

Bill Bradbury
Chair
Oregon

Henry Lorenzen
Oregon

W. Bill Booth
Idaho

James A. Yost
Idaho



Northwest Power and Conservation Council

Jennifer Anders
Vice Chair
Montana

Pat Smith
Montana

Tom Karier
Washington

Phil Rockefeller
Washington

Council Meeting Portland Oregon

February 11-12, 2014

Minutes

Council Chair Bill Bradbury called the meeting to order at 1:33 pm on February 11th and Vice-Chair Jennifer Anders adjourned it at 11:10 am on February 12th. All members were present, except Phil Rockefeller. Jim Yost participated by phone.

Anders moved that the Council meet in Executive Session to discuss matters related to participation in civil litigation. Bill Booth seconded, and the motion passed on a roll-call vote.

Reports from Fish and Wildlife, Power and Public Affairs committee chairs:

Jennifer Anders, acting chair, fish and wildlife committee; Pat Smith, chair, power committee; and Henry Lorenzen, chair, public affairs committee.

Anders, acting chair of the Fish and Wildlife (F&W) Committee, reported the committee approved, with conditions, a project to protect and restore habitat in Washington state, and said it would come before the Council next month. We discussed and prioritized three tasks to be performed by the Independent Scientific Advisory Board (ISAB) and said goodbye to Jann Eckman, head of the Columbia Basin Fish and Wildlife Foundation, which will be dissolved June 30, Anders said. The committee also talked about the F&W amendment process and schedule, with our current plan being to have a final draft come before us by the end of March, she stated.

Pat Smith reported the Power Committee discussed federal appliance standards in detail, and what has been happening with them since the Sixth Power Plan was issued. We talked about the six proposals received to redevelop the Regional Portfolio Model, and how staff and interested parties will review them, he said. The committee had a report on the Washington Attorney General's recent opinion on I-937, Smith noted. The key question was whether the conservation calculator can be used in future power plans, and the answer was yes, he stated. We had a discussion of the Western Electricity Coordinating Council's transmission plans, an update on what has been going on in the region with respect to generating resources since 1995, and a discussion of advisory committee charter renewals, Smith said.

Henry Lorenzen, head of the Public Affairs Committee, reported that the Council has published its second electronic newsletter and that there have been eight blogs on various topics posted on the Council's website since the beginning of the year. Our public affairs staff is working on a web page for the Seventh Power Plan and language for the draft F&W program, and we have started discussing different possibilities for the Congressional staff trip this summer, he said.

Public comment on Fish and Wildlife Program amendment recommendations.

Gilly Lyons of Save Our Wild Salmon said her group strongly supports the expanded spill test proposed in amendments to the Council's F&W program. She referred to a letter her organization and the Northwest Energy Coalition (NWECC) sent to the Council February 4 that says the spill test does not have to lead to increases in power sector carbon emissions and that energy efficiency, new renewable generation, and possibly solar generation from California, could replace hydropower lost to spill. Lyons said the region needs to help salmon recover and also fight climate change.

Fred Heutte of NWECC said his group and others see a convergence of strategies to address both climate change and increase salmon populations. He urged the region to work to push those opportunities forward. We need to work together and to realize the importance of meeting all the Council's objectives, including protecting fish and wildlife, as well as keeping the lights on and power rates low, Heutte said.

I'd like to comment on this since public power would be on the hook to fully fund the spill test, said Bo Downen of the Public Power Council. It isn't a test -- it is a wholesale change in river operations on top of the 10-year test that is under way in the BiOp, he stated. BPA's preliminary estimates show that the spill test would mean an additional \$110 million a year in costs, the loss of 600 average megawatts of hydro generation, and an 8 percent increase in rates, Downen said. This test would have a real impact on ratepayers, and we need to keep in mind the Council's interest in ensuring an adequate and economical power supply, he added. Downen suggested the Council ask BPA to make a presentation on its analysis of the spill test.

In a public comment period later in the Council's meeting, Dan James of PNGC Power said the expanded spill test is a huge issue for BPA customers. We support the BiOp, as do three of the four states on the Council, he added. The BiOp was an experiment, and we got behind it, and it's working, James said. NOAA Fisheries doesn't support the spill test, he noted. It will kill fish and violate state water quality standards, James said. One key to the BiOp is the large number of habitat projects that BPA's customers are paying for, and we can't afford the spill experiment on top of those costs, he concluded.

1. Introduction of Chris Wheaton of StreamNet:

Nancy Leonard, Fish, Wildlife and Ecosystem Monitoring and Evaluation Manager. Staffer Nancy Leonard introduced Chris Wheaton, the new StreamNet program manager with the Pacific States Marine Fisheries Commission (PSMFC). He explained his background, noting that he came to StreamNet from the Oregon Dept. of Fish and Wildlife (ODFW). Wheaton talked about the history of StreamNet and how it functions.

He explained what kind of data StreamNet has, including information on population trends, such as adult spawner counts, dam and weir counts, and protected areas. There is a searchable database and an integrated query system, Wheaton noted.

A flood of data exists, and StreamNet is working to improve data management to make it more useful to decision makers through projects such as the Coordinated Assessments, he said. The Coordinated Assessments project establishes regional standards for data on key fish indicators, helps with sharing data across organizational boundaries, and automates data flow to increase efficiency and transparency, Wheaton noted.

We are doing this project with the Pacific Northwest Aquatic Monitoring Partnership (PNAMP), and it is designed to feed data to states, tribes, federal agencies, and the Council, he said. We have selected four fish population indicators: natural origin spawner abundance, smolt-to-adult ratios, adult-to-adult ratios, and juvenile productivity, Wheaton reported. The goal of the project is the automatic flow of data to fish managers for these assessments, he added.

Besides adopting a data exchange standard for the four indicators, our accomplishments include expanded partner funding, including an EPA grant of \$500,000, Wheaton reported. He explained StreamNet's work plan for 2014 and up to March 31, 2015, which includes developing the Coordinated Assessments exchange network, implementing data sharing strategies, and managing the actual data flow.

I've become concerned about toxics in the Columbia River and the dangers they pose for fish consumption, said Lorenzen. Does your database deal with toxics? he asked. We have some information, but it is not currently on our list of metrics, but we could add it if policymakers want it, replied Wheaton.

We are counting on the Coordinated Assessments for our F&W program amendments, stated Booth. Are we still funding in-state work on submitting Coordinated Assessments data? he asked. Tom Rein of ODFW said his state has a Coordinated Assessments team that is working on the new metrics. Paul Kline of the Idaho Dept. of Fish and Game said his department is very involved in the data automation.

How far along are you to having something useful? Booth asked. We are starting to test the flow of data using information from Idaho, replied Wheaton. We hope to have automation of data by the spring of 2015, and we will strive to get as much information as we can to decisionmakers, he added.

To get the data up and running for the four indicators would be a major accomplishment, said Booth. We would like to have a report from you at least once a year, he told Wheaton.

Smith asked about funding. We are funded 100 percent by BPA, plus we have the EPA grant, replied Wheaton. That grant goes through the spring of 2016 and the actual recipient is the Washington Dept. of Fish and Wildlife, with PSMFC as a subcontractor, he said.

I am encouraged by your effort to standardize reporting, Tom Karier said. Do you have universal commitments to adopt the standards? he asked. We are taking a collaborative approach to building the standards, replied Wheaton. We are well on our way to get standards that are universal across all the agencies, he added.

2. Briefing on NOAA's 2013 Mainstem Reach Survivals:

Steven Smith, NOAA-Northwest Fisheries Science Center.

Steve Smith of NOAA's Northwest Fisheries Science Center reported to the Council on 2013 survival figures and travel times for PIT-tagged spring migrants in the Snake and Lower

Columbia Rivers. He also presented information from the return of PIT-tagged adults transported from, and bypassed at Lower Granite Dam.

In the Snake River in 2013, there was below-average flow, except for a brief peak in mid-May, Smith noted. Water temperatures were a little warmer than average, and the amount of spill over dams was above average, especially in April, he said.

Smith pointed out that new surface passage structures at dams and the spill led to shorter travel times for migrating smolts in 2013. There was above-average survival for yearling chinook in all segments of the river, except for Lower Granite Pool, he said. Hydro system survival for both yearling chinook and steelhead was “a bit above 50 percent,” Smith reported.

He explained how the work was done and how 2013 compared with other years. For yearling chinook, are you surprised at the flatness of the survival line and that it didn’t increase, given the hydro system improvements that have been done? Karier asked. Steelhead are more responsive to some of the system changes, while chinook as a species are not as responsive, replied Smith.

In 2013, we transported 33.6 percent of yearling chinook and 37.8 percent of steelhead, he reported. Spill encourages fish to pass over the spillway and as a result, fewer are available for transport, Smith said.

We compared the adult return rates of transported versus non-transported fish and found that the smolt-to-adult return rate for transported fish exceeded that for bypassed fish for most of the season, but the benefit of transportation was reduced in 2006-2011, relative to earlier years, due to improved survival for in-river migrants, he stated.

Transported fish are returning three times more than bypassed fish, and for yearling chinook, it is a rate of 60 percent higher, Smith said. Are you factoring in ocean conditions? Booth asked. There was no attempt to model that in this analysis, replied Smith. Transported fish get to the ocean sooner, he noted.

Your study shows a consistent benefit of transport and that, if not for the court-ordered spill, survival for steelhead and chinook would have been higher, said Karier. Everyone looks at different pieces of the life cycle, and I’m wondering if anyone at NOAA is trying to put all this information together, he said. The COMPASS model attempts to synthesize all this data and more, replied Smith.

3. Briefing on NOAA 2014 Supplemental FCRPS Biological Opinion:

Bruce Suzumoto, NOAA Fisheries; Rock Peters, U.S. Army Corps of Engineers; rep of Bonneville; Rep of U.S. Bureau of Reclamation.

Bruce Suzumoto of NOAA Fisheries explained that the 2014 Supplemental Biological Opinion (BiOp) responds to a court decision that said the mitigation program for the 2008 and 2010 BiOps lacked sufficient detail on habitat projects after 2013 and ordered NOAA to prepare a supplemental document by January 2014. In the 2014 Supplemental BiOp, NOAA re-evaluated the previous analyses in light of today’s best science, he said. It looked at whether the Reasonable and Prudent Alternative (RPA) is being implemented as intended and the likelihood it will produce the expected results, and assessed whether habitat actions planned for 2014-2018, combined with the RPA, would avoid jeopardizing the continued existence of the listed fish, Suzumoto stated.

We reviewed updated information on the biological status of the fish and found it is within the range considered in the 2008 and 2010 BiOps, and that fish abundance is higher, and there is less risk of extinction, he reported. Productivity metrics are lower, but we think that may be a density-dependent effect related to the higher numbers of fish, Suzumoto said. We found that the fish species are doing quite well, so we didn't change our assumptions, he added.

We found that tributary and estuary habitat actions taken since 2007 are correctly targeting degraded conditions and benefiting fish populations, Suzumoto said. We think the habitat actions for 2014-2018 are sufficiently defined and are economically and technically feasible, and when added to projects carried out since 2007, are sufficient to achieve RPA habitat standards, he stated.

We didn't make many changes to the current implementation plans because most of the populations are doing pretty well, Suzumoto continued. We made some changes to transportation activities to try to get more fish on barges, he said. We will modify the fish transportation start date to better "spread the risk," and we will eliminate transportation at McNary Dam because the data shows little benefit due to configuration changes there, Suzumoto reported.

We will now base the transition from spring to summer spill operations on 95 percent passage of spring migrants and will stop summer spill in accord with a juvenile passage trigger number, he said. We have also decided to take action to reduce the number of cormorants nesting on East Sand Island to 5,500 pairs, Suzumoto added.

Our overall finding is that the RPA is being implemented as intended and is on track, he told the Council. For 22 of 24 fish populations, we have higher survival estimates than in 2008, Suzumoto noted. After we looked at all the information, we think the RPA, as amended, is not likely to jeopardize the continued existence of the listed species or destroy or adversely modify their critical habitats, he said. Additional actions or modifications are not necessary to avoid jeopardy, Suzumoto concluded.

Do you have a sense of what legal action related to the BiOp might take place now? Council chair Bill Bradbury asked. We have filed a notice of completion with the court -- "we're done," replied Suzumoto. It's up to the plaintiffs to file a complaint, he said. The action agencies will issue Records of Decision at the end of February, Suzumoto added.

If there is no challenge, you would implement these regimes this spring? Bill Booth asked. Yes, the Corps will submit a fish operating plan the first week of March, Rock Peters of the Corps of Engineers replied.

Pat Smith asked about the spill regime. We propose to do what we have been doing all along, except for the spill changes I mentioned, replied Suzumoto. The fish operating plan will lay out the spill program for each project, and it will be pretty consistent with prior years, Peters said.

How far along are you with the plan to reduce the cormorant population? Tom Karier asked. We have developed a management plan over the past two years and will put out a draft EIS in June, replied Peters. Our goal is to start reducing the population in 2015, he added.

How many pairs are there now, and do you have an agreement with U.S. Fish and Wildlife Service (USFWS) about your goal to get to 5,500 pairs? Booth asked. There are between 12,000 and 15,000 nesting pairs, Peters replied. We are working with USFWS and others to

develop the EIS collaboratively, and it's going fairly well, though they haven't "signed on the dotted line" yet, he said.

4. Briefing on Bonneville Power Administration Integrated Program Review Process:

Charlie Black, director, power division, introduction; Nancy Mitman, Acting Chief Financial Officer, Bonneville, presentation.

Nancy Mitman of BPA briefed the Council on public involvement processes BPA will conduct before making its FY 2016-2017 rate proposals. She said BPA's Integrated Program Review (IPR), which gives stakeholders a chance to review BPA's program-level budget estimates prior to spending levels being set, kicked off in January and will continue from May through July. The IPR covers near-term capital and expense spending forecasts and is the place for customers who "want to scrub numbers and spending levels," Mitman noted.

BPA's Capital Investment Review, which affords an opportunity to discuss BPA's draft asset strategies and 10-year capital forecasts, will start February 21, she said. It will cover transmission, federal hydro facilities, information technology, energy efficiency, F&W, and other BPA investments, Mitman explained. There has been a lot of interest from customers in our having a prioritized portfolio of investments, she said.

In June and July, we will conduct debt management workshops to gather feedback on access to capital issues, financing tools, and BPA's long-term debt management strategy, Mitman reported. In November, we will issue an initial power and transmission rate proposal for FY 2016-2017, with a final expected by July 2015, she said.

Will BPA's budget have flexibility to reflect what comes out in the Council's Seventh Power Plan? Karier asked. We expect to have lots of conversations with you before we file our rate proposal, said Peter Cogswell of BPA.

I hope your new rate proposals will continue BPA's significant commitment to conservation, said Henry Lorenzen. Mitman said BPA's post-2011 conservation public process is looking at future conservation strategies.

How does BPA pay for energy efficiency? Black asked. BPA capitalizes some parts, and there is an ongoing discussion about capital versus expense, which is being addressed in the post-2011 process, Mitman replied. We have also done third-party financing and propose to do more of that in the future, she added.

Black asked about the "affordability cap" in the Capital Investment Review. Our customers have told us we really need to scrub our capital program, and so this year, we are proposing to prioritize our capital investments, Mitman said. As part of that, we will establish an affordability cap, which is a target range for annual capital spending, she stated. The cap is generating a lot of interest from customers, Mitman added.

5. Report on January 30th EPA Clean Air Act Rulemaking Meeting:

Charlie Black.

Staffer Charlie Black reported on a meeting EPA officials held in Portland in January to gather information and opinions as they prepare to write new rules to regulate greenhouse gas (GHG) emissions from existing power plants under Section 111(d) of the Clean Air Act. One topic of

interest was the opportunity for multiple states to coordinate their efforts to achieve GHG emissions reductions, he noted.

Among the questions EPA is interested in, Black said, are what mechanism is available for cross-state collaboration, what changes to state regulations are needed, and how can power plant improvements for regional haze and other reasons be factored into the new rules.

EPA held three meetings, he noted, with the first being a conversation with officials from the Northwest and Intermountain states, including public utility commissioners, air quality regulators, and governors' energy advisors. One theme that emerged is that state regulators want to continue their role as the primary regulatory entity for investor-owned utilities, Black said. Strong interest was also expressed in having the federal rules be as simple and concise as possible; for example, just set a target and let each state meet it, he added.

The second meeting was a broader public gathering in conjunction with the Oregon Global Warming Commission, Black noted. One topic discussed was how and whether different states could structure a collaborative regional least-cost solution to comply, he said.

The third meeting involved state officials and utility representatives, mostly from investor-owned utilities, Black reported. Northwest utility representatives brought up the fact that since they didn't have preference access to the federal hydro system, they had to make a different set of resource choices, he said. Coal "was pretty much it" for their generation source, and that has led to the issue of equity impacts on those utilities and their ratepayers, Black added.

Utility reps also expressed interest in getting "early-action credit" for decisions to shut down coal plants, he stated. Overall, nothing conclusive came out of the meetings, but there was agreement that more discussions should be held, Black said. Bradbury asked about the treatment of utilities that retire coal plants. Most utilities are looking at a portfolio to replace that power supply that includes natural gas, and they would like not to be penalized for adding gas generation associated with shutting down a more carbon-intensive resource, Black explained. Which states attended? Smith asked. The four Northwest states, plus Utah and Wyoming, Black replied.

6. Briefing on Sandy River Hatchery ruling

John Shurts, general counsel

Staffer John Shurts explained the implications of a ruling in the federal district court of Oregon involving operations at the Sandy River Hatchery, a case in which the Native Fish Society and McKenzie Flyfishers were plaintiffs, and the National Marine Fisheries Service and ODFW defendants. The judge found that approval of the Hatchery Genetic Management Plan for ODFW's Sandy River Hatchery violated both the Endangered Species Act (ESA) and the National Environmental Policy Act, Shurts said. Shurts noted it is a federal hatchery operated by a state agency.

The decision related to harmful effects on listed fish species as a result of high stray rates from the hatchery in an area of new habitat where a dam was removed, he explained. The court was not convinced the agencies had spelled out mitigation measures that would prevent possible harm, Shurts said.

There will be a remand to the agencies, and the plaintiffs will be looking for interim relief, he stated. The parties to the lawsuit have met, but did not agree on remedies, Shurts noted.

This decision highlights a set of issues we are already dealing with in our F&W amendments, he said. Shurts suggested the Council may want to have a presentation on these issues and their implications. One solution to the problem could be to put in a weir, said Karier. How effective weirs are will be part of the discussions coming up with the judge, Shurts noted.

7. Overview of 2014 Columbia River Conference:

Larry Cassidy and Gary Merkel, co-chairs of the conference; Jennifer Anders and David Raven, liaisons; Molly Stenovec, conference coordinator, Kindy Gosal, manager of special initiatives for the Columbia Basin Trust; Charlene Desrochers; and John Harrison, Council information officer.

Former Council member Larry Cassidy, who is co-chairing the upcoming 2014 Columbia River Conference, along with Gary Merkel of the Columbia Basin Trust, based in British Columbia, introduced a panel to discuss the conference, to be held October 21-23 in Spokane. The theme of the conference is "Learning From Our Past to Shape Our Future," and its purpose is to bring together leaders and community members from both sides of the border to discuss the future of the Columbia River Basin, Cassidy said.

The conference will be held at the Doubletree Spokane City Center, and we expect 250 to 350 participants, David Raven, the Trust's liaison to the Council, who is also the Mayor of Revelstoke, B.C., told the Council. Our budget is \$150,000 to \$165,000, and we are hoping to get income from sponsors, he said. The Council and the Trust have each put in \$30,000, Raven noted.

Among the conference topics thus far are transboundary ecosystem management, water governance, including the Columbia River Treaty, climate change, basinwide approaches to regional issues, and energy/hydropower, Cassidy said. We are planning to put together panels that will reflect a balance between natural resource and economic interests, he added. We have also been thinking of having a panel on how water law works in each state, Cassidy pointed out.

We are also looking at a topic that would deal with industrial use of the river, added Raven. He said a number of oversight committees have been put together for the conference, including ones for government, tribes and First Nations, utilities and industries, interest groups, and universities and youth. Our first choices for keynote speakers are Washington's governor and the premier of British Columbia, Cassidy told the Council.

It looks like you are well on your way, commented Booth. A topic I find interesting is the difference in the way the two countries treat endangered species, including salmon and steelhead, he said. Booth asked about the deliverables from the conference.

Anders, who is the Council's liaison to the Trust, said the idea of the conference is to bring together diverse groups in the hope they would work together to problem solve and come up with new ideas. It's good timing for the conference with the Columbia River Treaty on the table, and we hope to document some of the conference, she noted.

We will structure the conference around a series of conversations, not just a venue where people listen to other people talk, said staffer John Harrison. This is a wonderful collaboration, and with the Treaty backdrop, the timing is great, said Smith. Cassidy closed by thanking the Council for all its efforts and urged them to "keep up the good work."

8. Briefing on Oregon Renewable Portfolio Standards:

Leann Bleakney, Oregon staff, introduction; Julie Peacock, Oregon Department of Energy; and Gillian Charles, energy policy analyst, presentation.

Julie Peacock of the Oregon Dept. of Energy gave a presentation on Oregon's Renewable Portfolio Standard, noting the legislature enacted the statute in 2007. Under the law, utilities must deliver a percentage of their electricity from renewables by 2025, with interim standards for large utilities, she said.

Three utilities, Eugene Water and Electric, Pacific Power, and Portland General Electric, qualify as large utilities (greater than 3 percent of state load) at this time, and their RPS percentage for 2015 is 15 percent, Peacock explained. Five smaller utilities, Central Lincoln PUD, McMinnville Water & Light, Umatilla Electric Co-op, Springfield Utility Board, and Clatskanie PUD, have no interim obligations, but are required to have 10 percent renewables in 2025, she said. We project Umatilla will move into the large utility category in 2018, Peacock noted.

Smaller consumer-owned utilities and Idaho Power have their first compliance of 5 percent in 2025, she reported. Peacock explained various flexibility mechanisms, for example, a utility is not required to comply with the RPS in a given year if the incremental cost to do so exceeds 4 percent of its annual revenue requirement, and utilities can bank renewable energy credits (RECs) for compliance in future years.

Hydroelectric efficiency upgrades made after January 1, 1995 qualify under the law, as do low-impact hydro projects certified by the Low-Impact Hydropower Institute, but there is a limit of 90 aMW of low-impact hydro that a utility can use in a year, she said. New hydro projects operational after January 1, 1995 and located outside protected areas also qualify, Peacock noted.

Since 2007, there have been several minor changes to the RPS, she reported. For example, one required investor-owned utilities to meet a portion of the RPS with solar PV systems in Oregon, which count for two times the credit, and another allowed energy from biomass and municipal solid waste facilities built before 1995 to qualify, Peacock said. In 2011, a bill passed that allowed any facility that ends use of coal and switches to a renewable energy source after 2011 to qualify as a "new" facility under the RPS, she noted, adding that allows PGE's Boardman plant to qualify once it is transformed to renewable energy.

BPA is registering efficiency upgrades at Grand Coulee Dam as eligible and will distribute Oregon-eligible RECs from Grand Coulee to its customers, Peacock said. BPA has analyzed how many RECs efficiency upgrades from Grand Coulee, Bonneville Dam, and Cougar could generate for Tier 1 customers, she stated. A lot of small utilities' requirements will be satisfied by certifying these BPA hydro facilities, Peacock said.

A bill in the legislature, HB 4126, would extend the "glide path" and amount of unbundled RECs a consumer-owned utility can use when it transitions from a small utility to a large utility under the RPS, she noted. This would allow more flexibility in complying with the RPS, Peacock said. HB 4126 also requires the Oregon Public Utility Commission to study the impacts of electric utilities offering a "green tariff" to non-residential customers and allows the OPUC to approve such a tariff, she added.

9. Briefing on Northwest Energy Efficiency Alliance Strategic and Business Plans:

Charlie Grist, introduction; Susan Stratton, NEEA, Jim West, NEEA Board, presentation.

Jim West, chair of the Northwest Energy Efficiency Alliance (NEEA) board, and Susan Stratton, NEEA executive director, briefed the Council on the organization's strategic vision and business plan for 2015-2019. West said NEEA receives funding from over 100 utilities and works in partnership with utilities to accelerate energy efficiency.

The region has exceeded the Council's annual energy savings target for the eighth year in a row, Stratton said. NEEA is 10 percent of the regional investment in energy efficiency, and for some utilities, we deliver up to 20 percent or more of their savings, she noted.

We have proposed an annual budget of \$37 million a year in our business plan, about the same as in the last few years, Stratton reported. Have allocations within the budget changed? Smith asked. A large amount now goes to residential, while in earlier years, there was more emphasis on industrial, and so that's a shift, replied Stratton.

What about your ability to adjust once the Seventh Power Plan takes shape? Smith asked. If something comes up in the plan, our board could re-open contracts or adjust work in them within the budget, replied Stratton. At our last board meeting, we talked about the Seventh Plan and how we will need to factor it in, added West.

The current landscape is one of slow and uneven economic recovery, with low load growth and pressure to keep electric rates low, Stratton said. Energy efficiency is a driver of customer satisfaction, and while the low-hanging fruit is disappearing, "there is more fruit growing," especially due to new technologies, she added.

Our two proposed strategic goals, Stratton noted, are to fill the energy efficiency pipeline with new products, services, and practices, and create market conditions to accelerate and sustain the market adoption of emerging energy efficiency products, services, and practices.

She explained NEEA's successful work with energy efficient televisions. Today 60 percent of the region's TVs are more energy efficient than they were just three years ago, and NEEA's involvement made that happen faster than it would have, Stratton said. Did you give subsidies to retailers? Booth asked. We negotiated with them, and if they would stock the efficient TVs, we would pay them a subsidy between \$8 and \$20, and because their margins are so slim, they liked that, Stratton replied.

This was one of our most cost-effective programs, she added. It is a perfect example of NEEA working upstream to transform the market, and we are going to use a similar approach in our next strategic plan, West said.

NEEA's market transformation efforts, combined with the work utilities are doing, is "the gold standard in the country," Stratton told the Council. The six strategic markets in our business plan are: consumer products, residential new construction, commercial lighting, commercial real estate, commercial new construction, and irrigated agriculture, she said.

NEEA's work is really pioneering and impressive, commented Karier. Few organizations in the Northwest or the country are capturing these economies of scale, he noted. It looks like NEEA is evolving, and it makes sense to do so, Karier added.

10. Update on the Fish and Wildlife Program Amendments:

Patty O'Toole

Staffer Patty O'Toole reported on the progress in developing a draft amended F&W program. The F&W Committee has said it wants the program's language streamlined, and so we are working on both the writing and the formatting for the document, she said.

We are identifying extra days in March for more work sessions, and our goal is to have a draft ready at the end of March or in early April, O'Toole told the Council. We may need to find extra days in April for sessions to work on or refine the draft, she added.

11. Council business:

– Approval of minutes

Karier moved that the Council approve the minutes of the January 14-15, 2014 Council meeting held in Portland. Booth seconded, and the motion passed.

– Renewal of IEAB Charter and potential IEAB tasks

Staffer Tony Grover noted that the current charter for the Independent Economic Analysis Board (IEAB) will soon expire, and he presented a new version of the charter, which would extend the life of the IEAB for another two years, for approval. He explained two minor changes made in the new charter.

Karier moved that the Council approve the updated and revised charter of the Independent Economic Analysis Board for a period of two years. Smith seconded, and the motion passed.

Grover explained a task the IEAB has proposed to advise the F&W Committee and the Council on economic matters as the Council considers amendments for the 2014 F&W Program. The IEAB would provide an economic perspective on specific program recommendations that have important economic implications and suggest how economics can be applied generally to improve the cost-effectiveness of the F&W program, he said. The IEAB will comment on potential facility operations and storage strategies in response to climate change, according to Grover. Recommendation areas the IEAB will look at include non-native species and invasive species, predation, water transactions, maintenance of program investments, and strategies for wildlife mitigation versus settlements, he said. The cost is \$6,300, and a draft summary would be provided to the Council by March 15, with a final report by March 31, Grover noted.

Karier moved that the Council approve Independent Economic Analysis Board Task 207 to advise the F&W Committee and the Council on economic matters as the Council considers amendments for the 2014 F&W Program. Smith seconded, and the motion passed.

Approved March __, 2014

Vice-Chair