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January 7, 2020

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).

More Info: <http://www.nru-nw.com/>



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)

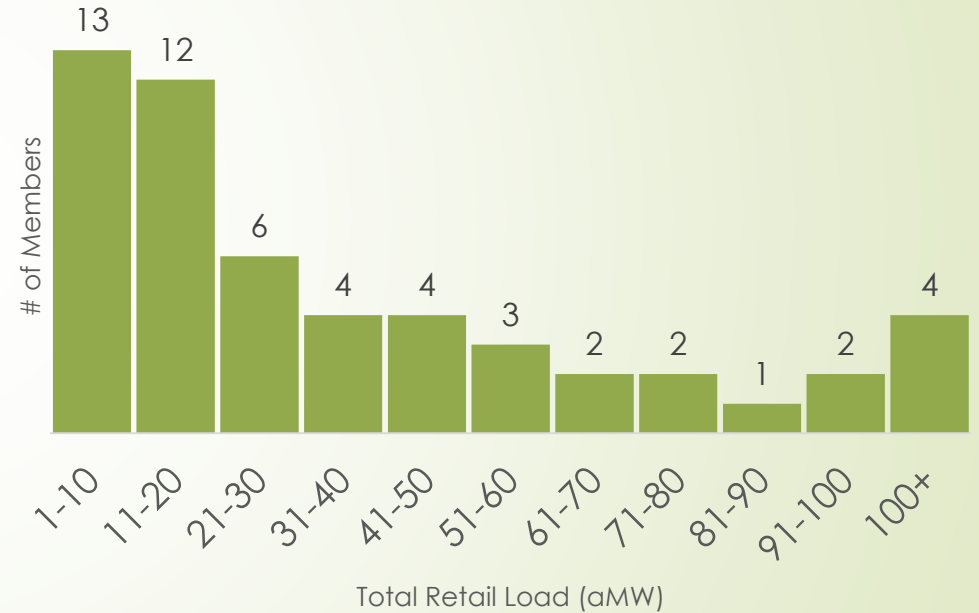


Our Mission

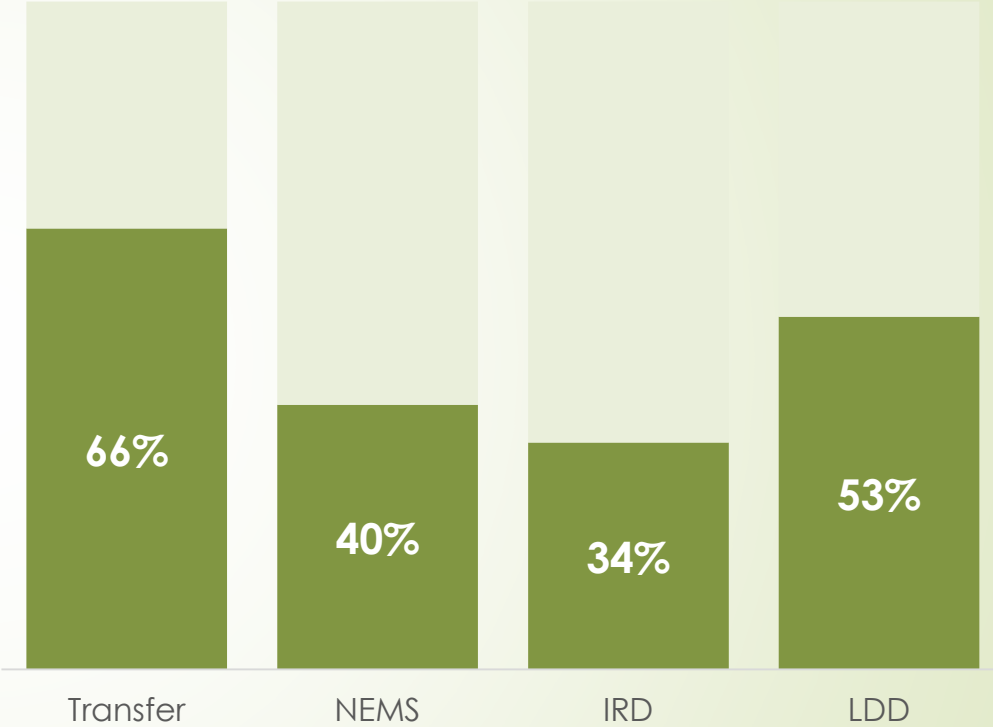
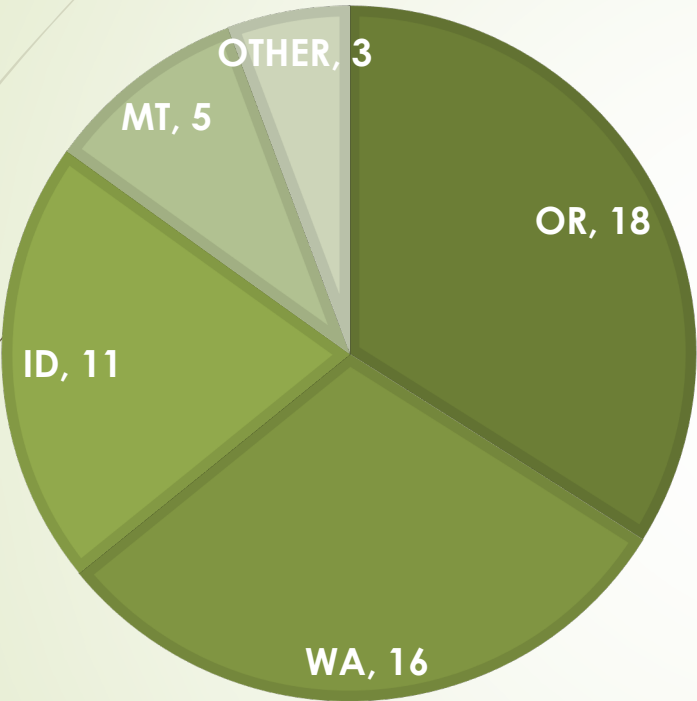
- ▶ NRU advocates on behalf of its members for cost-effective and reliable wholesale power supply and transmission service (including transfer service) from BPA.
- ▶ NRU educates and informs members about BPA and other regional power supply and transmission issues.
- ▶ NRU supports members' goal of preserving 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



PUDs	7	Munis	13	Coops	31	Tribal	2
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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