have suggested it, this president suggested doing away with the transmission...selling off BPA transmission.

And then I had the strange occurrence of someone coming in to me that is a preferential customer, rural electric co-ops, not saying this is their policy, but I've had a couple of them come into my office and say, "You know what? We think that the BPA ought to be able to sell us power at market rates."

Ten years ago, five years ago, you would've never heard that because BPA rates were the lowest on the market. Market rates were not going to be lower than BPA rates. But all of a sudden, BPA is not the lowest cost producer in the region. So that creates challenges.

So I'm sitting here going, "Ok, you want the BPA to sell you power at market rates that are below their cost rates when they're the lowest, but when cost rates get to be the lowest, you want to be able to buy from BPA. What that will effectively do is drive BPA under the table quicker."

But this president suggested in his budget that we allow the public utilities, the rural electrics and so forth, to buy power at market rates so the BPA'd be able to sell it at market rates.

So why is BPA, the hydropower system, not the lowest cost producer of electricity? When I first heard that, I was kinda stunned. I mean it don't cost lot of money to let falling water go through a turbine and spin it and create electricity. You don't have a resource out there like, whether it's natural gas or coal or whatever that you're creating and having to burn to create your energy. Hydropower has always been the lowest cost. So how can BPA not be the lowest cost energy producer in the country?

Because in 1980, when they rewrote the Bonneville Act and created the Northwest Power Planning and Conservation Act, they added on a whole bunch of requirements that the BPA has to pay for. In fact, the BPA was seen as kind of the piggy bank for every program in the Pacific Northwest. They were also the indemnitor of last resort. Which means that no one else will pay, either a judge or administrative office will have the BPA pay for it.

As has been mentioned on these panels about some of the costs, let me go through a few of the costs the rate payers of BPA pay for that are not really energy production costs.

In 2015, fish and wildlife investment was 757 million dollars that year, the rate payers paid for that. We have a residential exchange program. That was a good program, and it was meant to spread the benefits of the BPA throughout the region, whether you were a BPA customer or not, you should get the benefits of this incredible hydro system we have on the Columbia River, so if you got your power from an IOU, your rates got reduced a few dollars each month. BPA paid for that. In 2023, the cost for that is estimated to be 286 million dollars.

Now you've got to ask yourself, if they're not the low cost energy producer, does the residential exchange rate still make sense? That's a question we're asking.

We fund the Northwest Power Planning Council and all of their actions. They make a decision and they say, "BPA will pay for it." We fund a significant amount through the BPA of the Northwest Energy Efficiency Programs, whether it's weatherization or other types of programs.

And then we do some things that, to me, are kind of silly. We pay Idaho farmers not to farm so that we can use the water on those farms to flush, 487 thousand acre feet annually, so that we can use that water to flush salmon through dams.

We spend \$300 million a year for Canada for flood control of Portland. Probably going to go up when we get this treaty negotiated with Canada now.

We pay wind and solar generators not to produce electricity when there's an oversupply.

BPA pays states and tribes for the accords so they won't sue the BPA over fish.

When you add all these costs on top of what the BPA spends on power, to create power, they are no longer the lowest cost energy producer in the Pacific Northwest.

So I've been asking myself, me and my staff, is it time for a Northwest Power Planning Act 2.0?

Currently, the BPA is operating under a regulatory regime set up in the 1980's. It worked well in the 1980's and I'm not being critical of it. It was a good Act that worked at the time. But it was set up in the 1980's with a regulatory regime designed for the 1980's and the 1990's, and we are now 2020, almost.

We need to stop thinking about what currently exists and ask ourselves what do we want the Northwest to look like in 10, 20, 30, 40, 50 years? It is difficult for the BPA to sell power contracts out there at 20 years if they don't know, with certainty, what their costs are going to be.

So how do you create certainty of the costs for the BPA?

I think it's time that we re-look at the Northwest Power Planning Act, and write a new Northwest Power Planning Act. Now, either we can do it, or it will be done for us. Someone else will write it and impose it upon us.

So it's time we start looking at that.

Strangely enough, I think that the challenges facing the BPA also creates the opportunity for us to solve the salmon crisis.

Because the reality is you cannot write a new BPA Act, you cannot write a new Northwest Power Planning Act, without addressing the salmon issue. You can't address the salmon issue without addressing dams. And you cannot address the salmon issue, without addressing the challenges that the BPA have, they are interwoven.

So, perhaps this challenging time gives us the opportunity to both address the power challenges that we face, and also the salmon crisis.

I went last year, this is the second story I'm going to tell you, I went last year with some of my staff up to Marsh Creek, up by Stanley, to watch a salmon come back and create its redd and lay its eggs and die. It was the end of a cycle and the beginning of a new one. These are the most incredible creatures I think that God's created. It's a cycle that God created. We shouldn't mess with it.

When you think of what these salmon go through when they come back, and I say salmon, not salmon, because we saw one...one. She swam 900 miles, after swimming around in the ocean for 5 years, after being flushed through dams and out into the ocean. She swam 900 miles to get back to Marsh Creek, increased in elevation about one and a quarter miles, all to lay her eggs for the next generation of salmon. And you gotta ask yourself, after spending 16 billion dollars on salmon recovery over the last however many years, is it working?

All of Idaho's salmon runs are either threatened or endangered. Look at the number of returning salmon and the trend line is not going up, it's going down. Yeah we have a blips, a few years past and you can kinda see the numbers kinda coming back up, then they go down again, but the overall trend is down.

The salmon recovery efforts that we've been engaged in so far have probably kept the salmon off the extinction list, but we should not manage just to keep these salmon off the extinction list. We should manage them to bring back healthy sustainable salmon populations in Idaho.

(Applause)

Does anyone seriously think, or believe, that when the BiOp comes out, in 2020 or 2021, that it will end the controversy over dams? That all sides will put their lawyers and their lobbyists back in their boxes and say, "ok, that's the end of it." I don't think so. I think those suits are already being prepared for whatever the BiOp might say.

18:34

And as I said, we can either sit back and watch it happen, or we can do something about it.

Now it seems that every time people talk, and I have heard conversations of people and they say, "hey we talked about are there solutions to this and can we find compromises and so forth." And we had really good conversations

going and as soon as we got to the question of dams, it was over. Everybody just went their own way.

It's not as easy as just taking out dams. I know you asked Brad this morning, or Governor Little, "are you in favor of taking out dams, or not?" It's a bigger question than that.

First there are an awful lot of contributing factors to the decline in the salmon runs. They need to be addressed also, beyond just the question of dams, and I'm not trying to belittle the issue of dams and the importance they play in blocking the salmon runs.

But you got the ocean, and there's not a lot we're going to do about that over a short period of time, but you know people will stand up and say, "you can't do anything about salmon runs because it's the ocean conditions."

Well, ok, it was the ocean conditions 20 years ago, 40 years ago, 80 years ago, 100 years ago. But yeah, it does play a part.

Harvest? Ooh, yeah, you start talking about harvest and there are fishing industries at the mouth of the Columbia in Washington and Oregon, they don't much like talking about harvest reductions.

There are predators. Can we control the predators? Predators are smarter than you think. When you start barging salmon around dams and dumping them in the river, it's like, "Smorgasbord guys!" Can we try to control the predators?

What about the water quality? We don't have a Columbia River anymore. What we've got is a series of pools, stagnant pools behind dams. How do we restore a river? That's the real question.

But the second issue that makes it not so easy about just talking about taking out dams is we have an economy and a culture that's been created around dams on the Columbia and the lower Snake River system, whether it's the 3,000 kw of power that the lower Snake River dams create, whether it's the agricultural farmland that's in Washington that's been broken out because of the water that we flush down the river, whether it's the transportation issue and barging and how does grain get in its cheapest transportation mode down the river? And if you say, "by rail," what do you do with captive shippers when the railroad says, "well once you get 100 cars we'll talk to you, but before that, we don't really want to talk to you?" How do you address that?

There's recreation, as well as many other things, and you cannot just ignore them.

So what we've been doing in our office, over really the last two years, is asking questions. Trying to get stakeholders together and we've been asking the "what if" questions.

22:40

If the dams were to come out, how would you address Lewiston? If the dams were to come out, how would you address barging issue and the grain growers have of getting wheat down the river? If the dams were to come out, how would you address the farmers who have concerns that they would have to lower all their intake pipes and everything else to be able to farm?

There are an awful lot of questions that need to be asked because you need to address these if you are going to solve this problem.

So that's what we've been looking at in our office. Some people are nervous that we are asking questions. They are questions that have to be asked.

It was asked this morning, "who is going to solve this problem?"

And the answer was right, it's everyone in this room, as well as well beyond this room staying involved.

The third story I was gonna tell you, that kind of set everybody off, and thought, "what the hell is Simpson doing?" Is I talk every year to the Northwest Waterways Association, which has the bargers and all that kind of stuff. The come back to Washington and have a conference and most of the delegation from the Pacific Northwest spend 5 or 10 minutes talking to'em.

And a couple years I said to'em, "ah," I said, "I gotta tell you in all honesty, I'm from the 2nd District in Idaho, I'm getting tired of Idaho paying all the costs of those dams and getting none of the benefits." And they kinda looked at me like was I crazy? Of all the power that the BPA produces, about 6% comes to Idaho. It's very important in Washington and Oregon. But we pay for it by sending 487,000 acre feet of water down the river, which means yes, the farmers get paid for that. I can remember a time when if you talked about selling water out of state, you'd have your head handed to you on a platter. But that's essentially what we are doing.

But if that money was in Idaho and you were planting crops it means the communities would be stronger because farmers would be going to the markets and they would be going to the agricultural dealers and other things like that, and most of all, we're not getting salmon back in Idaho! And I said, "frankly, I'm tired of it."

And of course, for the next week all I heard was, has Simpson lost his mind, has he gone over to the dark side, what's he doing, ya know, all that kind of stuff.

I've come to the conclusion that I'm going to stay alive long enough to see salmon returned in health populations in Idaho.

(Applause)25:45

I would love, I don't think I can stay alive this long, I would love to see why they call Redfish Lake, Redfish Lake. I don't know if we can do that during my lifetime. But we need to do it for future generations, and that's a hard quote.  
(Applause)

My fear is we all get together here in this room, and we listen to these experts, and we all go home and we say, "yeah, that was a good conference and yeah there was some interesting ideas there." But then what we do is try to protect what we've got. How can we bring salmon back to Idaho and save....whatever, whatever my interest is. We need to stop thinking that way.

We need to say and ask ourselves, what do we want this to look like in 20, 30, 40 years? That means making the BPA the low cost energy producer in the country and in the Northwest again, and that means making sure that we do whatever is necessary to bring salmon back to Idaho.  
(Applause)

Now some people will say, why am I, of all people, doing this? I mean, yeah I was chairman of the Energy and Water Subcommittee on the Appropriations Committee for the last six years and I'm the ranking member now, but I am not an expert on energy production and transmission. I am not an expert on salmon or a fish biologist or any of that kind of stuff. I'm kinda like Chris Woods, we're not really experts on anything are we?

But I think everyone here would agree that there is a looming problem, and it's approaching quicker than anyone might think. It's kinda like the side view mirror on your car, objects may be closer than they appear.

What I am good at, and what my team is good at, is solving problems.

That means getting people together that have diverse points of view and sitting in a room and talking and reaching a compromise that can solve the problem and that's what it's going to take.

Make no doubt about it, I want salmon back in Idaho in healthy and sustainable populations. Can this be done? I honestly don't know. I don't know if the will power is there to do it. I don't know if the will power is in Congress to do it, but I will tell you that I am hard headed enough to try.

So thank you all for being here.  
(Standing & Applause) 29:30

When we got into this, when Lindsey and I started talking about this, if you go into my chief of staff's office you will find that three of his four walls are covered with questions. On one of them is a whole, you know, satellite picture of the Columbia River and stuff and I'm kinda like, if you remember when President Trump was talking about a year ago about health care repeal and replace issue went down and I was watching on the news one night and he said, "who ever knew health care could be so complicated?" We got into this and



I'm looking at Lindsey going, "man, who knew this could be so complicated?" But every time we ask a question, seven more pop up! And that's the challenge we have, it's not just simple

Q&A 31:17

Question:

Let me start with something we did here 15 years ago, we asked a breaching question, and, not surprising, opposition to breaching was the plurality position, but then, Congressman, we asked those opposed if we could craft policies to make those harmed whole, would they support breaching and breaching became the plurality position. Now, it's an old survey, but the question becomes yes, making someone whole. Got some ideas how we can move in that direction that might change the discourse a little bit?

Answer:

We've got a whole bunch of ideas. Because as we've been talking to different groups and industries about their interests and how do you make them whole?

How do you make Lewiston whole if you are going to take out the 1.6 million dollar budget of the Port of Lewiston and the 7 or 8 employees? I don't really know how many there are, but that's important to Lewiston. Can you make Lewiston whole? I think so! We've got some ideas.

You've got Lewis & Clark State College, you've got the triangle with the University of Idaho and Washington State University. Who uses power from the BPA? Well it turns on the lights and heat in Seattle and Portland on cold winter nights. I've actually never heard anyone say it turns on the lights and power in Pocatello or Boise or Idaho Falls or Twin Falls, but it does do that in Portland and in Seattle, and guess who is in Seattle? Some pretty big companies, Google and Microsoft, etc, etc, etc. Could you create the type of research triangle park that is in South Carolina right now, high tech in the Lewiston area? I don't know, but believe me, we have been having conversations about it.

You got the grain growers saying it's the cheapest way to get the grain down there and if you take the barges out, how do I know that I'm going to have a car to take my grain to Portland if all I'm seeing is Union Pacific Railroad saying, well, ya know, if you get 100 cars we'll talk to you but until then you're a captive shipper. Could you buy a railroad line that's operated and run by the grain producers? Possible.

Some of the things we've come up with, you might look at and say, "wow, that's kind of crazy." And some things are. But we're trying to think outside the box of possibilities.

How do you replace the 3,000 megawatts of power, and how do you do it with clean energy, or non carbon energy? One of the keys was mentioned right here, SMRs (small modular reactors). Doesn't have the same problems that large nuclear reactors have. They're being developed at the Idaho National

Laboratory. These are like 300 megawatt reactors. You plunk them down, they run for a long time, you pick'em up and take'em.

There is some interest in the micro reactors they're talking about right now. You could make the Tri-Cities and Hanford and PNNL (Pacific Northwest National Laboratory ) the center of this stuff.

What about battery storage that they're working on? You could make PNNL the leader in battery storage in this country.

And how much of that 3,000 megawatts do you really need to generate? Because we have excess power that we can no longer sell in California because it's not the low cost power any more. So do you need to produce power that you cannot sell?

Those are all questions that need to be debated, and believe me I am not the master that has all those answers, again, I just keep asking questions.

Question:36:04

Would you be willing to hold some town halls throughout your district to discuss with all of us, the public, some solution to salmon sustainability in a development of a program to do those sorts of things?

Answer:

Absolutely. That will be an essential part of anything that's done and I have no legislation that I've written or planned or anything else. We are still in that development mode and this is a development mode that is going to take a little bit of time, and as I said, there are some ideas that we've had that are probably crazy, but they need to be flushed out and we have some that have real good chances, a lot of things that we can do, if we're willing to think outside the box. And we need to flush it down to what may be the possibilities are.

I was actually a little nervous about coming and speaking to you today, because it was almost a little premature. I wanted to have something more, substantial I guess, of what we might be able to do. But all of you will help develop what it is that we might be able to do.

Some of you will look at some of our ideas and go, "yeah, he's crazy alright." But once we get it flushed down and make it so that we can explain it better than I'm explaining it right here, then it's essential that we have town hall meetings, not just in Idaho, but in Washington and Oregon also.

Question: 37:45

What should Congress do about climate change?

I am going to end the transcription here. He goes on to talk about how, in spite of President Trump withdrawing from the Paris Climate Accord, Congress is still working on the issue of climate change and will continue to work on it.

Question: 40:29

We often ask you to help us, but let's turn that around. What can citizens do to help you, and others, approach this issue, whether it be 2.0, as you put it earlier, what can citizens do to get involved in this to help?

Answer:

Educate us, from your perspectives. And I suspect you all have a different perspective. Come back to Washington and if you're back there, and come into my chief of staff's office and sit down and let him take you through what we've been doing.

There are an awful lot of people that go, "oh my god! What the heck are you doing?" And then you sit down and as we explain it you go, "ya know it makes a little sense, but our association won't like it."

So go educate your association.

Things are changing. They're not the same as they were 40 years ago. Let's think about the future. Let's think about who is going to inherit all of this, and do what we can. So that future generations might stand up and say, "you know what? When it was our time to do our job, we did it. That's all I ask.

Question: 42:10

Is there a first idea or a first step that you are starting to see getting a little traction on this, maybe it needs a little more work, but that might be a first step, as it were?

Answer:

You know, one of the challenges that I'm going to face sooner rather than later, is that I'm going to have to sit down with a Pacific Northwest delegation, Republicans and Democrats, and tell'em what I'm doing, because I'm sure they've been hearing from some of their associations and that kind of stuff. And obviously, this will not be done without, I won't say unanimous support of every single member, but strong support from the Pacific Northwest, both Republicans and Democrats, it cannot be a partisan issue. I haven't done that so far because I haven't had that, you know, this is what we are going to propose and what do you think about it, and get that reaction yet. But that will be coming relatively soon, and I know I am going to have a challenge with a couple of my fellow Republican representatives from Washington because the dams are in their district and any changes to that they are going to be very cognizant of and concerned about.

McMorris Rogers had a bill last year that she wanted me to put on the Energy and Water Bill, that essentially said that dam removal could never be considered. I said I can't do that, because I'm not sure that won't be the option at some point in time. I'm not the one advocating that but I don't know what's going to happen 5 years, 10 years down the road.

But I started to see a division within the Pacific Northwest delegation. It used to be that we were all very, you know, you do something with the BPA, we were all supportive of the BPA, Republicans and Democrats. And I'm starting to see some division within the Pacific Northwest delegation and maybe I'm causing some of it, because I ask the question. You guys get all the benefits and we pay all the costs, what the hell is going on? They don't want to address that.

And there was just recently a letter, you know the President proposed speeding up the BiOp to September 2020, I think it was supposed to be done in 2021, or something like that. And a letter was sent to the Division of Environmental Quality with about 20 signatures, all Democrats, they didn't even ask for any Republican signatures. That's a challenge. We've got to keep our delegation to the Pacific Northwest together to the extent that we can, so that's going to be a challenge.

That's what we're going to be working on over the next few months. One of the other challenges for us is I don't think we got forever. These are, as I said, incredible animals, but they can't continue the decline that they are on forever.

I actually asked the question, "should we just write them off and say they're gone? Quit spending \$757 million dollars on them every year?"

I mean, if that's all we're going to do is watch a slow decline into extinction, why spend the 750? Why not just let them go and say, "ok, it's over."

That would be highly and totally irresponsible on our parts. Some will look at me and shrug and say, "well, maybe you're right." No, I'm not.

But this is one of the more challenging issues that I've come up across, but it's not unsolvable if good people come together and say we are going to save this animal from extinction.

Thank you all very much.