

Jennifer Anders
Chair
Montana

Tim Baker
Montana

Guy Norman
Washington

Patrick Oshie
Washington



Northwest Power and Conservation Council

Richard Devlin
Vice Chair
Oregon

Ted Ferrioli
Oregon

Jim Yost
Idaho

Jeffery C. Allen
Idaho

Council Meeting March 12 and 13, 2019 Portland, Oregon Minutes

Tuesday, March 12

Council Chair Jennifer Anders called the meeting to order at 1:30 p.m.

Council Members Guy Norman, Richard Devlin, Ted Ferrioli, Jim Yost, Jeffrey Allen and Tim Baker were in attendance. Member Tom Karier joined by phone.

Member Anders welcomed Idaho's new Council Member, Jeffery Allen, who was appointed by Idaho Governor Brad Little. Member Allen has been the Council's Idaho Office director and policy analyst since 2008.

Reports from Fish and Wildlife, Power and Public Affairs Committees

Fish and Wildlife Committee

Council Member and Fish and Wildlife Committee Chair Guy Norman shared:

1. The Committee had a three-hour work session on the Amendment process. The recommendations received this year progressed further in terms of support for mitigation, and specific recommendations for the reintroduction of anadromous fish above Chief Joseph and Grand Coulee dams.
2. Nancy Leonard, program performance manager, gave a history on resident fish mitigation, including resident fish passage. She gave a rundown on comments from states, tribes and federal managers. She walked the committee through program

goals, objectives and strategies.

3. Yakama Nation representatives talked about the Klickitat spring Chinook master program. It has been in play since 2005. This review looks at integrating native brood stock and phasing out hatchery brood stock. The committee is supportive of the project. There will be a presentation to full Council next month.
4. Larry Pryor, NW Fisheries Enhancement, talked about partnerships with hatchery operators with a focus on cost efficiency and higher fish returns.

Power Committee

Council Member and Power Committee Chair Tim Baker shared five items:

1. There was a high-level discussion with Ben Kujala, Power Division director, on the Power Plan. As stated before, they are switching the name from the Eighth Northwest Power Plan to the 2021 Northwest Power Plan. Kujala circulated a draft table of contents at the committee meeting.
2. Staff presented how it provides a consistent treatment of quantifiable resource costs. It has a framework documenting how the Council evaluates and accounts for costs across all resources (generating resources, energy efficiency, demand response) in power planning. It's the first time that these assumptions have been deliberately compiled and captured in one place, leading to a fuller discussion of how resources compare.
3. There was an explanation of the transmission and distribution deferral value for the 2021 Northwest Power Plan. Energy efficiency, demand response and certain generation resources could defer the build out of transmission and distribution (T&D) system infrastructure by keeping loads below threshold levels. During the last power plan, there was a lot of discussion on the values the Council used. The number has a lot of importance to our process, Member Baker said.
4. There was an entertaining presentation by Mike Starrett, energy analyst, on electric transmission in the Northwest — how it is marketed and how it's accounted for. Other areas do it differently using markets, whereas the Northwest use bilateral transactions. It was the beginning of a larger discussion on how the grid is managed and how it compares to a centralized market.
5. There was a discussion of the Council's proposed response to the Department of Energy's Notice of Proposed Rulemaking (NOPR) for revisions to the federal efficiency standards processes, or "Process Rule." DOE asked for Council comment on 12 proposed changes. Staff had concerns about three: *Significant Energy*

Savings Threshold, Adoption of Industry Standards, and Negotiated Rulemaking.
The staff's proposed responses will come back to the Council for review.

Public Affairs Committee

Council Member and Public Affairs Committee Chair Jeffery Allen said was no meeting last month, but there will be one this month.

1. Briefing on Columbia River Basin salmon and steelhead returns for 2018 and run forecast for 2019

Lynn Palensky, fish and wildlife program development manager, introduced a panel of state managers who provided the annual salmon and steelhead returns for 2018 and forecast returns for 2019. The panel members were: Dan Rawding, Washington Department of Fish and Wildlife; Art Martin, Oregon Department of Fish and Wildlife; Lance Hebdon, Idaho Fish and Game; and Brian Burke, NOAA.

Next month, there will be a report on sturgeon and eulachon, Palensky said.

Burke led the panel with a review of ocean conditions, which plays a huge role in salmon survival. He described how they conduct fish surveys. Burke said in September 2014, the warm blob shifted from being offshore to onshore and impacted the coastal ecosystem. That lasted about three years. There also have been multiple El Niño events, and there was a La Niña at the equator producing colder-than-normal temperatures. While we still see signals of the blob lingering, we're experiencing pretty neutral conditions, he said.

Burke reviewed the changes impacting other species, such as jellyfish, and has affected the migration behaviors of predatory species.

Burke said there was improved salmon catch in 2018, and that 2017 was the lowest catch of coho and Chinook in 20 years of sampling. He expects a high return of coho and average returns of Chinook in 2020. They don't rely solely on this data and use a wide variety of indicators. Burke explained the stoplight chart, which shows metrics measured in the ocean that correlate to salmon returns. They are seeing a movement to pre-blob conditions.

The conclusion is that the physical environment is somewhat neutral. That's good news. Some aspects of the ocean ecosystem appear to be back to "normal" while others are still changing. The expected returns in 2019 are:

- Spring Chinook: Similar to last two years
- Fall Chinook: Slightly higher than last year
- Coho: Better than last several years

Burke cautioned that all the stocks come out at different times and go to different places and interact with the environment differently. So, when we aggregate all these different populations, that's simplifying things quite a bit.

Member Devlin asked about prior forecasts. In 2017, upriver spring Chinook was forecasted to be 160,000 and the actual was 115,000. In 2018, recovery was forecasted to be 166,000 and the actual was 115,000, and has been lowered to 99,000 for the coming year. In 2017, the summer steelhead forecast was 130,000 and the actual was 116,000. It was supposed to improve to 190,000 in 2018, but the actual was 100,000. Now the forecast for 2019 is 126,000. How much of this is science and how much is art? How confident are we in these forecasts?

Rawding replied that Member Devlin highlighted the challenges they have in forecasting. We're as good as looking at weather six months out, he said. We have limited information to make those forecasts. He said for chum, they forecast 4,000 and got 10,000, so they have missed both ways. The models they have don't account for things that cause ocean variability.

Member Devlin asked if there's a loss of information from losing the measurements of the fall run. Burke replied that there are ecological dynamics happening in the fall that we're no longer measuring due to budget cuts and cost increases. They may not even be measuring May in the future, and then they would have absolutely no information on steelhead. Burke described future funding level options and said they are severely underfunded. They also don't have a good handle on what's eating these fish. Predator populations have expanded their range.

Rawding, Martin and Hebdon recited the returns and forecasts for the region's anadromous fish populations:

Upriver (above Bonneville Dam) Columbia Spring Chinook: The 2019 forecast is 99,300; the 2018 forecast was 166,700 and the actual return was 115,000. The upper Columbia part of the run, a federal endangered species, is estimated at 11,200 total (2,100 wild); the 2018 return was 12,844 (1,977 wild). The upriver run has experienced low returns for years.

Columbia River Fall Chinook: The 2019 forecast for the total return is 340,400; the upriver component is 261,100. The total 2018 return was 291,100 fish (214,000 upriver). On average, the upriver fish (above Bonneville) have represented about 80 percent of the total return.

Columbia River chum salmon: the 2019 forecast is 10,000 fish. While the fish historically ranged as far inland as The Dalles, today nearly all chum spawn downstream of Bonneville Dam. Run sizes vary year to year and have ranged from 5,000 to about 40,000.

Sockeye: The 2019 forecast is 94,400 fish; the 2018 return was 99,000. Most of the Columbia River run spawns in the Okanagan and Wenatchee river basins, but there is a very small component of Snake River sockeye, an endangered species. The forecast for those fish in 2019 is 43 natural-origin, compared to 36 last year, and 86 hatchery fish, compared to 240 last year. Fish raised at the new sockeye hatchery in Springfield, Idaho, should help boost adult returns in future years.

Snake River fall Chinook (combined natural-origin and hatchery): 10,016 hatchery and 5,435 natural-origin fish. Those numbers are close to the 2018 returns.

Willamette spring Chinook: The forecast is for 42,490 fish in 2019, compared to a total return of 39,660 and a forecast of 55,950 in 2018.

They also shared 2018 Non-Indian sport and commercial fishery numbers and 2018 Treaty Indian Fisheries numbers. There were no mainstem fisheries for spring and summer Chinook. There are small fisheries in the fall. There is increased hatchery production in those zones.

Member Karier said the look for 2018 is pretty dismal. We generally blame ocean conditions, but it was one of the worst in 20 years after we put a lot of investment in fish recovery. Do you still see an upward trend? Are the returns better than they would have been otherwise?

We don't look at that specifically in this forecast, Rawding said. We're not forecasting from smolts and how they might survive. We've seen some increases in smolt production and in other places it's remained flat. There's so much noise in adult forecasting, we can't separate a signal on how habitat is doing on our forecasting models.

Member Karier asked if anyone doing that research. Rawding replied that is what ISEMP and CHAMP were trying to look at. That program doesn't exist anymore.

Burke said the freshwater habitat impact actions is that we provided more food and refuge. The problem is there's a lack of data on the fish entering the oceans.

Member Norman said that 2018 was an over-forecast year, and other years are under-forecast. He asked about a chart showing a track record of forecasts for some species. Rawding will send that along.

Member Karier asked how harvest relates to the numbers. Do you base harvest on forecasted returns or on fish coming back? Rawding said that for harvest, we have abundance-based management. In years of high returns, we harvest at a higher rate and in years of low returns, they harvest at a lower rate. We have a minimum escapement rate and

we try to manage to that escapement objective. If Burke were to help, he would have to forecast four to five years out.

Now we know why it's an art rather than a science, Member Anders said.

2. Presentation by Roger Gray, CEO, PNGC Power

Ben Kujala introduced Roger Gray as the new CEO of PNGC Power, a Portland-based electric generation and transmission cooperative. Gray previously served as CEO for Northwest Requirements Utilities (NRU) and as Eugene Water and Electric Board's general manager and CEO.

Gray provided an overview of PNGC, which is a cooperative of 15 small-to-medium-sized utilities in seven states. It has 200,000 customers and a peak load of 1,400 MW.

PNGC has a single BPA power contract. In 2007, when the contracts were signed, BPA was unquestionably competitive, Gray said. Today, there are lots of questions. BPA remains competitive on an apples-to-apples comparison. It has a unique set of projects and it can't be compared to the Mid-C spot market.

But Gray said he is deeply concerned about their power supply and they're working very hard to preserve the economics of this BPA treasure. We have 80 plus years of legacy with this system, he said, so it's important to save it. If not, their current contracts are up in 2028 and they won't want until then to make decisions about their power supply. It will be in 2020-2022. Some have said the BPA system is grossly uneconomic and that's not true. Some pieces are very economic and others are not. Some point to the Snake River system. You can't match the Snake River power supply for its firmness, flexibility and carbon free power for about \$15 per MWh. However, the Willamette system is a dog. But people who care about flood risk management care deeply about the system, so dam removal won't be discussed.

Looking at the Seventh Power Plan and the region's integrated resource plans (IRPs), energy efficiency remains our greatest resource. Some of the new things introduced are demand response and distributed management, which is used routinely elsewhere. Idaho Power's agricultural system uses demand response the most, interrupting pump loads, etc.

These same IRPs show that we need renewables, especially for meeting carbon objectives, but we also need a little gas for reliability. As coal plants close and carbon policies are passed, this needs to be addressed.

Looking at the Eighth Power Plan, Gray said his concern is that we're taking a macro plan for the region and trying to apply it at the utility level. It's not a one-size-fits-all solution. Gray talked about what he describes as a "near-miss incident" on Feb. 25 and March 2 and 3, when wind power virtually disappeared in the Northwest and California solar was dimmed

by cloud cover. Thousands of megawatts were gone, Gray said. Power prices exploded. They had been at the mid \$20s per MWh for a long time, but hit a price cap of \$1,000 and were at \$800 per MWh for most of the weekend. A combination of things took place, including the loss of the DC line from Celilo to Los Angeles. We don't want to get that close to a California energy crisis again, he said.

Closing coal and not replacing it with gas needs to be addressed, he said. We need to evaluate what occurred.

Member Ferrioli said it's gratifying to hear someone bring a message I agree with. You can't sacrifice the good on the altar of the perfect. When you can't get energy, you have problems. The takeaway is cautioning people on embracing an ideology without strategies on how to get there.

Member Karier said he also hopes someone does a study. It was driven by short supply and an increase in demand. Who were the winners and losers? Gray said he was a big loser. PNGC generally is in term deals. Electricity is the most volatile thing on the planet, making oil look stable. There weren't many winners. The power supply was very tight and natural gas prices went high. Canada helped BPA with water deliveries. Maybe wells in Alberta made money, but they've been losing on low gas prices for years.

Council Member Yost asked Gray how he would deliver a message about needing gas for integration and reliability. How can we connect to policymakers who have blinders on for renewables? Gray replied that he's not resistant to renewables and he's in favor of carbon reductions. If you want to get to 80 percent carbon-free, we probably could get there, he said. However, getting to 100 percent will drive prices through the roof and reduce the value of renewables. California thinks they can do it with batteries; the Northwest can't. Our battery is the hydro system, and gas is the other battery to convert fuel into electricity quickly. We need to give policymakers clear instruction on what the alternatives are.

Member Devlin said he was hopeful that the bill in the Oregon Legislature would pass to get to an 80-percent level. The reality is that there aren't enough tools on the transportation side. He's afraid that in a few years, when we're not getting close to the numbers, we'll want to go to 90 and 100 percent carbon-free, and the cost will be so much greater.

3. Presentation by Nicole Hughes, Executive Director, Renewable Northwest

Renewable Northwest Executive Director Nicole Hughes assumed leadership of the organization nine months ago, replacing Rachel Shimshak. Hughes, who used to work as an archaeologist at Bonneville, shared the organization's policy, regulatory, transmission and clean-energy priorities with the Council.

She said one of RNP's priorities is the probable passage of Washington's 100 percent clean-energy bill, which sets a target of 100 percent clean electricity by 2045. Hughes acknowledged that the cost of getting to 100-percent clean energy today would be untenable, but if advances in renewables and storage over the past 20 years continue on the same trajectory, we will see solid economic solutions to getting to 100 percent clean in the future. "I firmly believe we can get to 100-percent clean, but it will require significant investment by everybody on how to balance the system and maintain its reliability," she said.

RNP's other priorities include tracking utility IRPs and advocating for replacing the region's coal-fired generation with renewables. She also said they are interested in the region's transmission to more effectively use the existing system to avoid buildout of new transmission.

They are participating in the energy imbalance market process and they are encouraging BPA to get to that record of decision soon. They also are working with the OPUC to help them understand some of the issues around transmission.

Hughes talked about the roll the Council can play in achieving clean-energy goals. This includes:

- Engagement on cost effective ways to incorporate more renewables;
- Incorporation of transmission into planning efforts;
- Modeling the hydro system to expand capabilities of balancing variable energy resources;
- Modeling of the hydro system to account for effects of climate change; and
- Using relevant cost projections for modeling renewable and storage cost curves.

Member Yost asked how the RNP is viewing storage as a major solution. You said it has improved dramatically, but it won't do much, he said. We need 10 days of storage, not 10 hours.

Hughes acknowledged that a four-hour battery won't do it. They would be supportive of pumped hydro, which provides storage for 8-10 hours. There's a project in Goldendale that will provide significant capacity. RNP also support efforts to have customers communicate with utilities through smart meters to aid in the efficient use of batteries. They also want to be involved in distribution planning.

Member Norman asked about expanding the balancing capability of the hydrosystem. She replied that last year, PGE identified the need for new gas in an IRP — to expand the Carty plant. We helped them, along with Bonneville, identify a short-term capacity product that could be used in lieu of gas, she said. Administrator Elliot Mainzer is interested in Bonneville being more transactional in providing short-term capacity contracts.

Member Karier asked who in the Northwest does that kind of distribution planning? Do you envision solar panels on roofs, electric vehicles and demand response water heaters? Hughes said all those things and more. The OPUC is starting a distribution planning process, and the outcome will be an RFP process. She doesn't know if other utilities are going through a thorough distribution planning process.

Member Devlin said he met with an investor in solar facilities who called Grand Coulee the greatest battery. He expressed concern about the analysis of battery storage. Some are counting on low-cost power from California. He doesn't know how long California solar will be cheaper and he thinks battery technology has a way to go. We're blessed with a hydro base. Some entities have 15 percent renewables and the rest is coal and gas. Some will need access to power they don't have now. So demand and prices will change.

She replied that Washington's clean energy bill shows that it values the hydro system and regional utilities will derive great value from fully utilizing it.

Member Ferrioli observed that on RNP's 2019 list of priorities, siting is a key area. Can you talk about that? There were two rulemaking processes in Oregon around siting environmental projects, she replied. One was rulemaking sponsored by ODOE — the FSEC process. It looked at whether FSEC should conglomerate multiple small solar projects into one and make them jurisdictional to be reviewed at the state level. The Department of Lands and Conservation is looking at solar siting on farm land. We've been participating in that one. The idea is to make it easier to site energy projects in Oregon. Oregon is second only to California as the most difficult state to get a project permitted and built. It has to do with land use concerns.

Member Ferrioli thanked Hughes for acknowledging the problem of advocacy wars. He said that advocates from the solar industry are papering Eastern Oregon with opportunities. If you have 160 acres and you're near a transmission line, you're a candidate. I can see it will be an issue, a land-use issue. Siting could help achieve some of the goals some have embraced, but not without a fight. I cheer you on from the sidelines. I don't think we should build in California solar as an inevitable opportunity for Oregon. They're working on storage, we're working on storage. I don't think California will be interested in selling us cheap power. They'll want to sell storage technology.

Hughes said California is going to suffer in getting to 100 percent with the strong border they have on bringing renewables into their state. I look at our hydro and wind as valuable assets in getting them to their goals, she said. I want to eliminate barriers to getting it there.

4. Briefing on PGE's Wheatridge Renewable Facility: Brendan McCarthy, PGE

Gillian Charles, energy policy analyst, introduced Portland General Electric's (PGE) Brendan McCarthy, state environmental policy manager, and Jimmy Lindsay, resource strategy project manager. McCarthy provided a high-level overview of the Wheatridge

Renewable Facility, which will be located in Morrow County, Oregon. The facility will combine 300 MW of wind power, 50 MW of solar photovoltaic and 30 MW of battery storage. PGE is building the facility with NextEra Energy. The project is a \$160 million investment that will create about 300 construction jobs and then 10 full-time operations jobs.

The wind portion of the facility will begin operation in 2020, while the solar and battery components will commence in 2021. PGE will own 100 MW with a power purchase agreement for 200 MW. During its 2016 integrated resource planning process, PGE identified the need for 100 average megawatts of clean power to help meet renewable portfolio standards and a need for capacity. PGE's Boardman coal plant is scheduled to cease coal-fired generation in 2020.

Member Karier asked what the advantage is to having all three components in the same area. Lindsay replied that co-locating has advantages for interconnection costs. Also, there are some tax advantages in that if solar and storage are co-located, they can qualify for the solar investment tax credit.

Member Devlin observed that the wind is straightforward. In your 2016 IRP and 2019 IRP, solar was not identified as a preferred alternative, he said. Can you talk about why it was selected? Solar, at 50 MW nameplate capacity, and might produce 15-18 MW, which is more than what's needed to recharge storage. How will PGE utilize this facility? Lindsay replied that they expect resource cost assumptions in the IRP to change. We found this project had the maximum benefit for a given price, he said. The solar resource can deliver energy to customers, along with wind, and charge the battery. We can call on storage during late evening hours to meet peak capacity needs. We can charge the battery when power prices are lower. Also, we use the flexibility characteristics of the battery to call upon reserves more efficiently.

McCarthy said they have been working with batteries since 2012-13. They have been used successfully in frequency support. It's also pursuant to a bill adopted in 2015 to do more battery storage. There's an application at OPUC for five separate projects for a generation quick start battery, substation batteries and in-home batteries. This is another step in thinking about more variable energy sources.

Member Ferrioli said a lot of wind facilities in Morrow County have access to transmission. Did you have to make prior arrangements, or piggyback on PGE's existing transmission? Lindsay replied that the RFP required all bidders had to have access to transmission.

Member Ferrioli urged folks to go to Heppner for its largest and most enthusiastic Irish Festival, which takes place March 14–19. My Irish grandfather homesteaded in Heppner, Member Anders said.

Member Baker asked how did transmission play out for Montana wind? It's a challenge faced by Montana developers. Lindsay replied that they received a number of bids from

Montana wind projects. Consistent with the findings from the Murdock study, they were able to deliver to PGE's system and meet PGE's transmission requirements. It wasn't selected as it wasn't the best option economically or commercially. But they were pleased to see Montana as an option.

Public comment on any issue before the Council

Fred Heutte, NW Energy Coalition, spoke on his organization's view of recent events in the power markets, which were mentioned in Robert Gray's presentation. First, he invited everyone to their Spring 2019 Clean and Affordable Energy Conference in Boise on May 3.

He said the coalition produced an initial assessment of what's been happening in the "crazy" power and gas markets in recent weeks. One day, Mid-C power was priced at \$900 and Sumas gas at \$150, with trades above \$200. It set a record for a single day. Prices were well above average for six weeks overall, plus it reflected developments in California. The interdependence of gas pipelines and electric grid, and gas markets and power markets, all come together under periods of stress. They called it the double squeeze. He further described the phenomenon and how it could occur again. He said we weren't in serious danger of a loss of load, but it was a close call. It reveals some issues, such as the non-alignment of the gas nomination cycle and the coordination between gas and electric systems. He said that PNUCC has a group that meets on this.

He said we also want to focus on the need for peak load reduction. It was talked about in 2009, but we haven't done very much. It entails demand response, energy efficiency and other operational things to reduce electric and gas demand during these kinds of events. Plus, gas power plants aren't considered priority core customers. Core customers are residential load. We have to think again about power supply from gas (which is on the margin) and whether it should be secondary or elevated in some way. Finally, we need to diversify generation resources and capture more of the capacity value resources, such as Montana wind.

Chair Anders recessed the meeting at 4:36 p.m.

Wednesday, March 13

Chair Anders called the meeting to order at 9:33 a.m.

5. Remarks by Scott Armentrout, vice president of environment, fish and wildlife, Bonneville Power Administration

Armentrout started in his new position November 1, 2018. He moved to Portland from Colorado and has worked throughout the west for the U.S. Forest Service.

Armentrout said power markets have changed so much that power price competitiveness has required us to ask a lot of questions about why we're funding a project. Other questions include, how are we tracking that project through time? Is there a trigger or an exit ramp? He said we've spent billions of dollars, and we're still spending hundreds of millions of dollars a year, and it's one of the best-achieving programs in the nation. So, what are the next steps we can take and still deal with our emerging priorities? The demands have not reduced over time.

Armentrout referred to Bonneville's 2018-2023 Strategic Plan, which says to improve cost management discipline and prioritize fish and wildlife investments based on biological effectiveness and mitigation for FCRPS impacts; and manage fish and wildlife program costs at or below inflation, inclusive of new obligations and commitments.

These are strategic plans that are being moved into operational plans, he said. There are some real ramifications in that this will be different than the curve of spending that has occurred over the past decades. In recent years, they have reached some of the highest expenditures ever for the fish and wildlife program. He speculated that there will be a concerted, collaborative effort to plateau costs and then reduce them. In addition to prioritizing programs and being more efficient, there's an enterprise level of examination that needs to take place.

Armentrout said we have a great resource in having clean dams that don't present carbon issues. They provide consistent, reliable power. He pointed to optimizing fish passage through dams and said the percentages there are high for passage survival.

A lot of things are happening this year with the FCRPS. Current issues include:

- ESA Biological Opinions – It's hard to figure out what some of the options are and what decisions need to be made. It's a big undertaking and is critical to understanding our options.
- Proposals for increased spill and dam breaching – They are conducting the most comprehensive analysis of the effects of breaching on power and transmission.
- CRSO EIS and system operation alternatives and tradeoffs – We received a presidential directive to complete this a year earlier than planned. In February 2020, you'll see a draft EIS come out, and there will be a record of decision in late 2020.
- Columbia River Treaty renegotiation – It's ongoing and is something that hasn't happened in a generation.
- Implementing Fish Accord extensions – They have been highly successful. Elliot Mainzer sent a letter wanting to extend the accords to a full, four-year term.

He credited his staff, John Skidmore, Crystal Ball, Dory Welch and Ben Zilinsky.

Other issues include adapting to climate change, ocean conditions and predator management.

Member Karier noted the increased focus on biological effectiveness. He asked what do you do with that information for funded projects that are locked in with the court? Armentrout said there's a wide range of opinion on that and weather BPA should ask that question. It's a cornerstone of the Strategic Plan. We shouldn't do project because it sounds good, it should be true conservation. It will take more than me to set the processes and get consensus to determine those things. My staff has plenty of examples where it's time to move on to something else. Other things are tough to detect on what's the threshold for success. We'll be more assertive with prioritization. We don't have the only voice, however. We need to build consensus on moving away from something and on to something else.

Member Devlin said that on the fish side, you're judged by performance. Some may think Bonneville's fish and wildlife responsibilities is an option, but it's not. What's your role in educating people that it's not an option? Armentrout replied he hasn't heard people say it's an optional program. The questions I get at Bonneville are more along the lines of why is that project chosen? Is it effective? Do we get credit for it? Is it good program management? Is it cost effective? There might be some thinking of "aren't we ever done?" In wildlife, there might be some milestones where something's complete, but fish is going to be an ongoing obligation. I'm working on building that foundation of transparency into the program, building connections of why programs are being funded or not funded, displaying biological accomplishments, and showing a good investment for those kinds of dollars. It's an ongoing challenge when you're talking about a quarter of a billion dollars a year. It will get a lot of attention.

Member Devlin said there was a presentation yesterday identifying ocean conditions and predation as major issues. Those are two areas where we have seen some reduction of BPA support, and that doesn't seem very far-sighted. Armentrout replied he's not aware of the projects he's talking about where funding was withdrawn. It gets to the greater question of how we prioritize work, he said. There is a vast number of things that would be beneficial to fund and that would yield results. We look to the Council to help identify priority areas to invest in. He said helping tie the obligation of BPA to pay for those types of projects will help. There are a lot of factors at play in the system and we're not the only funding entity out there with the obligation to take a look at some of these problems.

Member Devlin said under ESA, nowhere does it imply a responsibility for restoration of species. That surprises me. Armentrout said it was not meant to be an inclusive slide. As for restoration, it's one of many of the parts. Part of the ESA is to move them away from that status.

Member Ferrioli said he is encouraged by what he's heard. You're showing deep perception on interplay between biological effectiveness and cost efficiency. The Council is trying to get

a clear understanding of where to set priorities and how they connect. Maybe we need more coordination between BPA and the Council. I ask you to commit to have our staffs on the same page.

Seems like complexity of issues continues to grow, Armentrout said. It requires a lot of deliberate actions. The new staff alignment will have that as a key task.

Member Ferrioli said the rubber will meet the road due to the commitment to stay at or below inflation. That requires prioritization. If we're not coordinated will be contentious and difficult to explain how we set priorities to get biological effectiveness.

Armentrout said, we created a fixed-cost commitment. We don't have exit ramps for some of the commitments we've taken over the years. Then throw in acts of Congress that aren't optional, it's difficult to change the curve of cost expenses.

Member Norman thanked Armentrout and is looking forward to working together. You, as a Beaver alumnus, do you know who all the Ducks are wandering the halls before accepting the job? Yes, it's on their ID badges, Armentrout said.

Member Allen noted Armentrout's slide showing sea lions. This Council and its managers amended the Marine Mammal Protection Act, but we need financial assistance to carry out these new liberties. The Council unanimously passed a resolution to look at the funding a couple of months ago. We haven't heard from BPA on where we stand on that.

Armentrout said they had a policy at BPA that it won't fund lethal means of removal. They put the request through a policy review, which is where it is now. It would require a policy change. Then it needs to be legally compliant with the decision process, the environmental compliance process, and then we decide whether to fund or not. The timeline is not hugely lengthy, but it's not immediate either. My biologists appreciate the problem we have there.

Member Anders asked if the Council will have the opportunity to comment?

John Skidmore, BPA manager, said it's an internal policy they're working on changing — amending the policy to make a one-time purchase of the platform. The biggest hurdle they are working through now is how to address the NEPA requirements if they change the policy and allow the purchase, such as the possible use of a categorical exclusion on the purchase. That's the legal requirement we're working through.

Member Ferrioli said before the Council went on record with a unanimous vote and we agreed we were supporting lethal take. This isn't a one-off. It bothers me that it's being looked at as an exception, rather than a change. To help with the restoration of the species, it has to be ongoing part of the toolkit program managers have. We have to fully commit to this management act over a long period of time, not just one platform.

Skidmore replied that they are aware and have a contract with CRITFC that does hazing. It's their intent to move toward lethal. It's scheduled to start in spring 2020. I'm acknowledging that the tribe might want to comanage, he said. I'm keenly aware of other managers to be full partners in the process. We need to work on that.

Armentrout said it's a regionwide effort. We're willing to play our part and will take lead with some of our agencies.

Member Anders confirmed that Skidmore is the contact if Council Members want to weigh in.

6. Briefing on the Fish and Wildlife Program Amendment process

Patty O'Toole, program implementation manager, told Council members that staff is preparing a draft Amendment with an eye on a December timeframe to accept the amendments. She reminded Members to capture conversations and correspondence on the amendments for the administrative record. That will be circulated as they approach decision-making time. O'Toole showed a calendar of completed tasks.

She listed the outline of 2014 program:

- Part One: Overview
- Part Two: Introduction
- Part Three: Vision, Scientific Foundation, Goals, Objectives, Strategies
- Part Four: Adaptive Management
- Part Five: Subbasin Plans
- Part Six: How the Program is Implemented
- Part Seven: Appendices

Leslie Bach, senior program manager, talked about Adaptive Management recommendations. The goals, objectives and indicators are to:

- Improve linkage among goals, objectives, strategies, indicators, monitoring and program reporting;
- Retain/clarify/restructure existing goals and objectives;
- Add new/interim goals and objectives to reflect program scope;
- Refine/add indicators to evaluate strategies' performance; and
- Update and expand process to review/refine goals and objectives.

The adaptive management monitoring and evaluation (M&E) recommendations are to:

- Continue collaborative efforts to improve coordination of research, monitoring and evaluation; provide an explicit M&E strategy. Workgroup with BPA and others (rec).
- Fund and support data exchange and database management;
- Delineate research from monitoring/evaluate research projects using clear criteria;
- Develop concise templates for annual reports; and
- Ensure that summarized data are accessible from centralized website.

Laura Robinson, program analyst and tribal relations manager, talked about the Fish and Wildlife Program investment strategy. It was new in 2014 and they have received numerous recommendations to make certain measures a priority. After studying them, they created seven emerging priorities: Operations and maintenance, adaptive management, preserving program effectiveness, investigating blocked-area mitigation, implement additional sturgeon and lamprey measures, update subbasin plans, and continue efforts to improve floodplain habitats.

The goal of the investment strategy is to assure funding to identify program priorities to maximize biological response resulting from ratepayer and cost-share investments. There are two key principles in the strategy:

1. Program funding levels should consider the level of impact caused by the federally operated hydropower system and the offset protection mitigation provisions of the Northwest Power Act, enabling program investment in related spawning grounds and habitat.
2. The Council will continue to distribute funding to provide fair and adequate treatment across the program. That's where we put in 70 percent towards anadromous fish, 15 percent towards resident fish and 15 percent towards wildlife.

Investment strategy recommendations are:

- Give deference to the fish and wildlife managers.
- Funding allocation: Provide equitable mitigation across the Basin
 - Redirect 40-45 percent to the upper Columbia –OR– balance out harvest opportunities throughout Basin.
- Emerging priorities: keep as is or expand the list.
- Continue cost savings efforts and allocate all the funds. Or, redirect cost savings to the Upper Columbia.

Funding allocations are a big topic and staff is taking it seriously.

Lynn Palensky, project review manager, talked about how the program is implemented. In 2014, the program was amended to provide independent science review of projects. There are 300 to 400 projects at any one time. The review touches every aspect of the program.

John Shurts, general counsel, said how the Council does review is described in 4(h)(10)(D). We get lots of comments on how Council should do review and how to do it better. It's not the same as project measures and objectives. They're different. They're about how to work on them. So, we think of them differently.

Palensky talked about the elements of how they do program review. There are two broad categories:

1. Project review process: streamlining process, length between reviews cycles, manager involvement and considering a different review structure.
2. Evaluation criteria for new work.

Member Norman said that as part of the recommendations or non-recommendations, there were a number of managers who requested a "regionalized review." Palensky said three commenters asked us to consider a more localized, geographic review regime and a different structure. It would be a big departure, but it does exist for some projects.

Palensky read a list of other recommendations for new work, including one mentioning climate change as an evaluation metric.

Other recommendations include:

- A. Roles of BPA and Council in project administration/management:
 - A. Comments focus on project contract deviations from ISRP and Council recommendations.
 - B. Streamlining project review, permitting and contract development processes.
- B. Role of Accords in Implementation – several comments from accord parties:
 - A. Recognize the tribes' extensive project and resource management
 - B. Expertise in implementation
 - C. Support administrative efficiencies
 - D. Any savings would remain with the tribe for high-priority work
 - E. Acknowledge agreements and support extensions
 - F. Council should review accords for program consistency

Member Devlin said he's looked through the new Accords. If a project is identified as something BPA can no longer support, the funds stay with the Accord party, and BPA will work with them to find other projects. Palensky said yes, that's an offramp. So, in a sense, for that four-year period, BPA has already made that decision.

Tony Grover, Fish and Wildlife Division director, said an important distinction is the Council is not a party to any of the Accords, and there's an encouragement to comply with the terms of the Accords. Ten years later, the Council has yet to incorporate the terms of the Accords.

O'Toole said it's a complicated set of recommendations. This is just a snapshot of some of the recommendations. We are trying to have the Amendment process be focused, not to rewrite all the words, and we're working on finding that right balance over the next several weeks. There's a work session in 10 days, and we'll come back in April with what the Amendments and some of the products should be. But it's complicated because some of the recommendations are pretty broad.

Member Ferrioli doesn't want to lose a comment about the necessity of establishing a feedback loop between program managers and the ISRP. We're not trying to start a lobbying process, but I know program managers want some kind of conversation with ISRP folks.

Council Business

Northwest Power and Conservation Council Motion to Approve the Minutes of the February 12-13, 2019, Council Meeting

Member Devlin moved that the Council approve for the signature of the Vice-Chair the minutes of the February 12-13, 2019, Council Meeting held in Portland, Oregon.

Member Baker second.

Motion approved without objection.

Northwest Power and Conservation Council Motion to Release the Draft Fiscal Year 2018 Report to the Governors on Bonneville's Fish and Wildlife Costs for Public Comment

Member Devlin moved that the Council approve the release of the draft Fiscal Year 2018 report to the Governors on Bonneville's fish and wildlife costs for public comment for a period from March 14, 2019 to the close of business on April 15, 2019.

Member Norman second.

Motion approved without objection.

Public comment

There were none.

Chair Anders adjourned the meeting at 11:08 a.m.

Approved April _____, 2019

Richard Devlin
Vice Chair