

WARM SPRINGS POWER & WATER ENTERPRISES



UPDATE TO THE MEMBERSHIP 2024

**SEPTEMBER 23 – AGENCY DISTRICT
OCTOBER 2 – SEEKSEQUA DISTRICT
OCTOBER 3 – SIMNASHO DISTRICT**

A Message to the Membership

Mission:

Warm Springs Power & Water Enterprise (WSPWE) is responsible for managing the Tribes' ownership interest in the largest hydroelectric project within the State of Oregon; the Pelton Round Butte Hydroelectric Project located on the Deschutes River. The Pelton Round Butte Project includes the Round Butte, Pelton, and Reregulating Dams.

In 2001, the Tribes entered into a Global Settlement Agreement with Portland General Electric (PGE) to form a partnership to jointly own the entire Pelton Round Butte Hydroelectric Project. Under the agreement, the Tribes retained 100% ownership of the Reregulating Dam powerhouse and PGE retained 100% of the transmission out of the project. Subsequently in 2021, the Confederated Tribes of Warm Springs (CTWS) executed a long-term power sales agreement, again with PGE, through 2040 for the Tribe's share of energy resulting from the increased CTWS ownership of the project from 33% to 49.99% through a bond issuance of \$41 million. Under this agreement WSPWE sells its portion of the energy from the hydroelectric projects at a market price that changes daily, weekly, and seasonally. The index is known as the Mid-C (Columbia) delivery point. It is a common delivery hub for the energy market.

As a significant owner, CTWS is also responsible for contributing to the required capital investment projects required to sustain effective operations for the next several decades. Current planned projects include replacement of Governor Control and Excitation Systems at the Reregulating generating facilities; replacement of Turbine Shut Off Valves at Round Butte Dam, Circuit Rewinds at Pelton Dam, and a modern Fish Facility to help ensure self-sustaining and harvestable runs of Chinook, steelhead, and sockeye. The goal of these projects is to also ensure to continue to generate value for both the Tribes and ecosystem in the Deschutes Basin.

In pursuit of climate change mitigation, renewable energy continues to change the energy supply landscape. CTWS Tribal Council has tasked WSPWE to explore utility scale renewable energy development potential on the Reservation. The passage of the Inflation Reduction Act in August 2022 invests in domestic energy production while promoting clean energy—and provides for \$370 billion in investments intended to lower energy costs for families and small businesses and accelerate investment in clean energy solutions. Consistent with Tribal Council guidance, WSPWE is active in pursuing funding for these historic investments in a clean energy future. Renewable project development presents a positive potential to contribute significant revenues for current and future generations.

The future for WSPWE looks positive with many things to explore for future development. The Pelton Round Butte Project will continue to be a very important part of the Tribes overall economic viability. We will continue to watch over this project with that in the forefront, as well as new emerging opportunities in the energy industry.