



[Search Again](#)

Copyright © 2001 The Seattle Times Company

Editorials & Opinion : Friday, March 02, 2001

Guest columnists

Northwest can balance electrons and salmon

By Ernie Niemi and Matthew Martin
Special to The Times

IS the Pacific Northwest's high-flying economy about to crash? The outlook certainly seems grim. Shock waves from California's energy crisis ripple through the region, just as Mother Nature sets the table for a major drought. Families struggle to pay higher utility bills, "Closed" signs appear on factory gates, and commentators tell us what to do when the lights go out. Memories of droughts past raise the specter of barren farmlands stretching to the horizon, wildfire infernos, and dying fish flopping in the dried mud of stilled streams.

The good news is that the crisis may not last long, easing as the rains return next fall and new generators come on line next year. Thus, the primary challenge is one of crisis management: Let's tighten seatbelts and encourage the pilots to do whatever it takes to maintain our economic altitude through the next 12-18 months of turbulence. If a few drinks get spilled by the bumps, don't worry, they can be cleaned up later, as things settle down and the flight to the airport of economic prosperity resumes.

Sounds good, but it isn't that simple. Today's crisis-management decisions will determine not just how well the economy survives the crisis, but also how much fuel it has left, the amount of damage to the engines, and the direction it is headed when the turbulence ends. Make the wrong decisions now and the economy will have a bumpy ride for years, even decades.

One of the toughest decisions we face is how to balance electrons against salmon. Flushing water through turbines at hydroelectric dams generates more electricity, but drains the

reservoirs of water originally intended for carrying juvenile salmon to the ocean this spring, thus raising the risk that salmon will die, maybe even go extinct.

In the frenzy of crisis management, the decision may seem simple. The Pacific Northwest can have more electrons and maintain a healthy economy or have healthy salmon runs, but it cannot have both. Seen this way, salmon are a luxury the region can ill afford. Running the turbines full-tilt also has the side benefit of ensuring that the Bonneville Power Administration will have enough money in the bank to make its next \$700 million payment to the federal Treasury.

Furthermore, the prices are compelling: If power is worth 50 cents per kilowatt-hour on the wholesale market and BPA can generate it for 2 cents, then, of course, the prudent thing is to generate as much as possible.

But take a deep breath or two, and consider the long-run consequences. Salmon are not a luxury but an integral part of the region's economy. Lose them and the region loses much of the spiritual and cultural core of what it means to live in the Pacific Northwest. The region also loses countless recreation and commercial-fishing jobs directly associated with salmon and, more important, jobs that materialize because salmon help create a quality of life that makes the Pacific Northwest especially attractive to workers, families, business managers and investors.

In short, lose the salmon and the Pacific Northwest loses much of the fuel for long-run economic growth, damages one of the economy's most powerful engines, and finds itself headed toward an economic future not nearly as prosperous as one that includes both healthy salmon runs and a healthy economy.

Maybe flushing water through the turbines is a risk we must take and it won't result in salmon extinction. Even so, any reductions in salmon populations will make it more difficult - more expensive over a longer period of time - to restore them to health. Who will bear the added cost? The best option is for those who benefit from the electricity to do so, and our utility managers should act now to ensure that kilowatt-hours embodying extra risks for salmon and our economic future are sold with a price premium over those that do not.

There are other things we can do to hold down the economic costs of the electricity crisis and the pending drought. The most obvious is to aggressively pursue electricity and water conservation. Over the past year, we and colleagues at the Center for Watershed and Community Health (at Portland State University) documented several hundred examples of businesses in this region that invested in resource conservation and saw

their profits increase. Conservation by governmental agencies resulted in reduced costs and expanded public services. With appropriate technical and financial encouragement, others can realize similar results, boost the economy, and make the environment healthier for salmon and humans.

At the same time, we can also wring more economic benefit from our limited electricity and water supplies. Some of this already is happening, as electricity is diverted from aluminum production, where each kilowatt-hour produces small net increases in prosperity, to businesses and households where electricity has a higher value.

Leasing water rights from unprofitable farmers, so that water stays in streams instead of irrigating crops, is another important option, since more water is withdrawn from streams for irrigation than for any other use. Leasing water from farmers has an added benefit this year, when high electricity costs for irrigation pumps and low prices for farm products mean the payments farmers receive for leaving water in the stream may exceed what they could earn from raising a crop.

New technologies that manage household and business energy use during peak demand are yet another option.

Will the Pacific Northwest's economy plummet during this crisis? Probably not. The far greater risk is that shortsighted decisions during the crisis will leave it sputtering long after the crisis has faded into memory.

Ernie Niemi and Matthew Martin are economists at ECONorthwest, an economics consulting firm with offices in Seattle, and Eugene, Ore.

	<p><i>Get the schedule and follow the stats</i></p> <p>seattletimes.com The Seattle Times</p>	<p>Ad Info</p> 
---	---	--

[[seattletimes.com home](http://seattletimes.com)]

[[Classified Ads](#) | [NWsource.com](#) | [Contact Us](#) | [Search Archive](#)]

Copyright © 2001 The Seattle Times Company

 [Back to Top](#)