MEMORANDUM

TO: Council Members
FROM: Ben Kujala
SUBJECT: Presentation by John Francisco, CEO, Northwest Requirements Utilities

BACKGROUND:

Presenter: John Francisco, CEO, Northwest Requirements Utilities

Summary: Mr. Francisco is the new CEO of NRU. He will introduce himself, and discuss his perspective on BPA, the utility industry and NRU's future.

About NRU:

Northwest Requirements Utilities (NRU) is a non-profit trade association founded in 2002.

Our 53 member utilities are located in 7 states served by BPA: Washington, Oregon, Idaho, Montana, Nevada, Wyoming, and California. This includes 13 municipals, 7 PUDs, two tribal utilities, one special district and 30 cooperatives.

Who We Serve: Load Following and NT Transmission customers of the Bonneville Power Administration (BPA) that are solely or largely dependent on BPA for wholesale power and transmission services (including transfer service).

Maintaining a Regional Perspective
The New Guy

- New to the leadership role with NRU but not new to public power in the northwest
- 23 year career with Inland Power and Light in Spokane, Washington
  - Last 10 years focused on power supply, energy efficiency and regional regulatory issues
    - Carbon
    - Beneficial electrification
    - Renewable Portfolio Standards
  - Presented to the Council during my tenure
- Very excited to be in this role serving a regional membership with diverse demographics and a unified mission
About NRU

- Northwest Requirements Utilities (NRU) is actually a family of organizations
- Northwest Irrigation Utilities (NIU) was formed first, in 1985
  - Represent irrigation utilities (discount)
- NRU was founded in 2002 to aggregate and represent the interests of Full Requirements utilities
  - Now Load Following
- NRU LLC was formed in 2007 to create a framework to pursue non-federal options for Above High Water Mark loads under the Regional Dialogue contracts and provide other services to members on an as needed basis
- Northwest Energy Management Services (NEMS) was formed in 2009 as the administrative body for:
  - Northwest Energy Services Cooperative (NESC)
  - Northwest Intergovernmental Services (NIES)
Our Mission

- NRU advocates on behalf of its members for cost-effective and reliable wholesale power supply and transmission service (including transfer service) from BPA.

- NRU educates and informs members about BPA and other regional power supply and transmission issues.

- NRU supports members’ goal of preserving the historical benefits of BPA power and transmission services (including transfer service) while also helping members understand options for cost-effective and reliable power and transmission services to be flexible and adaptable for a possibly different post-2028 future.
Small is Big Together

- 53 Utility Members
- 27% of BPA’s Tier 1 load
- 39% of BPA’s preference customers by count
- Combined Total Retail Load over 2,100 aMW
- 652,000 end users served
- Majority of members serve rural communities
Broad and Diverse

- **OR, 18**
- **WA, 16**
- **ID, 11**
- **MT, 5**
- **OTHER, 3**

- **Transfer**: 66%
- **NEMS**: 40%
- **IRD**: 34%
- **LDD**: 53%

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Regional Perspective Crucial

- Our industry has never been more challenged than it is today
  - Columbia River System EIS
  - Disparate carbon policies among northwest states
  - Looming resource adequacy concerns
- The Council is ideally situated to be an independent regional body
  - 8th Power Plan will be a valuable tool for states and other entities when formulating policies
    - Critical assessment of resource adequacy
  - Energy efficiency and demand response
  - Storage options
  - Fish and Wildlife program effectiveness
- The time is right for the Council to fill this role more than ever
  - BPA is doing well financially with strong leadership
Thank You!

NRU looks forward to continuing our close working relationship with the Council and Council staff.