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August 8, 2023

MEMORANDUM

TO: Council Members

FROM: Jennifer Light

SUBJECT: Public Power Council Remarks

BACKGROUND:

Presenter: Scott Simms, CEO & Executive Director, PPC

Summary: The Public Power Council (PPC) represents the full diversity of consumer-owned utilities in the Pacific Northwest on various issues in the region and in Washington, DC. Scott Simms joined PPC as their Executive Director in 2019. Scott will have a chance to introduce himself and PPC to the Council and talk about current priorities for the organization.

Relevance: A core tenet of the Council's work under the Northwest Power Act is to do our work in public with broad consultation. Utility customers of Bonneville are one of the key stakeholder groups, and PPC provides an important means of engagement with that community.

More Info: Scott Simms bio is attached. The PPC 2022 Annual Report is available here: https://www.ppcpdx.org/wp-content/uploads/PPC-2022-Annual-Report_FINAL.pdf.

Scott Simms, CEO & Executive Director, PPC



Scott Simms joined the Public Power Council (PPC) as the Executive Director in the summer of 2019. With more than 25 years of energy industry experience, Scott provides strategic leadership for the collective interests of the region's consumer-owned utilities that are preference customers of the Bonneville Power Administration (BPA). Scott's broad knowledge of the issues facing Northwest public power and focus on finding collaborative solutions are critical to ensuring that PPC members can continue to deliver reliable, affordable, and carbon-free power to thousands of businesses and millions of residents every day. In addition to his role as CEO & Executive Director of PPC, Scott also serves as the Chairman of the Columbia River Treaty Power Group, a coalition of consumer-owned and investor-owned utilities seeking to rebalance the Columbia River Treaty with Canada.

Prior to joining PPC, Scott spent 13 years at BPA, most recently as the Communications Director. He also held other leadership positions within BPA, including Manager of Long-Term Power Planning and Secretary to the U.S. Entity for the Columbia River Treaty negotiation process. Prior to joining BPA, Simms held senior communications positions at Portland General Electric and worked for Pacific Northwest-based public affairs firms, providing strategic communications and policy counsel to large commercial clients.

A Northwest native, Simms hails from Snoqualmie, Washington. He studied Public Relations and Political Science at Washington State University in Pullman, graduating with distinction. When he's not at PPC, Simms and his wife and daughter spend their free time exploring the Pacific Northwest and traveling internationally.



PPC Initiatives In Motion

Scott Simms, CEO & Executive Director
 NWPCC Meeting
 August 16, 2023

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Public Power Council Overview

- Since 1966, PPC has helped consumer-owned NW utilities have a unified voice on key energy issues
- We focus on the FCRPS and the Bonneville Power Administration at the regional and federal levels
- PPC represents more than 100 public power entities across 6 states – very small to very large
- We are governed by a 21-member Executive Committee that is a “working board.”
- From BPA rates and contracts to power supplies to costs for fish and other investments – PPC covers it
- Affordability, reliability and preservation of value are core to our mission



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PPC Staff and Capabilities

- Dedicated and professional staff with diverse skills in economics, finance, communications, law and more
- Consulting and outside expertise as needed



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Public Power Council Overview

All PPC initiatives boil down to this simple but important fundamental view about BPA competitiveness.



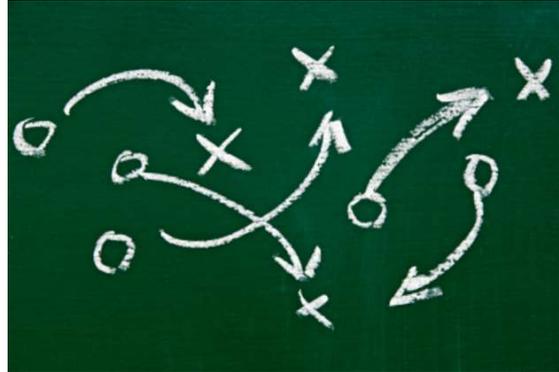
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Today's Gameplan

- PPC Value Proposition to members
- PPC Key Initiatives
 - BP-24 Rate Case
 - Post-2028
 - Fish & Wildlife / LSRDs
 - Market Development
 - Columbia River Treaty & Legislative Efforts
- Q&A/Feedback



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PPC Value Proposition to Members

We are the lead voice for NW public power on BPA issues; developing common policy positions that get real results. Our approach includes:

- FCRPS and FCRTS mission-critical issues: Using data and analysis to drive advocacy and policy
- Legislative/federal: Introduce, block or modify federal legislation; seize opportunities (infrastructure bill, WRDA). Maintain DC relations with Congress/agencies
- Leverage the collective size of public power: Consumer owned utilities are strongest when they are a united front; PPC is the largest convener of public power in the Northwest.

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PPC Value Proposition to Members

Examples of core PPC initiatives include:

- Rate cases, contracts, BPA IPR, financial policies: Ensure prudent spending, adequate funding for customer priorities, maintain accountability. Lead 2028
- Fish mitigation: Increase effectiveness/value for investment and protect customer interest and exposure to new costs. Litigate when necessary.
- Market Development and Resource Adequacy: Protect BPA customer interests and maximize revenue opportunities
- Columbia River Treaty: Represent the customer interest on Entitlement rebalancing with Canada and working to wall off new cost exposure.

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BP-24 Rate Case

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Contentious BP-24 Rate Proceeding

- PPC structured a productive rate case settlement for NW public power
- BPA was legally challenged; PPC submitted testimony on behalf of public power urging BPA to hold the line on rates
 - Several NGOs still tried to sway BPA's decision
- BPA released Final Record of Decision in BP-24 Rate Case at the end of July
 - Holding rates flat for next rate period of Oct. 2023 to Oct. 2025.
 - PPC: \$462 million of value to publics



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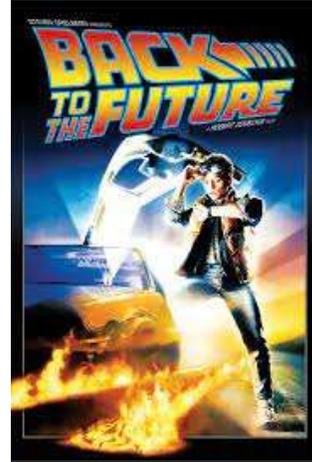
Post-2028

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Back to the Future: Post-2028

- Current contracts with BPA run through September 30, 2028
- Strong PPC focus on making sure BPA offers the best array of options for customers
- PPC is working as a convener for ALL of public power, not just a subset
- We worked to find solutions that are durable enough to work for ALL NW public utilities.
- BPA acknowledged PPC role as convener of public power/advocate for all interests



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Market Development

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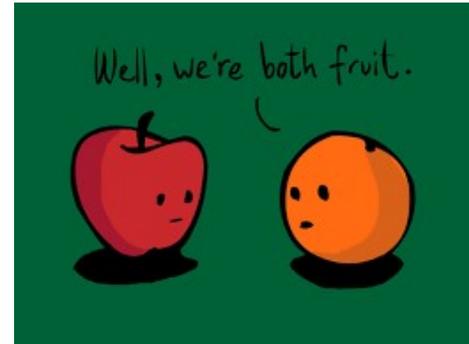


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“Frameworks” Under Discussion for Western Markets

- Real-time/Energy Imbalance Market
 - Ex. CAISO EIM, SPP WEIS
- **Day-Ahead Market**
 - CAISO EDAM, SPP Markets+
- Regional Transmission Organization (RTO)
 - CAISO, MISO, NE ISO, SPP or previous NW attempts like Grid West/Indigo
- Bottom line: Doing what’s best for BPA and public power, upholding statutes

PPC primary focus area



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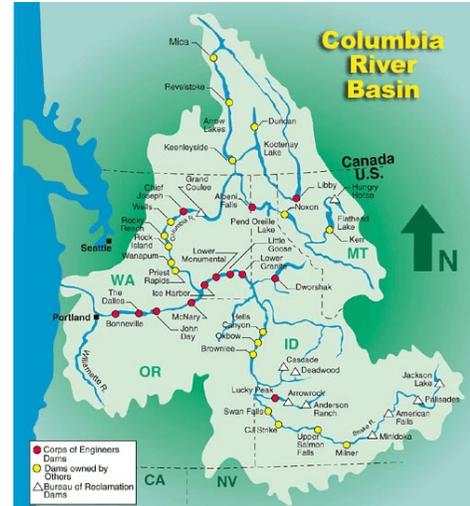
Fish & Wildlife / LSRDs

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Fish & Wildlife and Lower Snake River Dams

- Murray-Inslee Process
 - Concluded August 2022: LSRD breaching not feasible now/Congress in control
- CRSO EIS Litigation and Stay
 - CEQ and FMCS engagements – PPC is a litigation defendant.
 - Stay in litigation continues through August 31
 - CEQ's public process is lackluster
- Other interests are trying everything possible to discredit our efforts
 - The LSRDs remain some of the lowest cost, highest value resources
 - Fish survival rates at the federal projects are comparable to undammed rivers



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Columbia River Treaty & Legislative Efforts

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CRT & Legislative Efforts

- The “Canadian Entitlement” power sharing benefit is off balance and in Canada’s favor today to the tune of \$300 million/annually
 - Prepaid flood control and Aspects of Delivery designed to end Sept. 2024. We are close to the one year countdown!
 - Columbia River Treaty Power Group
- Legislative Efforts
 - WRDA (Willamettes)
 - BPA Borrowing Authority
 - Monitoring all Senate and House bills covering energy that could impact us



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QUESTIONS?

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Visit us at: www.ppcpdx.org

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