

Phil Rockefeller
Chair
Washington

Tom Karier
Washington

Henry Lorenzen
Oregon

Bill Bradbury
Oregon



Northwest Power and Conservation Council

W. Bill Booth
Vice Chair
Idaho

James Yost
Idaho

Pat Smith
Montana

Jennifer Anders
Montana

Council Meeting July 14, 2015 Spokane, Washington

Council Chair Phil Rockefeller called the meeting to order at 1:35 p.m. All members were in attendance.

Reports from Fish and Wildlife, Power and Public Affairs committee chairs

Council Member Bill Bradbury, Chair of the Fish and Wildlife Committee, said the meeting began with a presentation by Tim Peone of the Spokane Tribe, who reported on an assessment of the tribal hatcheries. The Bureau of Indian Affairs funded the equipment and operations to conduct the study. It should serve as template for similar audits of other hatcheries to get an idea of the scope of commitment to keep these operating in the future. The cost of the Spokane study was about \$55,000, but BPA believes it can reduce that cost for other program hatcheries.

The committee approved the continuation of the Yakima Nation's Rock Creek habitat and assessment project. Project passed its IRSP review. It will come to the full Council for approval next month. It appears that water is the big limiting factor in Rock Creek.

Nancy Leonard updated the committee on the biological objectives process. There are a lot of different objectives and goals. Staff will rework the database to see what objectives are within other objectives. The committee advised staff to coordinate with NOAA and to conduct a preliminary analysis to determine what it would take to refine the objectives.

The cost savings methodology proposed by Council Member Jennifer Anders, and the committee changes to that methodology would be subject of first Council agenda item. It comes with the committee's endorsement.

There was a follow up on the northern pike situation. There are three different age classes in the kettle arm of Lake Roosevelt. That raises a huge level of concern about northern pike entering the whole system. The committee will continue to follow the situation; fish managers will discuss further actions, and will report at a future committee meeting.

The highlights of the Baker Dam tour were presented. Puget Sound Energy has had encouraging results of passage at the dam, after trying for many years. However, all dams are different and impose their own sets of challenges for fish passage. We can take what Puget has learned at Baker and can apply it to other situations as circumstances allow.

Council Member Pat Smith, Chair of the Power Committee, remarked that the pace quickens and pile of papers continues to get thicker in the road to drafting the Seventh Northwest Power Plan. BPA updated the committee on its energy-efficiency action plan. Richard G  nec  , Bonneville's vice president of energy efficiency, explained what they do to develop plans to implement Seventh Power Plan targets. He talked about how they plan to transition from the Sixth to the Seventh Plan. BPA will use a three-step process: BPA will forecast efficiency savings from NEEA's market transformation initiatives and momentum savings. They're using the middle range, which is more conservative. The savings are calculated after the fact. Right now, they are budgeting for the studies they'll need to calculate those momentum savings. These savings will be much larger in the out years than in the beginning years. Those forecasts will be available this fall. G  nec   said he appreciates the transparency of the Council and engagement with BPA regarding energy efficiency and the development of the Seventh Plan.

Next, once they have NEEA's market transformation momentum savings, they'll evaluate BPA's conservation goals for themselves and their utilities — the five-year conservation goals and targets. Then they'll determine the budget to implement those goals. They've already drafted them for 2016-17. They'll start looking at energy efficiency budgets for fiscal years 2018-19, which they'll begin working on in 2016. They expect to have draft plans budget by the second quarter of next year, and hope to have the final by the third quarter, under its integrated program review. BPA is using a helpful process, which will be more transparent in keeping track of how much energy efficiency has been accomplished. It is the result of the post-2011 energy efficiency review BPA performed. BPA will issue quarterly reports going forward to help track results closer than ever before.

The Model Conservation Standards code work with the states is up to speed. Washington and Oregon led the charge, and Montana and Idaho implemented them in 2009. Staff and CRAAC are proposing conservation program design issues — model conservation standards for the region that utilities will pay attention to. They're strong advisory recommendations. We're not suggesting employing a surcharge for not complying, but the recommendations are strong. The first point of emphasis is to look at where there are underserved (hard-to-reach) customers. There are gaps in certain sectors. There should be an assessment by BPA and utilities to identify these gaps in the low- and moderate-income communities, mobile homes and small businesses.

The second topic was voltage regulation – an area where there could be significant efficiency gains. BPA and utilities evaluate the efficiency potential. It varies between utilities. There's a consensus for continued work on improvements to codes and standards, such as improving indoor agriculture (such as marijuana grow facilities) and data centers.

The third topic was another dip into scenario analysis: the committee looked at four scenarios. Since June, the staff has been very busy. The RPM analysis is done and staff has made some important tweaks to it. The most exciting news is a new acronym: Associated System Capacity Contribution (ASCC). It adjusts the capacity benefits of wind

and solar, and combined cycle plants, and synchs the Genesys model with the RPM. Today, we looked at two additional scenarios. Three sensitivity studies were added as well. That leaves four more that need to be run. There are substantive results now.

The volume of information has prompted the committee to recommend moving the release of the Seventh Northwest Power Plan by a month in order to provide additional time for the review of the scenario analysis.

The new timeline calls for a release of the draft in October 2015, with public comment to take place between October 23 and December 18. After public review is gathered, the Council will take the holiday to review the input, with a final Plan adoption date of February 9, 2016.

There were four scenarios that were removed from the scenario lists. The climate change scenario was deferred and two others were deleted because other scenarios cover them.

Council Member Jennifer Anders, Chair of the Public Affairs Committee, had two agenda items. First was the August Congressional Staff Trip. Mark Walker, staff public affairs division director, reported that letters of invitation would be sent out in a few days. Jeff Allen, Idaho staff office director and policy analyst, provided a summary trip itinerary. The tour begins August 18 with a reception and dinner in Orofino, Idaho. The next day will be spent touring the Corps of Engineers' Dworshak Dam and fish facilities. Then there will be visits to habitat projects on the Potlatch River and a tour of the Nez Perce tribal hatchery. Thursday, there will be a boat trip on the Snake River from Lewiston into Hell's Canyon. Paul Kline, with Idaho Fish and Game, and an Idaho Power fish biologist will be on hand to brief the staffers on fish issues in the Snake River. The tour will be over following the boat trip.

The committee approved the draft Bonneville Fish and Wildlife Cost Report, keeping the title as is, rejecting a proposed title change to an "investment report." It cleared a draft report for consideration at the Council meeting the following day. The Council agreed to release the report for a 30-day comment period. The Council will look at final report at tomorrow's meeting. There will be another Public Affairs meeting following the today's Council meeting.

1. Council decision to support use of a methodology to identify and review projects for cost savings.

Tony Grover, director of the fish and wildlife division, briefed the Council on the proposed methodology of cost savings over the next few years. He also provided a written summary of all the comments received from seven different entities. He said that effect of this decision puts the Council back in the loop on making budgetary decisions about the fish and wildlife program. The Council has been out of the loop on budgetary decisions for seven to eight years.

It also fulfills Council's commitment to find cost savings in the portfolio of 400 projects that BPA is funding. Before asking for additional funding from BPA, we can find savings in the existing program, and this is that tool. Grover says they're hoping to find \$2 million to \$3

million per year in savings. This draft methodology does not remove project review. This process is meant to define cost savings where they're due to happen. BPA has cost-review management. Adoption of this cost methodology would put an end to portfolio management, except for accord projects, which have a built-in portfolio scheme.

The Council can look at any project at any time. This methodology is just to go after cost savings.

Council Member Rockefeller asked for a redline review of what changes have occurred in the proposal. In addition to Member Anders, BPA's fish and wildlife director, the Council's fish and wildlife director, and BPA and Council staff may provide input as needed. There was some confusion that appeared to skip the approval process of the Fish and Wildlife Committee. Now it will go from the workgroup, to the committee and then to the Council.

Grover said that the comment period on potential cost-saving decisions was extended from 14 days to 30 days. The annual review starts in February. After public comment, it goes to the Council's May meeting.

They received public comment about VIII E-4: Identifying criteria for core benefits. They couldn't define it, so it was removed. VIII E-2 was changed to provide for scientific or Council review.

Council Member Henry Lorenzen asked what it means to be "unfairly burdened." Grover replied that people understood we're not going after the accords. But others feel exposed. It won't single out non-accord and non-BiOp projects.

Member Lorenzen said that in IV A-1, it appears that the decision is made before it's been made. Is there more to review?

Grover replied, "You put your finger on the heart and soul of the process." He said that seven or eight years ago, the Council agreed on a set of decisions to take the Council out of any budget process whatsoever. That made BPA the budget managers. When a project is scheduled to close, the funds from the one that goes away go to the other projects. What this is trying to achieve is how to fund new priorities. We can identify what's closing out and get those funds set aside for new projects, he said.

Member Lorenzen wanted to clarify that this is about bringing to surface the funds to be available, and sought clarification on specific wording in the document.

Council Member Tom Karier asked why the workgroup was necessary. Why can't the Fish and Wildlife Committee make these decisions?

Grover said that a lot of questions come up when a project shows up. The immediate issue that arose is that somebody needs to check with people on the list to see what their perception is. This group won't decide who's on the list. It will array everything on the table that's been identified to look at. It doesn't decide which project is on or off, it just puts information on the list.

Member Karier asked if this methodology is BPA's preferred outcome. Grover said that

BPA has worked with the Council on this, but doesn't know if it's preferred.

BPA's Bill Maslen said that he and Grover have described this in different ways. BPA has have provided support for portfolio management. Except for the accords, it has not moved out money from a project that is closing out to one that is ongoing. "Maybe just tens of thousands of dollars at most," he said. Whatever has been moved has been nominal.

Member Karier asked, "You're saying not much has moved? I'll go back and look."

Maslen said he didn't think many have been identified for closing out. It's a mechanism for portfolio management and to move money around where there are opportunities to achieve objectives. There are issues such as COLA, which hasn't been provided for years until 2015. We're interested in exploring opportunities for cost savings, he said.

Member Karier observed that BPA over budgets because it underspends. "How much? Is it \$20 million per year?" he asked. Maslen replied that it's about 10 percent — about \$30 million. Member Karier asked if all those projects would be flagged.

Maslen said they wouldn't. BPA's over budgeting is to ensure that it can use the available, approved budget. What it tracks isn't the spending in relation to the overspend; it's in relation to using the existing budget.

Member Karier asked how it is determined whether it's part of the overspend or the cost savings? Maslen replied that they would need to have discussions about how to interpret these results. "We're not going to risk overspending by way of this cost savings exercise by reducing that differential between actual spending and budgeting. We have great flexibility to over budget to ensure that we can use what's available."

Member Karier asked, "Does everything stay on the spreadsheet and the committee doesn't take anything off? Because it sounds like you're taking things off."

Maslen said he doesn't believe that he intends for the spreadsheet to include 800 contracts and 400 projects per year. It would be a quarterly review, updated with projects lagging in spending by \$50,000 or more, which would be identified for close out.

Member Karier commented that there would be a lot of lagging due to the \$30 million overspend.

Maslen said that when BPA tracks budgets on a quarterly basis, it's not what it over budgets, but the trajectory for allowed spending. For this year, it's roughly \$260 million. It has a projected spend that it is tracking.

Member Karier said it's not so clear what shows up on the list.

Maslen offered to work out a list everyone can understand. "We're not taking things off the list," he said. "The list of closeouts is going to be very short every quarter."

Member Karier asked about the voting process.

Grover said no voting occurs. It's a two-step process. Every quarter, the small workgroup will see what projects BPA forecasts to reduce or close out. Every year, there's an annual review of the list, and the workgroup brings that to the committee and the Council.

Member Karier said he would like to see how the projects are sorted out that are under spending. They should be on the list if they are under spending, he said. When the accords expire in 2018, if they're not renewed, this would fold in a lot more projects into this process.

Maslen replied that BPA has made no decisions on accord two.

Member Karier observed that the committee shouldn't be the only place where potential savings show up. It should show up on project reviews on the committee and Council's domain. He said that it's not clear in this description that it's not impinged upon, and he recommended including the following sentence:

"The Council is not limited to recommendations from the workgroup in identifying cost savings in the Bonneville program."

Member Anders looked at paragraph that precedes the methodology, and said that they can place the sentence at the end.

Council Business

Northwest Power and Conservation Council Motion to Support the Use of a Methodology to Identify and Review Projects for Cost Savings

Council Member Bill Booth moved that the Council:

- (1) Support the methodology presented by staff to be used to review projects for cost savings in the Fish and Wildlife Program for use in funding the program's priorities, and
- (2) Recommend that Bonneville designate a placeholder of approximately 1 percent of the program-planning budget for FY2017 for this purpose as well as identify cost savings for use in FY2016, as developed by the Cost Savings Workgroup, recommended by the Fish and Wildlife Committee and presented by staff [with changes made by the Members at today's meeting].

Member Pat Smith seconded.

Discussion:

Member Bradbury said hats off to Member Anders and BPA for working on this project. "I'll vote for it, but questions continue that need to be answered."

Member Karier inquired if the motion should include a sunset clause. Grover agreed that there should have one.

Member Karier proposes an amendment to add for one.

Member Booth thanked Member Anders and Tony Grover for their work. “It’s difficult to approach any savings in this program, but if we’re going to fund any new technologies, we’ll have to.”

Member Roosevelt added that he echoes the remarks by Member Booth. “It probably makes sponsors nervous to see Council and BPA put their heads together to see that dollars are well spent. I urge unanimous support.”

The motion and amendments passed with a unanimous voice vote.

Member Rockefeller said that Tony Usibelli was scheduled, but couldn’t appear.

2. Presentation by Upper Columbia United Tribes (UCUT)

Stacy Horton, staff policy analyst and biologist, introduced D.R. Michel, executive director for the Upper Columbia United Tribes; and Stephen Smith, fisheries consultant, UCUT.

Michel expressed his frustrations to the Council over the tribe’s attempts to move forward on the reintroduction of salmon above the Chief Joseph and Grand Coulee dams. Last January, UCUT spoke to the Council about beginning the process.

Michel said that UCUT drafted a work plan and a process. They received extensive public comments in February and that most of the 300-plus comments were positive. He said they are working to build a collaborative approach. They have taken the proposal to local counties and received a lot of county support. On June 1, they had the commission approve the work plan. He said he thinks it’s important that the process be funded and initiated upfront to achieve regional consensus. They are supportive of doing tests, but without input and consensus, he said that they would run up against stumbling blocks.

Michel said they would like to do a reconnaissance study before moving to phase two. He said they have had several meetings with BPA, only to get pushback that it’s not a BPA responsibility to look at a reconnaissance study — it should be a Corps and Bureau of Reclamation responsibility. “Our pushback is we’re not looking at structures,” he said. “We’re building the reconnaissance information to allow us to get to next phase.”

He said they have been before the Council several times and again they’re in the same situation. He said that the Council is pointing to BPA, and BPA says the Council hasn’t put a process in place to allow them to fund some of these issues. He believes that the collaboration should be funded sooner rather than later and asked how they could move it forward. The Council set a December 16 deadline to get the study done, and it was introduced in January.

He said they ran their statement of work with their reintroduction committee and said that they have a lean-and-mean budget. He asked for \$273,339; spread over 19 months to bring people together in order to build support and consensus, and to provide information about impacts.

“The Upper Columbia above Chief Jo has been the most impact and least mitigated,” he said. He said that UCUT is cost sharing \$155,000 of tribal money to work through those issues.

“We’re frustrated being seven to eight months into a process and being stuck,” he said. “We need a commitment from this Council and BPA. Once we get into some of these things, such as the cost-saving methodology, these savings can be applied to these new projects.”

He said the Spokane and Colville tribes could put some projects on the table for funding, but they continue get refused because of process or budget constraints. He spoke about hearing some of the issues with the budget and a \$30 million “cushion” on a \$260 million budget. “We’re looking at \$273,000 over 19 months, and get continual pushback on implementing what’s in the program — what was adopted in the 2014 program — which talks about the reintroduction above Chief Joseph and Grand Coulee. We continue to get pushback that we’ve brought the wrong process.”

He said they want help moving this along to mitigate the two largest impacts on the system. He mentioned the need to look at program priorities. “There’s lots of mitigation in the estuaries and work on the seals, cormorants and things that are outside the impacts of what we live with every day — that’s the loss of the salmon,” he said. “After 80 years, it’s time to move that mitigation from those projects upriver. They’re not just tribal issues, they’re all of ours.”

“It’s not just about hydro, flow and risk management,” he said. “The Okanagan is an example of what can happen if you give those fish a chance.”

Stephen Smith said that the phase one reconnaissance study is essential because the issue is hugely complex and controversial. The science-based approach is what they want to bring before the Council to make an informed decision about whether this should proceed on to phase two. There even are climate change issues rising up out of the surface. It has to be done in a collaborative manner. Hopefully the wide range of opinion will be greatly narrowed.

Council Member Jim Yost said he thought that through the Columbia Treaty Review process it was a logical conclusion that the group would go to the Corps and Bureau of Reclamation with their collaborative process, and to get them to figure out how to do a preliminary study. “Yet you seem to think the Council or BPA should pay for it,” he said. “I’m never going to vote for it unless you go to the Corps and the Bureau to put together a proposal.” Yost said they operate the system and he thought UCUT would go there first. “When BPA offered you an opportunity to do “put and take,” you turned that down. I don’t understand it.”

Stephen Smith replied that in the Regional Recommendation that went back to the Department of State, what the tribes proposed was a comprehensive, six-dam reintroduction. That involved two U.S. dams and four in Canada. They still feel that arena is a good place to pursue that salmon reintroduction process. The tribes have said that they never intended for the Regional Recommendation from the U.S. Entity to block going forward under the Northwest Power Act at the two dams. These are two different efforts.

Smith said they support the proposal that went to the Department of State, but he didn't think that one stopped addressing the two dams.

This is about gathering information so you can decide if you want to move forward onto phase two, Stephen Smith said. The Corps said they have no money available. But reintroduction might be feasible if we studied it. It could move forward under the Northwest Power Act. We know who's in charge of the dams. This is somewhat of a planning exercise.

Member Karier said that his understanding is that the Fish and Wildlife Committee is looking at this process. Hopefully the Council will address those issues in the near term, he said.

Member Karier said there are two important aspects of the Regional Recommendation and it would be great if both happened:

1. The need to reduce the size of Canadian entitlement. U.S. ratepayers paid for construction of dams in Canada, and now it's an ongoing payment. They generate value every year with immense value to Canadians. It needs to be recalculated from \$300 million.
2. We need to explore reintroduction above Grand Coulee and Chief Joseph dams. "Those projects block the migration of anadromous fish, and now there are technologies that have a promise of reintroducing fish into those areas," Karier said. "There are no guarantees, we're not sure if scientifically we can do it. How can we get these two things to happen in the Northwest? We have to work together: tribes, power agencies, federal agencies, it's a shared responsibility. I think we can do it."

Member Bradbury said it was very clear to him that we'd love a big project with two dams in U.S. and four in Canada. Nothing would limit this Council or other agencies to limit reintroduction. The challenge is that there are a lot of questions. Looking at the 2014 program, we need to move forward in answering some of those questions, he said. "We said in our Fish and Wildlife Plan for 2014 that we want to explore feasibility of this issue. It doesn't make me automatically say let's do one thing instead of something else. How are we going to move forward to answer those questions? This is one proposal."

Stephen Smith said that the Regional Recommendation did not allow the agencies not to follow the law. Several of us were involved for several years in leading up to that recommendation. Millions are spent to better understand flood risk management and power operations. Phase one in the treaty context is that this information will be valuable to the process.

Council Member Bill Booth said he is sympathetic to the Upper Columbia and funding has been downstream. It's been a tough deal to find some money to help the Upper Columbia region. He said the Council has set its course on a cost-savings project. It's a good first step. Cost savings and priorities have been funded. "I think operations and maintenance needs some funding. In the blocked areas, there are some very difficult passage questions. Nonresident fish mitigation had a nice success in Idaho, such as fisheries for the Paiute Tribe. With that kind of mitigation, where it's not impacting the structure, they would have a legitimate case with ratepayers and with BPA. But working on the concrete itself — the

primary engine for the region — they're getting pushback."

He asked Michel if he presented this current feasibility study and the request for \$270,000 to the Corps and the Bureau.

"No, we haven't," Michel replied.

Member Booth said, "You say you have spoken to them, but you were rejected on the idea of a feasibility of passage, of juvenile passage?"

Michel said he didn't know if it was rejected. But to answer questions about flood risk and hydro generation, all these questions get answered in the study.

Member Booth said Michel needed the Corps and Bureau's help because they have the information needed. Member Booth asked if they had signed on.

We haven't been able to get to that step, Michel replied.

"Bonneville is telling you that the concrete isn't their typical obligation," Member Booth said. "That would be developed and designed by the Corps. Do you think the Corps would work with you to get the \$270,000 to get this started? If so, that would be a logical marriage because they're the guys with the knowledge of the system."

Michel asked if the Corp and Bureau are responsible for implementing the Northwest Power Act and for mitigating those impacts.

Member Rockefeller said that all the agencies with assets in the Columbia are admonished to act in accordance with the standards. They have to take it into account to the maximum extent practical.

Stephen Smith said that they will quiz them again now that we have more specifics. We thought this would be funded many months ago. The delay just leaves a big hole right now.

Member Rockefeller invited Paul Lumley to speak. He was joined by Wilbur Slockish of the Yakima Nation and CRITFC, Donnie Winishut, Warm Springs, and Bob Austin, USRT.

Lumley said that the four tribes he works for have had wonderful fisheries, even though the water conditions have been terrible. Some tribes in this area haven't had salmon for decades. He said he supports their efforts to restore fish runs in this area. It's time to restore this wrong, and he thanks the Council for including this kind of project in their fish and wildlife program. He also thanked UCUT for their collaborative approach. "We need to have a project funded somewhere. It's possible through the Council's fish and wildlife program and Bonneville — it's consistent with the Act. I don't want to get sidetracked by the Treaty. We're talking about domestic fish. We learned there's viable habitat for steelhead and Spring Chinook."

He said that if he had thought that regional recommendation would bind the tribes, so they couldn't have come to the Council to deal with domestic programs, they wouldn't have supported it.

I trust your suggestions will get the best project going forward. I don't know how long it will take for you to get there. You obviously have a vested interest in putting a project out there and getting it funded.

Wilbur Slockish offered his support for reintroduction. He said, that all their people have connection to the salmon and what the salmon promised. All the resources said they would play a role in their life. Salmon was the first to say he would provide their sustenance. Then the deer said he'd provide them with their clothes, medicine, and berries. "Everything has a role in our life, from the trees to the rocks," he said. "The health of people is the health of the salmon." The climate is changing. Where is the cool water in the upper reaches? Foods are changing. Berries are three weeks early. It's changing because of economic activities. "I hear this word free market, but it's not free," he said. "There's a sacrifice. Ours is the salmon."

He said that in 1937, when they built Bonneville, they promised that there would always be fish to harvest. Those fish don't need a scientist to tell them they're in danger. They need cold water, not lakes. "All the gold in Ft. Knox can't compensate me for the loss of that fish," he said. "I'm speaking for the fish because they're not here."

Bob Austin spoke in support of UCUT's proposal. We believe it's consistent with the Council's mandate. There are three tribes that have no access to salmon currently. At the Duck Valley Indian Reservation, there was a successful ceremonial fishery in an area that hadn't seen fish in 90 years.

Member Rockefeller asked Michel what his next steps are to talk with the Corps Bureau, Bonneville or NOAA.

Michel said they'll continue to call those meetings to work with these folks to see how they can move this forward. "I think the Council has a responsibility to help move this along," he said.

3. Presentation by Washington Department of Fish and Wildlife (WDFW)

Steve Pozzanghera, WDFW Region 1 director, and Amy Windrope, Columbia Basin policy liaison with the WDFW, briefed the Council on their efforts.

Pozzanghera began with comments about UCUT's reintroduction proposal and said it was fitting that we heard from the tribes, and the roles of the federal entities and the Council. The WDFW has worked and will continue to work with the tribes. He said that the WDFW is here to assist the Council, UCUTs, and state and federal partners in moving this forward in any way possible. UCUTs are to be commended for providing the collaborative framework. They sorted through the 300 comments received and improved on that work plan. The WDFW is recognized as playing a role in the management, science and public outreach committees.

WDFW is committing resources to UCUT's effort – both in kind, and there will be aspects of the science need where it envisions being identified in a scope of work. The department might be willing to spend its resources and time to help. They don't have a hard number

yet, but they'll assist in any way they can, he said.

On the wildlife settlement, beginning this fall, WDFW will begin negotiations on crediting stewardship for its wildlife areas. It is taking advantage of its sister states, using the Idaho and Willamette settlements as templates in the negotiations. He anticipates coming to the Council on that item.

Pozzanghera introduced a staff member who could not attend. John Whalen, retired after 28 years of service, and Pozzanghera hoped to introduce the new regional fish manager, Chris Donnelly. He was unable to attend due to an important, regional meeting. The Council will be hearing from Donnelly on topics such as Sherman Creek and Ford hatcheries, and resident fish mitigation issues as well. They expect lengthy discussions on walleye, bass, pike and predator concerns on Lake Roosevelt.

Amy Windrope provided a status of the drought. Every county in Washington is in some state of federal drought status. We're in a crisis, she said. WDFW has a dedicated drought coordinator, who is working to share information and access to resources. They have closed fishing in rivers and streams. There are new regulations to reduce impacts coming out next week. They are releasing hatchery fish earlier and are checking if trust water is showing up in the streams. They printed posters to tell people not to build rock dams. They have folks ready to go out and remove blockages.

Wildlife areas have changed uses: No more target practice, no campfires on public lands, and no off-roading or chainsaws where fires could start. The department of ecology received \$16 million from the legislature to deal with drought and water transfer issues. It will probably dedicate some of that funding to the WDFW.

Washington is likely to go to normal temps and normal rainfall in the future. Fall predictions call for warmer weather and moderate rainfall. They predict that next year, we won't be breaking records.

Adjourned at 3:56 p.m.

Council meeting Wednesday, July 15, 2015

Council Chair Phil Rockefeller called the meeting to order at 8:31 a.m.

5. Scenario analysis

The Council unanimously agreed to move out the completion of the Seventh Northwest Power Plan by a month in order to provide additional time for the review of the scenario analysis.

The new timeline calls for a release of the draft in October 2015, with public comment between October 23 and December 18. After that public review is gathered, the Council will take the holiday to review it and then adopt the final plan February 9, 2016.

Council staff members Tom Eckman, power division director, and Ben Kujala, system analysis manager, presented the results of six different scenarios and a handful of sensitivity studies. The results were discussed in terms of energy efficiency, renewable resources, thermal resources and carbon reduction.

The scenario analysis results discussed:

- Scenario 1B – existing policies, no carbon risk
- Scenario 2B – social cost of carbon
- Scenario 2C – carbon risk
- Scenario 3A – maximum carbon reduction with current technology
- Scenarios 4C and 4D – alternative conservation near term maximum acquisition rates

The sensitivity study results discussed:

- Sensitivity S2 – Scenario 1B w/lower natural gas prices
- Sensitivity S3 – Scenario 1B w/o demand response (DR)
- Scenario 2B.1 – social cost of carbon @ 95th percentile estimate of damage cost (Added to the list of sensitivity studies after seeing 3A results)

The four scenarios proposed for elimination or deferral:

- Scenario 2A - existing policy with uncertainty and with certain GHG reduction risk/targets. It will be redundant with other scenarios.
- Scenario 5A - integration of variable resources (i.e., managing the NW Impact of the "Duck Curve"/50% CA RPS). We'll modify 5B to get a information on this scenario.
- Scenario 6A - climate change load impacts resulting from direct effects of climate change.
- Scenario 6B – climate change impacts on hydro generation.

Member Karier asked why a low gas scenario covers Scenario 5A. A high RPS means we'll see more solar, more surplus, huge deficits after 5 p.m., and large ramping rates, he said. Eckman replied that the model can't sense the difference in gas use. It's already in the gas scenario.

Member Karier said that the implications are huge surpluses and deficit for the summer. What implications are there for the Northwest? Kujala said that in one situation where we have the low gas, it gives us a cheap and available market. It's adequacy that drives the market on what needs to be built. To look at implications of this, they have to look at a few rounds of GENESYS.

Member Karier said he didn't want to lose the question: What does it do to West Coast and Northwest markets? Eckman replied that they don't have the information to model it very well. It's a WECC-wide problem. Member Karier said, "So the model doesn't get at it anyway. We shouldn't let you off the hook on this question."

Kujala said they could speak to the general direction in the plan, and can craft an action item around it and do more analysis afterwards.

Eckman said that these studies are deferrable until we have a better handle on the specifics. We really need the new water conditions that would come out of the most recent modeling before we could do a job looking at the climate change effects. Most of those effects are out after 2030 and beyond. He said running these right now wouldn't be very useful. They would be premature. If we wait a year, we might have the data to get a better sense of that. We also need to integrate other aspects of the load profile with climate change in WECC, other than just the Pacific Northwest, because it's not an island.

Member Bradbury asked how it helps us to run models a year later, after we've adopted our plan. Eckman said that given the many issues reflected and the post adoption of a 111(d) rule, it gives us a better fix on what the carbon limit requirements might be. We can take a look downstream to see if we need to revise the plan, when we do midterm assessments, and see how things have changed.

Kujala said that to run a climate change study, they need a comprehensive narrative and make sure they've gone through all of our inputs. We can't take one piece — we need to start from day one.

Eckman said that all conservation analysis relies on load shapes in the past. If it's warmer, we'll need more cooling, we don't have load shapes in the plan now.

Member Bradbury asked if there is additional data coming that will help in the analysis? Eckman replied there is.

Member Lorenzen said that a significant amount of power is not for serving loads. How do you account for a resource that isn't for load, but to fulfill an obligation as a Balancing Authority?

Kujala replied that we don't see a lot of reliance on renewables in any scenario. Right now, we have the resources in the region to balance the load we have.

Member Rockefeller asked for a consensus on adopting the proposed revisions to the scenario scope. Staff is dropping 2A in reliance on 2C, deferring 5A, dropping 6A and deferring 6B. The Power Committee discussed and agreed to the revisions. The Council agreed.

Eckman discussed the studies staff proposed to add:

- Sensitivity S1 - Scenario 1B and 2C w/o Centralia Boardman and Valmy Retirements. The Public Power Council staff requested this study and Sensitivity S2. Specifically, PPC staff indicated that they were interested in determining how the loss of these resources impacted the pace of regional conservation and demand response development.
- Sensitivity S2 – Scenarios 1B and 2C w/Lower Natural Gas Prices. This sensitivity was requested by members of the SAAC, RSAC and PPC staff. It is designed to assess

the impact on resource development of significantly lower natural gas prices.

- Sensitivity S3 – Scenarios 1B and 2C w/o Demand Response (DR). Members of the SAAC and RSAC requested this scenario. It is designed to determine both the value of DR and the resources that would be required if developments of DR cannot be accomplished at the assumed pace or in the amount identified as achievable over the planning period.
- Sensitivity S4 – Scenarios 1B and 2C w/Lower Winter Peak Contribution from Conservation. Members of the SAAC and RSAC requested this scenario. It is designed to determine both the value of conservation's peak capacity contribution as well as the resources that would be required if the end use load shape data used to estimate its peak reduction overstates its impacts.

Eckman reviewed the progress since the June Power Committee webinar.

There were changes to the RPM inputs:

- Revised Social Cost of Carbon input for Scenario 2B to reflect most recent (July 2015) Interagency Working Group estimates (slightly reduced value).
- Revised inputs for the system capacity impact of combined cycle combustion turbines and energy efficiency to reflect hydro generation operational flexibility.

GENESYS was used to test resource adequacy of the least cost resource portfolio from Scenario 1B:

- Results indicated that RPM was significantly “overbuilding” resources (i.e., LOLP was less than 1%).
- Review of results revealed that difference was due to interaction between the hydro-system's peaking capacity and the dispatch other resources that provide energy in GENESYS.
- GENESYS meets hourly capacity needs with hydro and stores water needed for peaking with energy saved by conservation and generated by wind and gas turbines.
- RPM logic and inputs were revised to allow peak/energy substitution reflecting NW hydro system operations that are more consistent with GENESYS.
- Revised assumptions were run through RPM to generate a new least cost portfolio.
- Revised portfolio tested in GENESYS to confirm that it achieved ~ 5 % LOLP.

Eckman next discussed the completed scenario studies:

Scenario 1B with Low Gas Price Assumptions

Member Bradbury asked why do natural gas prices drop? Kujala said it reflects a perfect storm of what makes gas prices so low. They reflect optimized prices. This is manufactured for this analysis. Eckman said that it's an assumption, not a forecast.

Member Karier said it's a useful scenario to see what would happen. But in order for that to happen, you'd have to have a reduction in demand, which isn't likely to happen.

Eckman explained that the rationale for these sensitivity studies is to test the model. It's a risk analysis more than anything else.

Results:

With low market prices and no carbon risk:

- Slightly decreased conservation development – we build 17 aMW less in conservation in six years. Not a major change in our thinking.
- Demand response development is nearly identical.
- Slightly increased 40-aMW renewable resource development by 2021. But reduces it by 90 aMW by 2035.
- Slightly reduced coal generation.
- Slightly increased new natural gas generation.
- Slightly increased existing natural gas generation.
- Slightly decreased regional exports.

Member Karier asked if natural gas prices were lower, the biggest effect would be a significant reduction in coal, with slight increases in everything else? Eckman replied yes, we have a large fleet of natural gas generation, so it's using existing fleet at large capacity.

Member Bradbury said he's familiar with Boardman, but not Valmy. Eckman replied that it's in Nevada and will be retired in 2026.

Results of 2B – Social cost of carbon case

Compared to 1B – existing policy, no carbon:

- Slightly increased conservation development.
- Demand response development is similar until 2026, and then it increases by 150-200 aMW.
- Slightly increased (30 aMW) renewable resource development.
- Eliminated coal generation (minus 3,200 aMW).
- Significantly increased new natural gas generation capacity.
- Slightly increased regional exports.

Member Karier asked if the scenario closes some of the gas plants. Eckman said yes, because they're not economic at these gas prices. Karier followed, "So you'll build more gas plants, but not renewables with no carbon and not much conservation?" Eckman said in the supply curve, at 160 per MWh, the efficiency is used up. Renewables don't factor in because they don't provide winter capacity.

We're not buying energy, Eckman said. We have a surplus of energy and a need for capacity.

Eckman then discussed Sensitivity S3 — Scenario 1B with no demand response. Where ~700 MW of demand response is replaced by energy efficiency and thermal resources.

A comparison of all scenarios

Demand response is needed: The average demand response development across scenarios is nearly identical, but increases through time with full coal and inefficient gas retirement. In addition, it's needed almost immediately to satisfy regional resource adequacy standards.

How does this finding compare to the 2021 Regional Resource Adequacy Assessment? RPM explores a wider range of potential futures. Both RPM and Resource Adequacy Assessment find a regional, near-term energy surplus. Both RPM and Resource Adequacy Assessment find “non-zero” probability of capacity shortfall (LOLP = 5%).

Demand Response – According to the model, demand response is the preferred resource to meet short-term peaking capacity requirements. It is the lowest-cost option for maintaining capacity reserves, it has a shorter lead-time, and it comes in more “modular” sizes than generation. Eckman said about 1,000 MW of demand response resources can be optioned before single combined-cycle turbines can be built by 2018. The benefits of demand response are that it does not have fuel price risk and it does not produce energy in an energy-surplus market. Eckman explained that demand response is pursued when we’ve exhausted purchasing outside the region.

Energy Efficiency – Conservation is the single largest source of winter peak development in least-cost resource strategies. It basically solves the capacity problem going forward. All least-cost resource strategies rely heavily on conservation to meet both winter capacity and energy needs. In 90 percent of the futures evaluated, energy efficiency meets all load growth through 2030, and in 60 to 70 percent of the futures, it meets all load growth through 2035. Under all scenarios and sensitivity studies, the model counts on an average of between 1,300 and 1,430 MWa in conservation resources to be developed by 2021.

Renewable Resources – Regardless of carbon risk, the model doesn’t show much change in the amount of renewable resources built. They don’t add to capacity. Strategies to build renewable generation are undertaken to meet Renewable Portfolio Standard (RPS) requirements. Greenhouse gas reductions are achievable at a lower cost through energy efficiency, and natural gas serves as a substitute for existing coal generation. In addition, commercially available renewable resources (solar photovoltaic and wind) provide limited or no winter peaking capacity, and hence are not good matches for meeting expected system need.

Thermal – While there appears to be a need for thermal resources, there is low probability that it will happen in the near term. That’s because the modeling anticipates that energy efficiency and demand response can meet most of the region’s near-term capacity needs. According to Eckman, one natural gas plant is envisioned before 2021, after which thermal resource construction is driven by announced coal plant retirements. After 2035, significant thermal additions of 8,000 MW will be needed.

Carbon reduction – Least-cost resource strategies that meet proposed CO₂ emissions limits at the regional level, meet nearly all load growth using energy efficiency. These strategies also replace retiring coal plants with increased gas-fired generation, primarily from existing gas resources and later with new combined cycle combustion turbines. Again, the scenarios do not significantly expand the use of renewable resources.

In addition, concerns over meeting draft EPA 111(d) requirements in the four-states will be met by planned plant closures.

Member Bradbury observed that currently, 111(d) is state by state. Eckman replied that EPA says you can band together to do a regional plan and address it as a region. You have three years to do this, instead of one year. "If we don't do it at the regional level, individual states will have a difficult time achieving this," he said. Natural gas generation (which rises when the coal plants are closed) is in Oregon and Washington. You have different state agendas and impacts. We don't model state-by-state compliance. It's a single power system interconnected.

Member Bradbury said earlier, when we were looking at 111(d), there weren't significant incentives for states to join with other states. Can you make a strong case that it's a benefit to join a regional effort? Or are there winners and losers? Eckman replied that we're showing the cheapest way to solve the problem as a region. State by state, we don't know.

Member Bradbury asked if each state's compliance office would know. Eckman said that each state's air compliance office is the one that has to put the plans together. Member Bradbury said that one of things we'd need to do as a Council is to go back to our Governors' offices and promote a presumably least-cost solution.

6. Utility representatives discussing their current programs and providing input on the 7th power plan

Jason Thackston, senior vice president of energy resources for Avista, and John Francisco, chief of energy resources for Inland Power and Light Company, briefed the Council on their service area's generation, conservation and carbon-reduction issues.

Thackston recalled that he was last before the Council in April of last year, but the issues are still the same, and growing in importance and urgency.

Avista serves natural gas customers in Washington, Idaho and Oregon; and has electric customers in Washington and Idaho. It also owns part of Colstrip in Montana. Most of its generation mix is carbon free (hydro and wind).

Avista's emerging generation issues include anticipating a final ruling on 111(d) in coming days or weeks. He reviewed the western state targets and noted the difference in carbon reduction intensity is dramatic. Washington has 72 percent intensity. Another challenge is Avista's reliance on hydro generation, which highlights the importance of coal generation when hydro isn't adequate. From that perspective, they're concerned with how the final rule comes out and how each state is going to comply with it.

State-level initiatives target emissions, such as the RPS. It adds volatility to our supply resources. He noted the continued declining prices for solar generation, and the glut of solar energy in the middle of the day when it's not needed. Lower prices create opportunities for customers to participate in solar. Avista is launching community solar program. It was a pioneer in the Spokane Valley program.

Emerging generation issues include recent development in battery technology. They aren't sure it's economic yet, but it could be a disruptive technology. How do we prepare for the shift toward a lower carbon-intense and more renewable portfolio? Avista is also looking at

smart grid technology — taking advantage of making its grid more efficient and collecting more information from its customers.

Thackston said that the company also needs additional generation. He explained that Avista's latest Integrated Resource Plan (IRP) shows a need for a natural gas peaker by the end of 2020 to respond to solar, wind and hydro variability; and that a combined cycle plant wouldn't be as responsive.

He said that in addition to Avista's generation needs; the company has a significant conservation component of 132 aMW in energy in years 2016–2035, and 192 MW of capacity. "There is no demand response in our 20-year plan," he said.

Utility-scale battery projects are notable. One is down in Pullman — a 1 MW battery to see how it responds to variability and other scenarios.

Avista is working on the development of regional resource optimization solutions: looking for ways to work as a region to optimize their generation resources. It's an initiative that's been underway for a number of years.

Regarding the development of the Seventh Power Plan, Thackston applauded the Council work to increase participation of the region's utilities and stakeholders in the creation of the Plan. The RAAC has helped increase its transparency too.

Conservation and demand-side response vs. generation

Thackston said it would be helpful to discuss our differences in assumptions. He said they were encouraged/ordered by their Commission to do some analysis of demand response. He said they put out an RFP on the process and did quite a bit of analysis on demand response. He said Avista could not find that demand response was competitive with natural gas generation in the preferred resource plan they developed. "As utilities, we feel the weight and pressure of the obligation to serve," Thackston said. "So we take things beyond the model, to think things through, talk with customers and evaluate whether demand response is realistic — and we haven't found that to be the case."

He mentioned a possible disconnect between this regional plan vs. utilities' individual plans. That was highlighted in the conversation about 111(d). "When you get down to brass tacks and look at individual utilities' IRPs, you'll see us needing additional generation very soon."

He also noted the environmental methodology of using scenarios, rather than building unknown future regulations into a base plan.

John Francisco, Inland Power, said it has been three years since he's addressed the Council. "Inland is much smaller than Avista, it doesn't own generation, so I would imagine Avista looks at it top down, whereas I look top up, as a nonprofit looking out for its customers," he said.

Inland is a nonprofit cooperative headquartered in Spokane. It has 40,000 members, mostly residential. It serves eastern Washington and northern Idaho. It has 90 employees to cover 7,500 square miles of territory — about five members per mile. "We're more of a 'tweener'

than a small utility,” he said. “We’ve been extremely progressive in conservation, but now we find that it’s really impacting revenue.”

He said weather plays a large role, and they are down 10 percent in sales this year.

Green agriculture is another moving target. Inland has 7 MW of connected capacity, and 41 active accounts, but only 1 aMW of sales. It’s extremely variable month to month, and it is a very administratively intensive effort. They also are one of the highest penetrations of distributed generation too.

The coop is facing increasing costs, notably with aging infrastructure (and aging people staff). There are increasing member expectations regarding outages, and it’s a real challenge to maintain rates.

Francisco addressed the regulatory conflicts in his service area, notably the carbon mitigation at the state and federal levels. His customers face financial hardship if 111(d) regulations come to pass, followed by the additional impact of Washington State’s Initiative 732 carbon tax proposal. Francisco hoped that the Council could play a role in facilitating regional coordination.

Inland is one of the first utility community solar projects in the state (with low-cost entry of \$300 per unit). The program wasn’t restricted from any of its members, and they offered a full suite of conservation programs for many years. It expanded conservation programs in the face of losing money, and kept popular programs going after cost effectiveness had exceeded. It is implementing a low-income Douglas Heat Pump program in partnership.

Inland also tightened its own belts, reducing its workforce by 10 employees over the past 10 years. It also is working directly with environmental interests to create an acceptable and stable compliance framework for the future. Dragging your heels doesn’t work any longer. It’s better to sit down and look for linkages.

He likes to think of conservation, renewables and carbon on equal footing, but they’re not, and reside in different silos.

“Currently, nothing outside of NEEA crosses state boundaries,” Francisco said. “Codes and standards don’t align. What I do in Washington and in Idaho is dramatically different. Implementing programs is far easier in Idaho than it is in Washington.”

Political stances vary from state to state. We should look at the economics of the model and act accordingly. Politics informs the plan, he said.

“Demand response is not readily available in the residential sector,” he said. “We had only one commercial meter that would fit the requirements of the program. I can aggregate a bunch of water heaters, but aggregating it over 13 counties at the drop of a hat isn’t cost effective.”

Regarding conservation, he said Inland has been extremely progressive, but there’s not a lot left.

Member Lorenzen asked, “In the advent of distributed generation, are you looking at your retail rate model to take into account your fixed versus variable costs, and that contribution that you’re losing when you do have distributed generation?”

“We are,” Francisco replied. “Our fixed charge should be in the \$40 range, and we’re in the \$19 range. I can’t discriminate against distributed generation. We’d like to. If a leasing model comes in to this state, we think it’s a critical component.”

Member Karier said he would send some of his questions to them directly. “Jason, you mentioned resource optimization. Some of these, from thermal to demand response, have individual value to utilities, but they also have regional significance. If we look at how much thermal is needed region wide, how does it match up with what utilities think they need?” Karier said that each utility has to think about what the market has, available as well as what they have available. That’s hard to do individually. He asked whether resource optimization is going to address those kinds of thermal and demand resource issues, and other benefits.

“The energy imbalance market (EIM) I referenced is a shorter, more near-term optimization,” Thackston replied. “As a member of PNUCC, we look regionally from a longer-term resource perspective. This EIM concept looks at addressing the variability of resources and loads.”

Member Karier added that it would be very helpful if they could provide data about their demand response efforts. “You talked about demand response being expensive,” he said. “We need case studies about knocking on doors and negotiated prices.” Thackston replied that there is a discussion of it in the IRP. Their estimate of demand response costs is twice that of the Council’s. He would look at what they could make publicly available.

Member Booth remarked that as a regional body, the Council deals with regional averages. “You deal with every-day, ‘how do I keep the lights-on’ situations. If you look at where our plan seems to be headed, it directly affects the hydro/coal mix.” You have private companies that run those plants for a profit. The concept you’ll fill those gaps with gas peakers appears to be where the plan and the region is headed. Do you see every utility building a peaker in their region? Then we have them all over the place. Or could we build these things in places where they can reach transmission.

Thackston replied that it’s a great question and one they’re asking themselves. With respect to Coalstrip in Montana (Centralia and Boardman already going to be shut down), Coalstrip has six owners. The unique thing about it is that the mine is at the plant. That structure provides an opportunity for the partners to share. That structure is difficult to transition to a large gas plant. You don’t have same fuel access and ability to operate it the same. There is great complexity to having two owners of a gas plant. Coalstrip is a rate-based asset that its customers take advantage of. If it’s shut down, there will be significant cost to Avista’s customers. Then there are the reliability aspects of trying to replace a baseload resource with some of the variable resources being discussed.

Member Smith will follow up with the Douglas Heat Pump program. He also was encouraged by Avista’s EIM discussions. In terms of the IRP, whether it happens or not, how does it impact the gas peaker?

Thackston said the EIM doesn't help capacity needs. It helps from an economic and environmental perspective. "We can leverage more efficient generation someone has when we have greater variability. It helps facilitate additional renewable generation too. From an IRP perspective, doesn't help reduce our peak need."

6. Briefing on Regional Technical Forum (RTF) Annual Report

Jennifer Anziano, manager, RTF, and Charlie Grist, manager, conservation resources, presented the RTF's Annual Report.

Grist said that the RTF is a Council advisory committee that works to demonstrate the reliability of energy-efficiency savings. Grist also recognized Anziano's first anniversary as RTF manager.

Anziano said RTF's Annual Report touches on highlights from 2014 and its progress in 2015. Its guidelines lay out how we determine how they measure savings. They have 101 measures in their library — 69 are active at the end of 2014 and six are under review. Only one is still outstanding for being in compliance with the guidelines. They are working toward producing consistently reliable, energy-savings estimates.

Anziano mentioned the role of the Policy Advisory Committee. Last year, it secured a five-year funding agreement for the RTF from 2015 to 2019. It provides good, stable funding and helps ensure smooth RTF operations. Looking at year-end financials, the RTF came in close to its work plan. Only \$13,000 wasn't allocated to contracts at the end of the year, and that was credited back to funders.

Spending came in around \$37,000 under budget. RTF has made great strides in accounting. Anziano is happy with where we ended last year.

The RTF conducted an operations survey of members to measure satisfaction, how smooth the transition has been with a new RTF manager and other opportunities for improvement.

Areas for continued growth – Anziano said that in addition to building a library of measures, they need better effort around our research plans and standard protocol development. "We don't do plans, we do research, so we need to do well and have better processes," she said.

Standard protocols are where we're looking to improve, she said. We won't get the same savings from every unit. You have a standard process for getting to the energy-savings estimate. With controls optimization being a big opportunity, standard protocols will be important.

Continued growth is increasing the understanding of real-world implementation challenges. They are engaging with program implementers across the region, to ensure that they understand what went into an RTF decision. Sometimes these are longer-term analysis that takes several months or sometimes a couple of years. She said they have an implementers

group that meets to better define their measures, and they work to connect with those who aren't engaged with the RTF.

They also are working to improve meeting management processes, and they are working with the operations committee and developing a communications plan.

In this year's work plan, the RTF has most of its budget allocated, with \$160,000 remaining to allocate. They have a contract analysis team, and some funding for small rural utilities is available.

RTF currently is soliciting new members. The RTF renews every three years. Soliciting new members for 2016–2018.

Grist will have report in October and with a work plan and a new slate of members approve this fall.

Member Karier said he's heard from various utilities and the Energy Efficiency Council on wanting to recognize savings from a whole building approach. Is that something Council needs to address? Who addresses that? Anziano replied that's where the standard protocols come in. It's finding the right mix of data to get a reliable savings estimate, but do it in a way that's not too prescriptive. They expect to be starting with residential behaviors this year.

Member Karier said that it seems like big commercial buildings have a lot of potential. Is that on your work plan? Will it be an additional cost?

Anziano replied that it's not specifically identified in their work plan. We're soliciting feedback on what types of measures we should be looking at. Some things fall outside of RTF's scope that are more customized. It's about finding something you can standardize across buildings.

"One of the 'asks' to get in more statistical expertise to do more of this big data analysis," Grist said. "Anyone who reviews these approaches in the regulatory arena needs to know that these savings estimates are reliable."

7. Council decision on Resource Adequacy Advisory Committee and Resource Strategies Advisory Committee Charter Renewals

Member Booth moved that the Council that the Council approve the renewal of the Resource Adequacy Advisory Committee Charter for a period of two years, as presented by staff [with changes made by the Members at today's meeting].

Member Smith seconded. Motion passed unanimously.

8. Council Business:

Northwest Power and Conservation Council Motion to Approve the Minutes of the May 5-6, 2015, Council Meeting

Member Booth moved that the Council approve for the signature of the Vice-Chair the minutes of the June 9–10, 2015, Council Meeting held in Coeur d'Alene, Idaho. Member Karier seconded. No additions or corrections to the minutes. Motion passed unanimously.

Approval of 2014 Columbia River Basin Fish and Wildlife Program Cost Report

Discussion:

John Shurts, Council staff general counsel, said that one set of comments was received from Tom Iverson, consultant in Portland. He had three: first change the title of figure 2c from “costs of ESA-listed fish” to “costs associated with ESA-listed fish.”

His other two comments go to how Bonneville reports its regional coordination expenditures and its own overhead. He questioned how Bonneville reports these figures in 3a and 3b. I forwarded his email to Bonneville, and nothing has come back yet. I recommend leaving tables the way they are for now. Next year, we may change it. I don't have anything to recommend at this point. So I don't recommend holding up the report to re-do those two figures.

Member Anders asked if the version has Tom's change. Shurts replied, not yet. It will be the only change.

Member Booth moved that the Council approve release of the final annual report to the Governors on Bonneville's fish and wildlife costs in fiscal year 2014, as recommended by the staff [with changes adopted by the Members at today's meeting].

Member Bradbury seconded.

Motion passed unanimously.

Council decision to adopt Fiscal Year 2017 Budget and Fiscal Year 2016 Revised Budget.

Sharon Ossmann, staff administrative division director, said that staff released the budget for comment in May. Staff has not received comments, not even a phone call, and recommends adopting the budget.

Member Booth moved that the Council adopt the Council's Fiscal Year 2017 and Fiscal Year 2016 revised budget, as presented by staff [with changes adopted by the Members at today's meeting].

Discussion:

Ossmann recommend reprogramming remaining fiscal year budget within line items that need budget, saying it allows staff to shift line items in the existing budget.

Booth amended the motion to reprogram remaining fiscal year 2015 funds as needed within the budget. Bradbury seconded.

Motion carried unanimously.

Public comment on any issue before the Council

Bo Downen, senior policy analyst with the Public Policy Council, provided comments to the Council on the sensitivity analyses that were on the table for consideration. We were surprised to see that Sensitivity S1, in regard to the Centralia/Boardman retirements has fallen off the radar. Was a request by the policy power Council, but our interest in thermal plant replacement had nothing to do with falling gas prices. While that might be the case, we'd like to have conversation with Council staff about that, to get it back on the table to be run. It would be easy to do.

Specifically, it is Scenario 1b and 2c without Centralia/Boardman and Valmy retirements.

Member Lorenzen asked what the rationale is for doing it since it will happen. What is the benefit of looking at a scenario that looks at what happens if it doesn't.?

Downen said it will provide info to those doing IRPs to see what type of thermal replacement is involved. It's informative to better understand how these retirements drive the region's conservation targets.

Lorenzen asked if he wanted a model of what happens if the plants don't shut down. Downen said he did.

Lorenzen said that the model is a regional model. It doesn't divvy out between IOUs, consumer-owned or Bonneville.

Downen replied that would be a good question to see if the model could provide that information.

Member Karier said, "The Council does not do an allocation of where the energy efficiency should be and where it's cost effective. We could do more of that to allocate specific efficiency targets, but I'm not sure you want us to do that, so I'm surprised by your request."

Member Rockefeller said that the request was so noted.

Downen also said that they appreciate the Council's transparency in conducting the business of the Seventh Power Plan. The Power Committee had a lot on its plate. But the topic given the most time on the agenda wasn't even given discussed, and that was the draft chapters being developed. Because public doesn't get to see those, I think there's value in conducting public discussions on these chapters.

Member Smith said they had a full agenda and it was unfortunate that we didn't get to it. Power Committee members are discussing this.

Chair Rockefeller adjourned the meeting at 11:19 a.m.

Approved August 12, 2015.

/s/ Bill Booth
Vice-Chair

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