



## PRESS RELEASE

AMERICAN PUBLIC POWER ASSOCIATION

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### PUBLIC POWER SPOKESMAN WARNS

### AGAINST WASTE OF HYDRO RESOURCES

PORTLAND, Ore., March 11--Despite the fact that only about 21% of the Nation's hydroelectric resources have been developed, there is an "alarming growth" in sentiment against the building of new hydroelectric power projects, Alex Radin, general manager of the American Public Power Association, told a group of public power leaders here today.

The nation's public power advocates, Mr. Radin told the Northwest Public Power Association, "are in serious danger of being classified as anti-wildlife, anti-recreation, anti-conservation and perhaps even anti-beauty.

"Certainly such a charge is invalid, on its face," Mr. Radin declared. "One need only look at the beautiful Skagit development of Seattle City Light, the Cowlitz Dams of Tacoma or the lake behind Chelan Public Utility District's Rocky Reach project to see how much the recreation opportunities of an area can be enhanced by man-made lakes."

"As a native of the Tennessee Valley, I am particularly conscious of what the Tennessee Valley Authority has done to create enormous new recreational facilities in connection with its man-made lakes," he said. "The same is true at many of the lakes created by the Bureau of Reclamation and Corps of Engineers. Power dams and recreation are entirely compatible, but somehow we have missed the boat in getting this story across to the public."

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Mr. Radin said there is an increasing tendency to downgrade the importance of the Nation's remaining undeveloped hydro resources. The Federal share of the nation's electric generating capacity has been dropping, he pointed out, and Federal investment in power and related development is lower today than it was in 1953.

"An example of the type of senseless criticism of water resources development that is hurting the Federal program can be found in the opposition to the Rampart Canyon project which has been proposed for the Yukon River in Alaska," Mr. Radin said.

"Having flown over the Rampart Canyon site several years ago with a Senate delegation that included Senator Gruening of Alaska, it seems incredible to me that anyone would want to preserve in its natural state an area as wild and bleak as Rampart Canyon. Yet, as you know, there are loud screams from the friends of fish and wildlife about alleged damage which would be inflicted on migratory wildfowl. Ironically, some of these screams come from people who want to preserve the duck breeding grounds in the Rampart Canyon only so that they can shoot down the Alaskan-bred ducks as they fly south to the 'lower' 48 States."

Mr. Radin called a proposal by the U.S. Fish and Wildlife Service to add half a billion dollars to the cost of Rampart Dam for "partial offset" for the loss of fish and wildlife "incredible." Such a charge would so increase the cost of power from the five million kilowatt project that it would lose its impact as a source of low-cost power, particularly in Alaska itself, "which badly needs the stimulus to its economy which could be provided by low-cost power."

He said it seems "a little extravagant" to spend \$500 million to mitigate the environment of migratory waterfowl when the same amount of money would build some 100,000 public housing units, or almost 40,000 school classrooms, or 500 miles of four-lane interstate highway.

"It may be that we can work out something a little more reasonable, if we invite the ducks to sit down at the negotiating table with us," he suggested facetiously.

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Calling attention to proposals to set aside certain rivers as "wild rivers," Mr. Radin said that these questions should be asked before a river is set aside for non-development: A "wild river" assuredly provides a different type of recreation than a river on which large reservoirs have been created, but which river provides the best recreational opportunities for the large masses of people in our fast-growing urban population centers? Would the non-development of certain rivers result in flooding that would destroy human lives and property? Would the lack of regulation of a river leave communities without an adequate water supply? Is it desirable to burn up valuable energy resources such as coal or oil while we fail to utilize a renewable resource such as the power of falling water?

Mr. Radin urged NWPPA delegates to take an active part in the President's program to enhance natural beauty, which he said is directly related to the development of water resources and to the building of all future power facilities. Public power systems have supported preservation of fish and wildlife and natural beauty as a matter of policy, and favor including recreation as a prime project purpose at Federal reservoirs, he added.

In addition, he said, "there is a new awareness on the part of many public power officials of the importance of aesthetics in designing utility facilities, and I hope that this awareness will become more widespread through increased emphasis, for example, on underground distribution facilities. The same public that demands first-class electric service increasingly is demanding attractive surroundings, and in this respect the publicly owned utilities have a special obligation to lead the way."

(A copy of Mr. Radin's speech is attached)

## NEW DIRECTIONS IN PUBLIC POWER

Remarks by Alex Radin, General Manager,  
American Public Power Association, Washington, D. C.  
Before the Silver Anniversary Convention  
Northwest Public Power Association  
Sheraton Motor Inn, Portland, Oregon  
March 11, 1965

I am proud to play a part in the Northwest Public Power Association's silver anniversary Convention and to offer congratulations from the members of APPA. Our Association, too, was formed in 1940, and we have fought many battles together during the first twenty-five years of our history.

A great deal could be said about the achievements of the past twenty-five years in the Northwest, and there are people on your program who will detail the progress which you have made. However, I believe that special mention should be made of some of the things you have accomplished, such as start of construction of the world's largest atomic power plant at Hanford, the development of the nation's greatest hydroelectric power system and the industrial complex that has grown up around it, and the high standard of electrical living which has been brought to your consumers through their own electric utilities. These are just a few of the accomplishments of which you can be justly proud, and I offer you our congratulations.

Rather than dwell on the accomplishments of the past, however, I would like to take a look at some of the problems that lie ahead.

Changes are brewing in the electric industry, and in the resource development picture as well. Some of these can be dangerous for public power, and some can portend evil days for water resource development. These dire results may not come about, but they are possible, and I want to suggest that we re-shape our thinking somewhat in order to take advantage of change, rather than letting it take advantage of us.

One of the major problems facing you in the years ahead is the orientation of your power supply program. For the past 25 years you have been living through what, in retrospect, has been the golden age of hydro development in the Pacific Northwest.

Some 15 million kilowatts of hydro power have been developed in this region, and the recently concluded treaty with Canada will make possible the fuller utilization of existing resources.

#### Hydro's Role Will Change in Future

It is obvious that new and more complex patterns of power supply will have to be developed in this region in the next 25 years, and that you will have to turn to steam-generated power for a large share of your needs. But having relied so successfully in the past on hydro power, should you now be forced to give up consideration of the remaining hydro resources of this region--resources which amount to some 40 million kilowatts, exclusive of Alaska?

I raise this question because there is an alarming growth in sentiment throughout the country against the building of new hydroelectric power projects and, at the same time, there is also an increasing tendency to downgrade the importance of the Nation's remaining undeveloped hydro resources, despite the fact that only some 21% of our hydro resources (including those of Alaska) have been developed.

It is said, for example, that hydro development destroys valuable recreation resources--wild rivers, wilderness areas, and the like; that it is incompatible with the preservation of natural beauty; that it destroys wildlife before the sportsmen have a chance to destroy it in their own way; and that it is a useless appendage to unnecessary reclamation development.

Such criticism, if allowed to go unanswered, can have a disastrous influence on the Nation's water resources development program. Already, in recent years, a proportionately declining percentage of the Federal government's budget has been spent for water resources projects. For example, from a high of 1.0% of the total Federal Budget expenditures in 1952, such expenditures dropped sharply to a low of only 0.45% in 1956 and, while increasing slightly, has hovered around 0.6% of the total budget since 1960. From a high of over \$700 million in 1953, Federal investment in power and related development suffered a sharp drop to \$300 million in 1956 and now hovers around \$600 million, including revenue bond financing by the Tennessee Valley Authority.

It is not surprising that the role of Federal power has declined in proportion to appropriations. Between 1955 and 1961, Federal generating capacity increased 37.5%. During the same period, the generating capacity of the privately owned utilities increased 57.4%, and that of the local public systems by 81.1%, not including the huge Niagara and St. Lawrence projects of the New York Power Authority. To indicate the magnitude of the decline, the Federal share of the nation's generating capacity dropped from 15.2% in 1956 to 12.7% in 1962.

Despite the fact that during the past four years we have had an Administration in Washington that has been generally sympathetic to water resources development, the number of new starts on large multi-purpose projects has been disappointingly small. This year's Federal budget includes only three multipurpose "new starts" of significance, Libby Dam, Lower Granite Dam, and the West Point Dam in Georgia.

#### Opposition by Wildlife Groups Increasing

An example of the type of senseless criticism of water resources development that is hurting the Federal program can be found in the opposition to the Rampart Canyon project which has been proposed for the Yukon River in Alaska.

Having flown over the Rampart Canyon site several years ago with a Senate delegation that included Senator Gruening of Alaska, it seems incredible to me that anyone would want to preserve in its natural state an area as wild and bleak as Rampart Canyon. Yet, as you know, there are loud screams from the friends of fish and wildlife about alleged damage which would be inflicted on migratory wildfowl. Ironically, some of these screams come from people who want to preserve the duck breeding grounds in the Rampart Canyon only so that they can shoot down the Alaskan-bred ducks as they fly south to the "lower" 48 States.

The screams of the wildlife protectors have been translated into an incredible proposal by the U.S. Fish and Wildlife Service that more than half a billion dollars be included in cost estimates of Rampart, primarily to purchase new wetlands for development of duck breeding grounds. This sum is called a "partial offset" for the

loss of fish and wildlife. If this cost is added, the cost of Rampart power, according to a field report released last month, will go up from an estimated 2 to 3 mills to an estimated 3.68 to 5.54 mills, at the busbar.

It seems to me, on the face of it, that this fish and wildlife "mitigation" can tip the scales on Rampart. Five million kilowatts of two-mill power can have an impact all over the West, and particularly in Alaska itself, which badly needs the stimulus to its economy which could be provided by low-cost power. Five million kilowatts of five and a half mill power may well go begging, however.

Now, I have nothing against migratory waterfowl, and would be perfectly happy to let them take their chances with the rest of us. It does seem a little extravagant, however, to spend \$500 million dollars to mitigate their environment, when the same amount of money would build over 100,000 public housing units, or almost 40,000 school classrooms, or perhaps 500 miles of four-lane interstate highway.

It may be that we can work out something a little more reasonable, if we invite the ducks to sit down at the negotiating table with us!

Make no mistake about it, however, this is a serious matter, though spoken in jest. We are in serious danger of being classified as anti-wildlife, anti-recreation, anti-conservation and perhaps even anti-beauty.

Certainly such a charge is invalid, on its face. One need only look at the beautiful Skagit development of Seattle City Light, the Cowlitz Dams of Tacoma or the lake behind Chelan PUD's Rocky Reach project to see how much the recreation opportunities of an area can be enhanced by man-made lakes.

As a native of the Tennessee Valley, I am particularly conscious of what the Tennessee Valley Authority has done to create enormous new recreational facilities in connection with its man-made lakes. The same is true at many of the lakes created by the Bureau of Reclamation and Corps of Engineers. Power dams and recreation are entirely compatible, but somehow we have missed the boat in getting this story across to the public.

### Power and Recreation Go Together

If we don't begin to do a better job of getting across the story of the compatibility of water resources development with recreational opportunities, we are in serious danger of losing much of the potential of the Nation's water resources development--a potential that includes, among other things, some 95.3 million kilowatts of electric power capacity.

Although it might be wise to set aside certain rivers as "wild rivers" and not develop them, before such a decision is made some hard questions should be asked. A "wild river" assuredly provides a different type of recreation than a river on which large reservoirs have been created, but which river provides the best recreational opportunities for the large masses of people in our fast-growing urban population centers? Would the non-development of certain rivers result in flooding that would destroy human lives and property? Would the lack of regulation of a river leave communities without an adequate water supply? Is it desirable to burn up valuable energy resources such as coal or oil while we fail to utilize a renewable resource such as the power of falling water?

These are some of the questions that should be answered before we turn our backs on future water resource development programs.

We also need to consider new approaches to the problem of cost allocations and the economic justification for various projects. If recreation is to be of increasing value, a larger share of the cost of projects should be assigned to recreation, and more realistic values should be placed on other aspects of multi-purpose projects, too. For example, experience has already shown that we have underestimated the value of flood protection afforded by certain projects.

Still another problem that merits careful thought is the question of firming up the supply of hydro power. As peaking power becomes more valuable, more Federal projects may have to be designed as peaking projects, but to do so presents very real problems for the smaller local public power systems and rural electric cooperatives which do not have generation of their own and could not use peaking power, as such.

### New Approach to Hydro Needed

We must therefore give consideration to new ways to obtain the maximum benefit from hydro projects, while at the same time not detracting from the value of these projects for the local public agencies and rural cooperatives.

I have dwelt at some length today on the future of the Federal hydroelectric power program because it has been the only means by which many of the municipally owned electric utilities and rural co-ops have been able to secure a low cost source of wholesale power, and I believe that we must be sure that, for various reasons, this program is not phased out of existence. If this program is closed out, we may well find that the future of many local public power systems and rural co-ops is endangered, unless the utilities which have depended upon this program can find new means to provide bulk power supply on a regional basis.

In stressing the importance of continuing the hydro power program, I am not saying that this program should be continued only to provide power for the so-called "preference customers." To the contrary, the Nation's critical need for new water supplies, the need to provide new recreational facilities for masses of people, and other factors indicate that wise and comprehensive development of our water resources will be more rather than less important in the future.

At the same time, it is also clear that the development of these water resources in the next 25 years will be carried on differently, in many respects, than has been the case during the past 25 years, and I believe it is important to adapt ourselves to these changes and to up-date the program to meet changing conditions.

### Aesthetics Important in Electric Facilities

Directly related to the problem of development of our water resources and the building of all future power facilities is the question of aesthetic considerations. The importance of this problem is highlighted by the fact that President Johnson has called a special Conference on Natural Beauty for the latter part of May, and the development of our water resources and the problem of underground transmission facilities will be two of the prime subjects for discussion at this meeting.

I believe that the President should be applauded for his determination to enhance the Nation's beauty, and I hope that everyone concerned with public power will take an active part in the program. It is a natural for us, as citizens, as public servants, and as trustees of public enterprises.

Just after the President announced his plans for a Conference on Natural Beauty I wrote him to offer the services of APPA in making the Conference a success, and pointed out that power development has made great contributions as a "paying partner" to multipurpose use of our water resources.

I noted that APPA members have supported the preservation of fish and wildlife and natural beauty as a matter of policy, and favor including recreation as a prime project purpose at Federal reservoirs. We have supported the right-of-way regulations of the Departments of Interior and Agriculture which help avoid unnecessary and wasteful employment of land for electric transmission lines, and our members increasingly are attempting to improve urban environment through building distribution facilities underground and improving the appearance of substations and other public facilities.

I believe that there is a new awareness on the part of many public power officials of the importance of aesthetics in designing utility facilities, and I hope that this awareness will become more widespread through increased emphasis, for example, on underground distribution facilities. The same public that demands first-class electric service increasingly is demanding attractive surroundings, and in this respect the publicly owned utilities have a special obligation to lead the way.

#### Regulation Can Be Key to Low-Cost Power

Another problem which will be of growing concern to public power and to the entire electric industry in the next 25 years is the manner and extent of regulation of this vast industry, which today is the biggest single industry in the United States. Increased pooling of power through interconnected systems makes mandatory the exercise of greater control over the industry by the Federal Power Commission.

In fact, I believe that the principal issue for public power today is the effective regulation of the huge power pools which are coming to characterize the private power industry. The importance of effectively regulating these pools is indicated by the fact that nearly 1,000 local publicly owned electric systems--primarily the small municipal systems--buy power at wholesale from the private power companies. The price they pay and the conditions under which they are able to obtain wholesale power will depend to a large extent on the ability of the Federal Power Commission to regulate these sales.

Although the Federal Power Act gives FPC jurisdiction over wholesale sales of electricity in interstate commerce, this jurisdiction was not exercised until the present Commission took office. Many municipal systems already have received direct benefits from this regulation--as a result of complaints which they have filed with FPC, and because of the "silent presence" of FPC at the bargaining table during contract negotiations.

The companies have lost no time in attacking FPC jurisdiction, and having lost in the courts, they have taken their cause to Congress. Senators Holland and Smathers of Florida and Congressman Pickle of Texas have introduced legislation which would effectively eliminate FPC jurisdiction over most wholesale sales of electricity.

I hope that APPA will have the support of the Pacific Northwest in our efforts to defeat the Holland-Smathers Bill, the Pickle Bill, and any other legislation which will remove the power companies from wholesale rate regulation. Since many State Commissions make no attempt to regulate such sales, the Federal agency is the only forum to which the municipal power distributors can turn for a fair shake on wholesale rates.

The increasingly interstate character of the electric industry also makes Federal regulation more necessary in the building of interstate extra high voltage transmission lines. It seems clear that sometime in the very near future legislation

will have to be enacted along the lines of the Moss-Engle bill, in order to assure that the public obtains the maximum benefits from such vast transmission highways.

In looking ahead to the future, I am sure you are also reexamining the role of the various associations which serve you. The purposes and character of these groups undoubtedly will undergo important changes in the future, in order to keep pace with the changing problems of the utilities they serve.

#### APPA Board Plans Five-Year Program

I would not attempt to tell you what plans your excellent local associations should make for the future, but I thought you might be interested to hear briefly about the five-year program which APPA's Board of Directors recently adopted, after very considerable study of the long-range objectives and obligations of APPA to its members. The purpose of our study was to key our staff and services to the challenges which we see ahead.

The foremost problem, for public power generally, will be power supply. This single item accounts for about two-thirds of the total electric operation and maintenance expense of public power systems, on the average, and it is therefore essential that local systems maintain alternative sources of low-cost power.

APPA is working along several different routes to assist member systems in maintaining these alternatives. We have attempted to encourage joint action among groups of municipal systems to provide their own generation and transmission through consultation and publication of a book called "Joint Action," which covers some of the possible approaches. Incidentally, the creation of the Washington Public Power Supply System provides one of the most far-sighted means for effective joint action of local utilities.

For systems purchasing their power requirements from private utilities, APPA is preparing a manual dealing with wholesale power contract negotiations and at the same time is watching the situation with respect to FPC jurisdiction over wholesale rates.

A "small generation study" is in the works for systems generating their own power, and will provide guidelines on the economics of various types of generation, timing, and appropriate plant sizes.

Our concern with the Federal power program, support for new projects, and consideration of new patterns of economics, of course, is directly related to the power supply question.

The No. 2 problem on the APPA Board's priority list for the next five years is the need for improved public relations. While APPA members are not likely to indulge in multi-million-dollar nation-wide advertising programs, they are able to do much to inform their consumer-owners about their utilities at the local level. APPA plans to prepare materials for the member systems to use--a new series of bill stuffer-type leaflets, new sets of institutional ad mats, among other things. More important, APPA has added a new man to the staff--Mark Anson, former executive director of the Kansas Association of Municipal Utilities--to handle the stepped-up public relations program and to provide consulting help to individual utilities upon request.

Management training stands next on the APPA Board's priority list for local public power systems. Electrical technology and the operating practices of utilities are changing from month to month, and this means that if we don't keep learning and moving with the times, we're out of date.

We are planning a program of management training built around a comprehensive manual we are now working on--sections are being prepared by several APPA committees, the firm of R. W. Beck & Associates, and our own staff. As parts of the manual are completed, we expect to sponsor training programs built around sections of the manual. We intend to work through regional and state associations to bring these important training sessions as close to your communities as possible.

The fourth priority item on the APPA Board's list is a strong power sales program. As you have discovered here in the Northwest, the key to lowering

distribution costs lies in building up power use per consumer. This can be done by small and large systems alike, and is perhaps the greatest factor in cutting costs in any utility system. APPA has some tools to help build load--a regular newspaper ad mat service, radio spots, bill stuffers, and more services coming.

A lot of us are fond of saying that we must operate our public service enterprises, in the final analysis, for the benefit of our consumer-owners. But I would like to broaden this to include all of the people in our organizations, both on the sending and receiving ends of the electric wires.

However we advance technology, our utilities will be only as strong as the people who operate them. So let us not overlook the most important resource that is available for development--the human resource. The trends in automation and mechanization--important as they may be to the efficient functioning of modern organizations--should not make our operations so impersonal that we forget that electric utilities are run by human beings, for the benefit of human beings.

In the years I have been with APPA I have been tremendously impressed by the sense of dedication, sincerity and honesty of the men who operate the Nation's public power systems. They are our greatest asset. I therefore believe we have an obligation to search constantly for new ways to make the electric industry an even more satisfying vocation for its employees, and ever more useful for those it serves. To achieve that goal we can well dedicate ourselves for the next 25 years.