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Northwest **Power** and **Conservation** Council

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Montana

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Montana

August 8, 2017

MEMORANDUM

TO: Council Members

FROM: Ben Kujala, Power Division Director

SUBJECT: Briefing by Public Power Council on regional issues of customer concern to consumer-owned utilities

BACKGROUND:

Presenter: Scott Corwin, Executive Director, Bo Downen, Senior Policy Analyst, Michael Deen, Senior Policy Analyst, Public Power Council

Summary: PPC will be presenting on regional issues of customer concern to consumer-owned utilities.

Background: The Public Power Council (PPC) represents the Pacific Northwest's consumer-owned utilities on important issues in the region and in Washington, D.C.

They have a diverse membership, with electric utilities ranging in size from 10 to 400,000 customers in seven western states – including Washington, Oregon, Idaho, Montana, Nevada, Utah, and Wyoming.

Members include municipal utilities, public or people's utility districts, and electric cooperatives.

More Info: <https://www.ppcpdx.org>

Northwest Power and Conservation Council August Meeting

Public Power Council

August 15, 2017



**PPC Mission:
Preserve the benefits of the Federal Columbia River
Power System for Consumer-Owned Utilities.**



PPC Staff



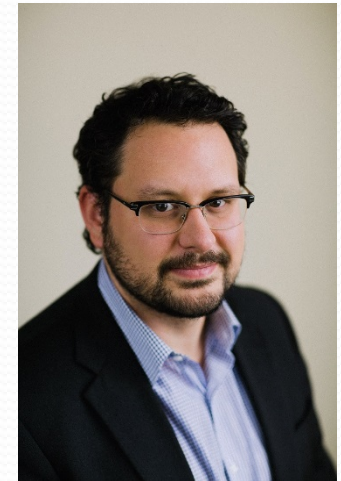
Scott Corwin
Executive Director



Kevin O'Meara
Deputy Director



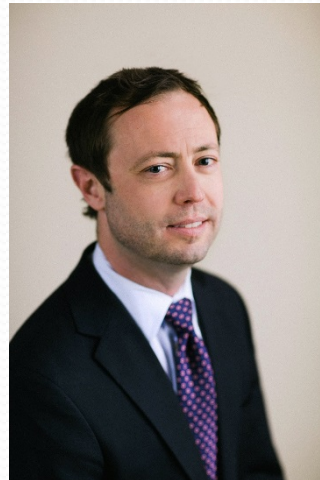
Nancy Baker
Senior Policy Analyst



Michael Deen
Senior Policy Analyst



Karen Dooley
Administrative Specialist

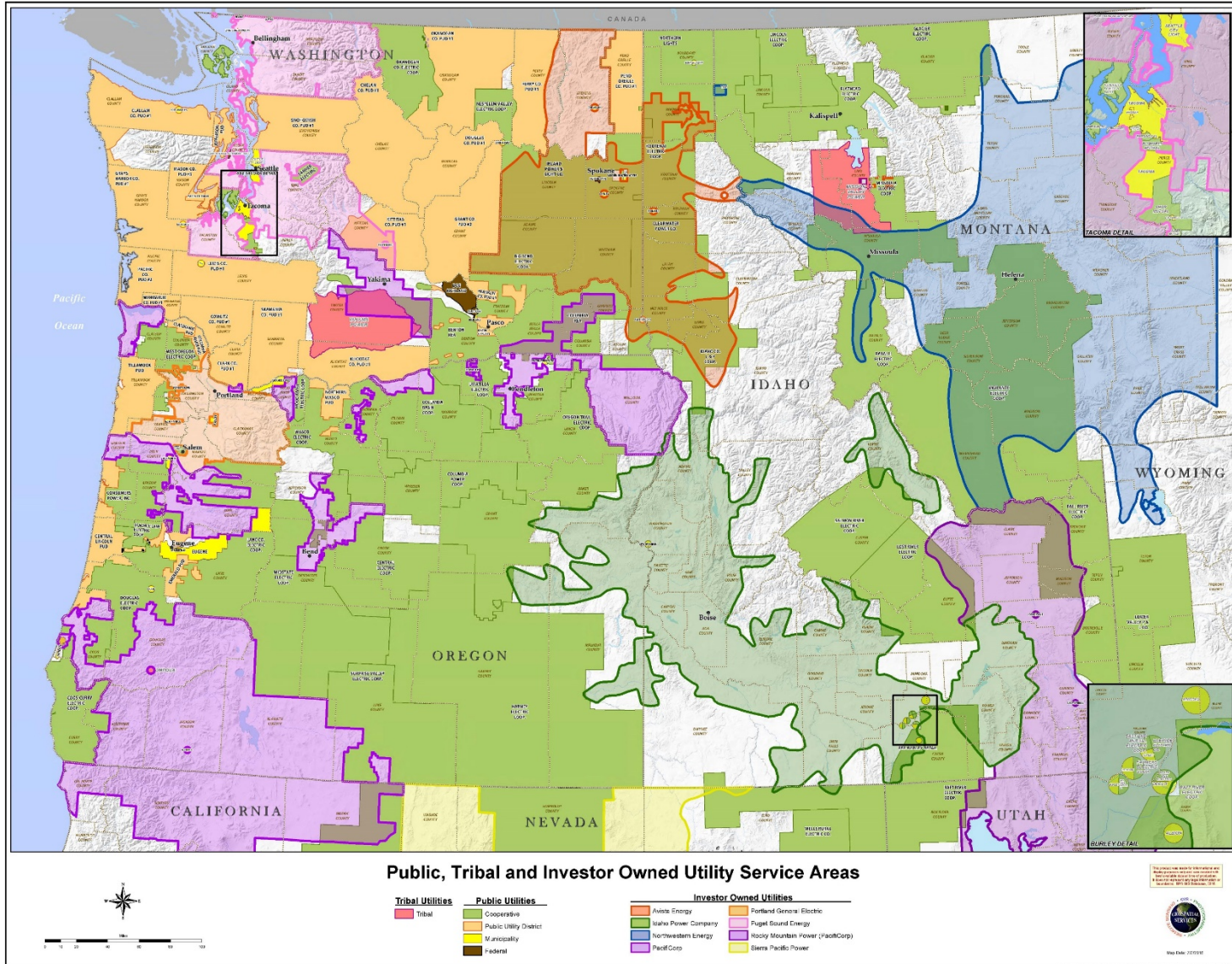


Bo Downen
Senior Policy Analyst



Irene Scruggs
Staff Counsel

Regional Utilities



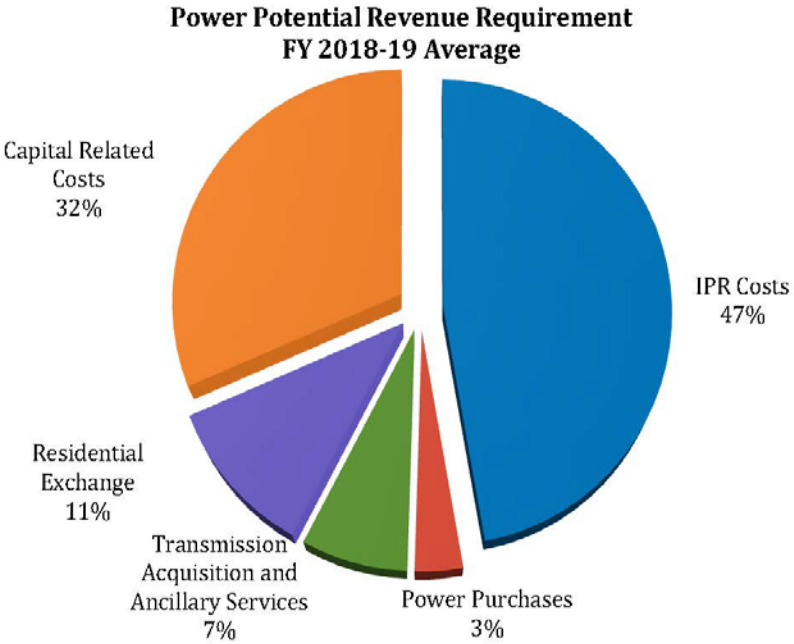
Public Power Council – Key Regional Roles

- *Coordination*: Provide a monthly forum for debate, strategy, and coordination. Governed by a 21 member Executive Committee
- Address costs and reciprocal benefits in BPA *budgets and rates*. Impact large issues directly affecting power and transmission rates.
- *Inform*: Provide information and analytical/technical, legal, and government affairs expertise.
- *Advocate*: on many issues relating to federal power and transmission; Current operations, planning forward, and defense from attacks.
- *Venues*: Advocate at BPA, Northwest Power and Conservation Council, Ninth Circuit Court, FERC, Congress, Administration.

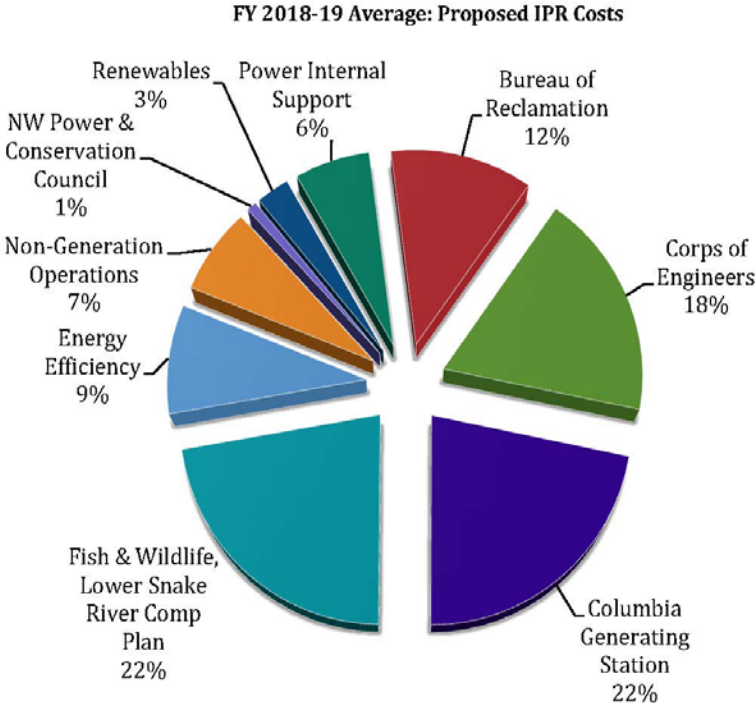
PPC Capabilities

- Technical and Legal Staff and Consultants
 - BPA Rate Cases
 - Expertise in Production Cost, Rate Design, Resource Planning, and Financial Modeling
 - Fish Biology Expertise
 - Dam and Reservoir Operations Technical Team Participation
 - Transmission Policy, Operations, and Planning
 - BPA Related Litigation
 - Federal and Regional Government Affairs

BPA Power Cost Breakdown

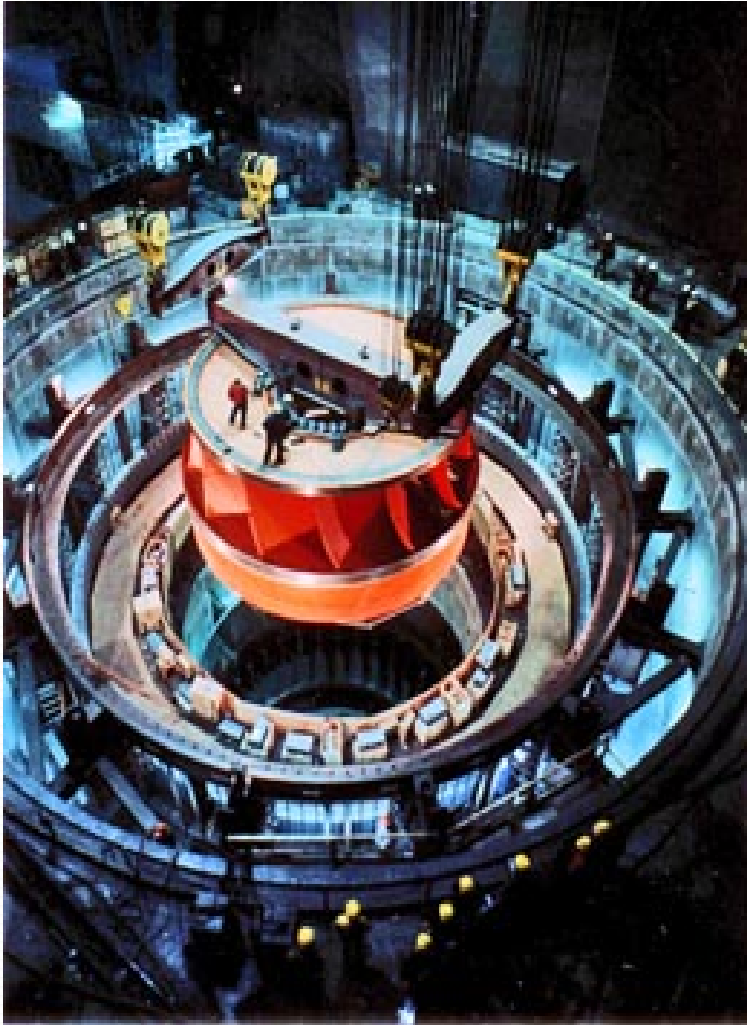


Total BPA Power Revenue Requirement - \$2.9 billion annually



Program Spending subject to "Integrated Program Review" - \$1.4 billion annually

Bonneville Budgets and Rates Key Drivers



- Capital
- Power: USACOE, BOR, ENW
- Financial Reserves
- Fish Related, about \$700M/yr, including spill and other operations.
- Energy Efficiency
- Transmission

Management, Process, *Culture*

- Integrated Program Reviews
–reductions of \$80m (power)
\$28m (transmission)
- Short and Long-Term:
Budget Mgmt. Revisions

The trend of BPA Power Rates

- BPA has just concluded the BP-18 Rate Case
 - 5.4% increase to average Tier 1 Power rates
- Including this increase, since 2009 BPA's power rates will have gone up 34%
- Rate of inflation during this time has been 14%
- Unsettling trend for utilities and end-use customers while wholesale markets show no signs of increasing

Competitive Long-Term? BPA Rate vs. CCCT and Mid-C

Figure 3: Power Rates Compared to Mid-C

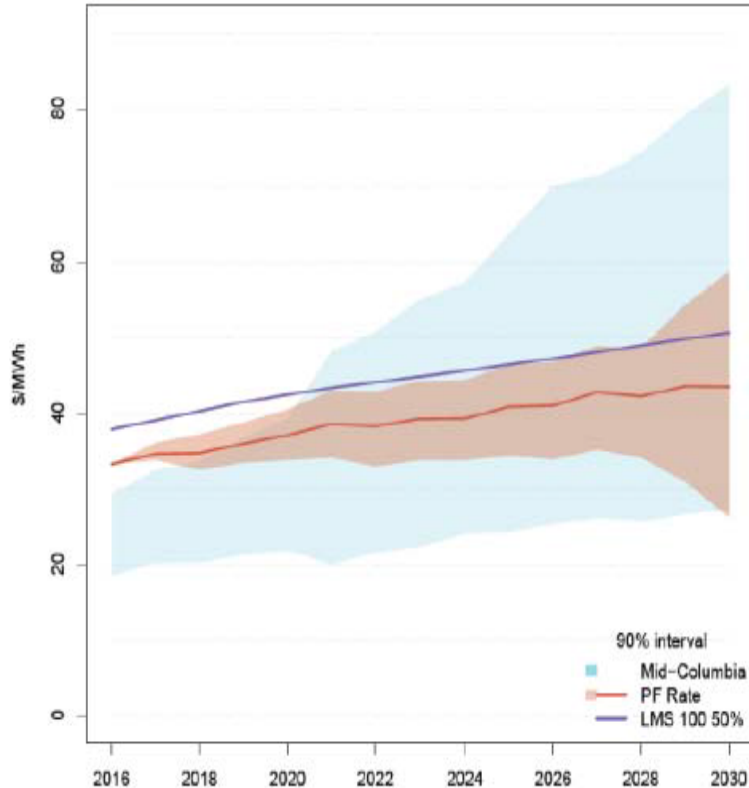
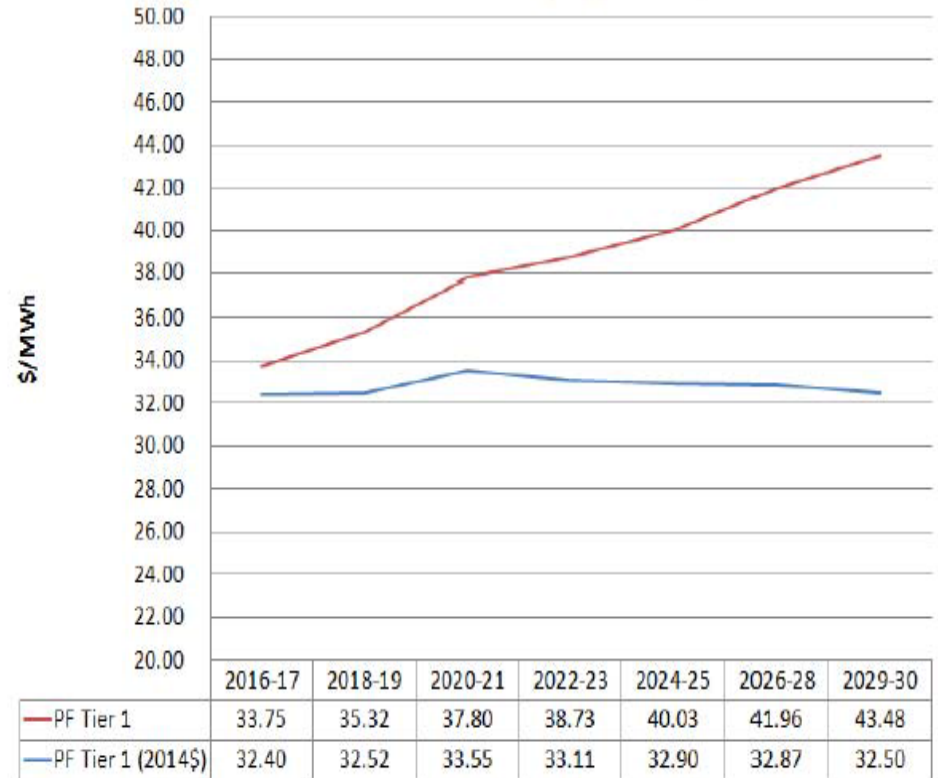
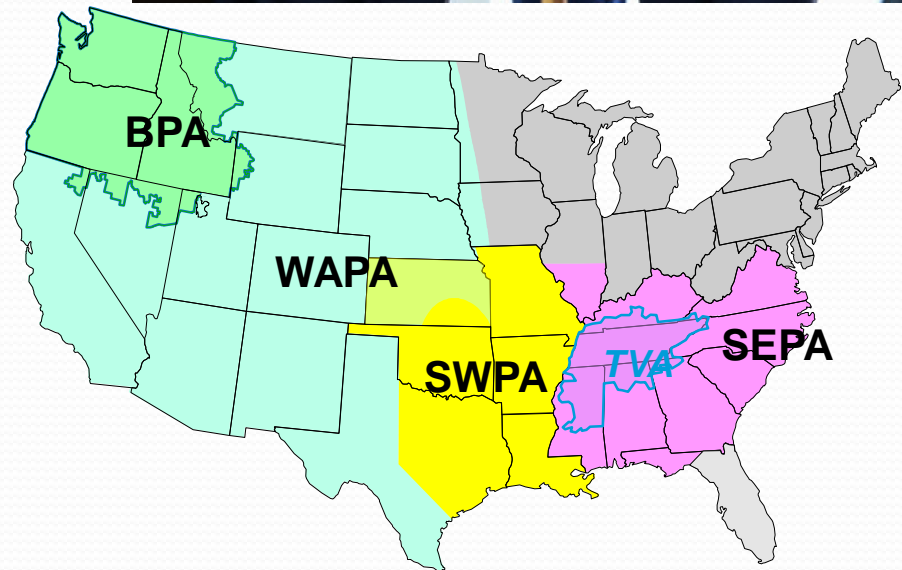


Figure 4: Preference Tier 1 (PF) Rates, FYs 2016-2030



New Administration/ New Congress:

- Opportunities/Risks for BPA and Public Power?
- Energy Policy – Treaty, Carbon, et. al.
- Budget Policy – PMA Transmission Sale Proposal
- Environmental Policy
- BPA area unique among Department of Energy Power Marketing Administrations



Opportunities to Work Together with NWPCC

...to assure the Pacific Northwest of an adequate, efficient, economical, and reliable power supply...while protecting, mitigating and enhancing fish and wildlife resources...

Power

- BPA Resource Program Revamp
- NWPCC Advisory Committees
- BPA Public Processes

Fish and Wildlife

- NWPCC Cost Savings Workgroup
- RM&E Review and Cost-Effectiveness Evaluations
- Overall Effectiveness of F&W Mitigation – Best Use of Limited Resources

Questions?

Scott Corwin

Michael Deen

Bo Downen

Public Power Council

503-595-9770

