

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

July 8-9, 2014
Portland, Oregon

Minutes

Council Chair Bill Bradbury called the meeting to order at 1:33 pm on July 8th and adjourned it at 11:20 am on July 9th. All members were present.

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

Phil Rockefeller, chair, fish and wildlife committee; Pat Smith, chair, power committee; and Henry Lorenzen, chair, public affairs committee.

Phil Rockefeller reported the Fish and Wildlife (F&W) Committee had two presentations. The first was an update on the Okanogan Basin Monitoring and Evaluation Program, and the second was an update on Lake Pend Oreille kokanee recovery activities, he said. A representative from the Idaho Dept. of Fish and Game recounted how their efforts reduced the population of lake trout, which resulted in the rebound of the kokanee population, Rockefeller noted.

Pat Smith reported the Power Committee discussed updates to inputs for the Seventh Power Plan, including new natural gas price forecasts. We had a presentation about the locational value of new generating resources in system planning and then talked about a case study example of locational value, the Troutdale Energy Resource Center, he said. The committee also discussed proposed Council comments on BPA's post-2011 energy efficiency program and received an update on the redevelopment of the Regional Portfolio Model, which seems to be going well, Smith added.

Henry Lorenzen reported the Public Affairs Committee would meet July 9 to continue planning for the Congressional staff tour that will be held in central Oregon this summer. So far, 14 staffers have indicated they will participate, he said.

Vice-Chair Jennifer Anders moved that the Council meet in Executive Session at the close of business on Wednesday, July 9, 2014, to discuss matters relating to Council organization and internal procedures. Tom Karier seconded, and the motion passed on a roll-call vote.

1. Presentation on Columbia Generating Station:

Mark Reddemann, CEO, Energy Northwest.

Mark Reddemann, chief operating officer of Energy Northwest since 2010, gave a presentation titled “Our Road to Excellence,” which recounts the steps Energy Northwest has taken in the past few years to transform its culture and improve performance. Our mission is to provide our public power members and regional ratepayers with safe, reliable, and cost-effective power, he noted. Reddemann said Energy Northwest’s four generating projects have a capacity of about 1,300 MW. In 2012, we earned the American Public Power Association’s safety award of excellence, he reported. Last year, we received a workplace safety award from the Association of Washington Business, Reddemann said, adding that as of 2013, Energy Northwest had 12 million consecutive hours without a lost-time injury.

In its 23-year history, the Columbia Generating Station (CGS) hasn’t been a consistent performer with respect to reliability, he stated. In 2011, we launched an “excellence in performance” initiative to improve reliability, and it’s working, Reddemann said. We brought in new leadership, and we have now moved into the first quartile for performance among nuclear facilities in the country, he reported.

In 2012, the Association of Washington Business gave us its job training and advancement award for our leadership development programs, Reddemann said. CGS is now being used as an example of how to turn around a plant and its work force, he added.

In 2011, during our 20th refueling outage, we made substantial investments in the plant and came out with 20 MW more of generation, Reddemann said. CGS contributed over 9.3 million MWh of electricity to the regional grid in 2012, the most in the history of the plant, he reported.

We have been operating without an unplanned shutdown for four and one-half years, Reddemann told the Council. Our average availability factor for 2012 and 2013 was 92.47 percent, he said.

In May 2012, our license was renewed out to 2043, Reddemann reported. As a result of the relicensing, Energy Northwest and BPA were able to collaborate on a decommissioning fund and debt management program that provided the region \$190 million in rate relief in the next rate period, he said.

Our uranium tails fuel purchase agreement will generate over \$88 million in additional BPA savings through the current and next rate case, so we expect the total savings for Northwest ratepayers to be between \$171 million and \$275 million through 2028, Reddemann stated. We expect total savings to be hundreds of millions of dollars for Northwest ratepayers as a result of the regional debt agreement we entered into with BPA, and it has helped BPA preserve its borrowing authority, he said.

We have teamed up with NuScale Power and other partners to study the feasibility of a small modular nuclear reactor, which could be located in southeast Idaho, Reddemann said. A small reactor can be built on an incremental basis when demand requires, and can provide cost-effective and environmentally responsible power, he added. Energy Northwest has the first right of offer to operate the facility, Reddemann noted.

Energy Northwest is also participating in a demonstration project to test a modular energy storage system using lithium ion batteries that is portable and scalable, he continued. We have tested it at our Nine Canyon wind project, and the Pacific Northwest National Laboratory is analyzing the results, Reddemann said.

He summed up by saying “we have been working hard and have accomplished our goals, and we’ve changed the way we do business” at Energy Northwest.

It is good to hear this report because some years ago, the Council was concerned about the performance of the CGS, Karier said. He asked about costs per megawatt-hour for Energy Northwest projects. For CGS, in a non-outage year, it is \$35/MWh, and in an outage year, it is \$40 to 45/MWh, said Reddemann. For small modular reactors, \$85/MWh is the prediction, and we don’t know the cost yet for the storage system, he added.

Booth asked about disposal of nuclear waste at CGS. Because there is no national nuclear waste repository, we have been storing more used fuel on site than we expected, said Reddemann. We have purchased additional dry fuel storage containers and will continue to do that until the Dept. of Energy takes action on the nuclear waste issue, he stated.

How far are you from building a small reactor and how big are they? Booth asked. They are 300 MW or less, and the NuScale unit would be 45 MW, replied Reddemann. That unit is currently under design, and NuScale estimates it will submit an application to the Nuclear Regulatory Commission in 2016, with three years of NRC review likely, he added.

Are the 45-MW units stand-alone? Booth asked. You can start with one, or whatever number you need, and you can add units, 45 MW at a time, said Reddemann.

Phil Rockefeller asked about the collaboration with BPA on debt management. Reddemann said after CGS was relicensed, there was an additional 20 years for repayment of bonds and contributing to the decommissioning fund, and the savings from those time extensions were able to be used in rate cases where BPA was looking for savings. Our costs will be the same, but we have 20 more years to work with, he added.

2. Briefing by ISRP on the review Lower Snake River Compensation Plan:

Steve Schroder and Greg Ruggerone, ISRP members.

Steve Schroder and Greg Ruggerone of the Independent Scientific Review Panel (ISRP) presented the results of the ISRP’s review of three hatchery programs of the Lower Snake River Compensation Plan (LSRCP), which was conducted at the request of the Council and the U.S. Fish and Wildlife Service (USFWS). The ISRP reviewed the spring chinook program in 2011, the steelhead program in 2013, and the fall chinook program in 2014.

Schroder said the goal of the LSRCP is to replace salmon and steelhead lost as a result of the construction and operation of the four Lower Snake River dams. He explained the LSRCP’s mitigation goals and how the fish losses the program would attempt to mitigate were estimated. Schroder described some of the unforeseen factors that have affected the program, including lower smolt-to-adult survivals, Endangered Species Act (ESA) listings, and *U.S v. Oregon*.

He said the ISRP found that the three hatchery programs are largely consistent with the scientific foundation, artificial production strategy, and artificial production principles in the Council's F&W program, and that the LSRCP programs benefit F&W, have clearly defined objectives, and include monitoring and evaluation (M&E). Schroder described metrics the ISRP used to look at in-hatchery performance, post-release performance, ecological modifications, and program modifications. Since 1995, egg-to-smolt survival rates in hatcheries have averaged 84 percent for steelhead and 70 to 80 percent in chinook, he said, adding, we found that these programs do a good job of keeping their fish alive and releasing high-quality smolts.

Schroder went over the smolt release goals, noting that over the past decade, LSRCP hatcheries for spring chinook, steelhead, and fall chinook reached their juvenile release goals 36 percent, 60 percent, and 70 percent of the time, respectively. He described the factors affecting release goals, such as broodstock scarcity, reductions in rearing densities, and water shortages.

Schroder explained post-release metrics, including survival to Lower Granite Dam, smolt-to-adult returns, and harvest. The survival of smolts to Lower Granite Dam varied from one year to the next, but typically ranged from 60 to 70 percent, he reported.

One of the primary objectives of the LSRCP was to restore fisheries in areas below and above the project area, Schroder said, but harvest goals for the ocean and mainstem Columbia River originally envisioned for the LSRCP have never been reached because of lower than expected smolt-to adult survival and the need to constrain fisheries to protect ESA-listed species. Nevertheless, the hatchery programs have significantly increased the total abundance of chinook and steelhead, and thus the programs have contributed to important commercial and recreational fisheries, he noted.

The hatchery programs all operate in an experimental and adaptive manner, Schroder said. They try to minimize adverse effects on other stocks, preserve natural populations where habitat is intact, and restore, preserve, and rebuild natural populations, he added.

Schroder explained the factors affecting fish straying and some of the studies done on the subject. One finding was that fish in acclimation ponds had higher survival and lower straying rates than fish that are directly released, he said. As a result of that finding, acclimation ponds have become an important part of the LSRCP, Schroder noted.

He described wild stock protection efforts for Grande Ronde spring chinook and said the captive brood program there has helped the program meet its goals. The captive brood program contributed smolts to hatchery releases and increased adult abundance in targeted streams, but there was a reduction in smolts per spawner as spawner densities increased, Schroder noted. Studies are now looking at this reduction, he added.

Research, monitoring, and evaluation (RM&E) challenges facing the program and the region, Schroder said, include: identifying factors responsible for density-dependency in natural spawning and rearing habitats; assessing and reducing stray rates; regulating the number of hatchery fish on spawning grounds; evaluating the utility of supplementation; and identifying project fish in fisheries and on spawning grounds.

Another challenge involves integrating and coordinating LSRCP programs with ongoing regional habitat restoration, harvest management, *U.S. v. Oregon* agreements, and ESA recovery efforts, he stated. There is also the challenge of using artificial production to augment harvest while simultaneously implementing recovery actions for ESA-listed steelhead and chinook, Schroder concluded.

When you look at your original goals for numbers of fish, were they accurate? Jim Yost asked. When the LSRCP was put into place, the team sat down and did their best to come up with goals -- it was a best guess, replied Schroder. They should have assumed a lower harvest rate, said Ruggerone. Steve Yundt, LSRCP manager, said when the program was established, we tried to size the program and mitigation goals based on numbers of fish being counted at other dams. We have made progress toward achieving our goals, and I think we can achieve them, he added.

This review is more positive than the reviews we've seen in the past, stated Bill Booth. I compliment the ISRP and the LSRCP for communicating on this closely -- it has resulted in a more valuable report and will result in more progress in meeting program goals, he said. The ISRP's recommendations will be very useful to make the program better in the future, Yundt stated.

The Council is trying to produce more fish for harvest and for delisting, said Karier. Are we doing everything we can to maintain this success and to help wild fish -- are there any missed opportunities? he asked. There has been tremendous progress in bringing back fall chinook, but there are challenges coming on, such as managing fall chinook escapement into the Snake River basin, Ruggerone replied. We need to consider further whether there should be a spawning escapement goal and the capacity of the habitat, he said.

3. Update on proposed revisions to BPA Post-2011 energy efficiency program:

Tom Eckman, introduction; Richard G  n  c  , Bonneville Power Administration, presentation.

Richard G  n  c  , BPA vice president of energy efficiency, described the process BPA has undertaken to review its post-2011 energy efficiency implementation program, which culminated in BPA releasing a proposal for which it is now seeking comments. I am happy about the collaborative nature of the process and about how close we came to near universal adoption of the work group recommendations, he said.

One issue we did not agree on was the frequency of publishing the implementation manual, G  n  c   noted. BPA proposes publishing one a year, while utilities wanted a manual published every two years, he said. G  n  c   pointed to four issues which he called "our big wins": utility self-management of incentives; capturing savings from large projects; inter-rate period budget flexibility; and capturing low-income savings.

He explained BPA's proposal to consider customer requests for billing credits in exchange for conservation acquired independently by utilities for the FY 2016-2017 period. This option would be achieved by BPA and a utility signing a contract with a target for conservation and a financial penalty for underperformance, G  n  c   said.

Another success is the proposal to replace the Large Project Fund with a Large Project Program that provides incentives to customers for large projects, he reported. Customers found BPA's existing Large Project Fund cumbersome, Génecé said. This new program is contingent on third-party financing, he noted.

Customers told us they should be able to roll over unused funds from one rate period to the next, and so we have proposed allowing a customer to roll over up to 5 percent of its start-of-rate period Energy Efficiency Incentive budget from one period to the next, beginning October 2, 2015, Génecé said. This gives utilities the flexibility they have been requesting, he stated, adding that this option is also contingent upon third-party financing.

Bradbury asked what would happen if third-party financing gets more expensive than it is now. Since BPA cannot expand its Treasury borrowing authority, this is our only option to invest in energy efficiency, Génecé replied.

As for low-income residential energy efficiency, BPA proposes to sponsor an ongoing low-income work group to bring parties together to explore best practices and find ways to overcome barriers to serving low-income customers, he said. Utilities are very wary of the perception that BPA would insert itself between them and the community action programs that serve low-income customers in their service territories, Génecé noted.

I think conservation helps reduce BPA's wholesale power rate, but some co-ops without load growth think conservation can lead to rate increases, said Lorenzen. Given the variety of opinions and factors, how do you find a way to spend the maximum for conservation but in a way that makes utilities happy? he asked. BPA can bring people together, but all too often utilities don't see a direct tie to conservation and how it impacts their long-term costs, Génecé replied. Our best possibility is to try to show that to them and share best practices, he said. We need to show the opportunity benefit that comes from investment in conservation, Lorenzen stated.

You have run a good process, said Karier. I'd like to see more data on costs and on what utilities are spending by MWh, he stated. Also, I'm concerned the region has doubled its spending on energy efficiency, but not its spending on low-income weatherization, Karier pointed out. It would be good to know how effectively the low-income program is working, added Smith.

Smith asked about BPA's backstop authority. BPA has a history of meeting the Council's conservation targets, and we would convene a regional discussion if we were at a danger of not meeting them, Génecé responded. I don't see that happening at this point, he added.

Low-income weatherization assistance is usually done by utilities, and state and local agencies, said Yost. The big issue at the local level is how you achieve quality programs, he stated. The problem with providing energy efficiency services to low-income housing is that once you make a building more energy efficient, the landlord raises the rent and the low-income customer doesn't benefit, Yost said. Your work group should discuss how to reduce energy consumption and also help low-income people, he advised.

I don't support sending this comment letter to BPA, Yost stated. It's not the Council's position to write public comment to BPA, he said. BPA and the Council should have discussions about these

issues, but we are not “the public,” Yost added. We support what BPA is proposing with a couple of little changes, he said. I don’t need to send a letter unless “we are trying to impress somebody,” and besides, “this is kind of a milquetoast letter anyway,” Yost stated.

4. Decision on Council comments on proposed revisions to BPA post-2011 energy efficiency program:

Tom Eckman, acting director, power division; and Charlie Grist, manager of conservation resources.

Staffer Tom Eckman presented the proposed comment letter to the Council, noting that there had been one recent change to strengthen the language about low-income energy efficiency. The Power Committee, except Council member Yost, endorsed the letter, Eckman noted.

He explained the Council’s comments, for example, with respect to BPA’s backstop authority, the Council recommends asking BPA now to assess its ability to meet conservation targets going forward, and if the assessment indicates a “significant potential shortfall,” that BPA evaluate the necessity for any backstop remedies, along with the timing and structure of implementing such mechanisms. We also recommend BPA review whether low-income customers in some areas are not receiving the benefits of energy efficiency and that BPA ensure sufficient funds are available to avoid any disadvantage to low-income customers, Eckman said.

What is the history of communications with BPA during a public comment period? Anders asked. We have sometimes done comments and sometimes just held discussions with BPA staff, replied Eckman.

This was a successful process, and BPA listened to the utilities, especially rural utilities, commented Booth. Is there anything in the letter that objects to the process or outcome? he asked. At the highest level, no, replied Eckman. We are endorsing BPA’s proposals mostly, but our recommendation about low-income energy efficiency is a little more forceful, he said.

I read the letter and noted a number of recommendations from the Council that offer “some tweaks and enhancements,” said Rockefeller. I like the idea of our being on the record with these comments, he added.

I agree, said Karier. The letter is highly supportive with a number of constructive suggestions, he stated. It is important for the Council to be on the record, and this gives guidance to our staff in the future, Karier added. It is appropriate for us to comment, and we need to have a formal mechanism for the Council to collectively endorse this effort, said Lorenzen. Yost said the Council needs to take a look at the process it uses to comment on issues like this.

Anders moved that the Council approve the comment letter to BPA on BPA’s proposed revisions to its post-2011 energy efficiency program. Smith seconded, and the motion passed. Yost voted no, and Booth abstained.

5. PNUCC presentation: Carbon - a Northwest perspective:

Ben Kujala, introduction; Dick Adams, executive director; and Tomás Morrissey, policy analyst, Pacific Northwest Utilities Conference Committee.

PNUCC executive director Dick Adams told the Council PNUCC decided to prepare a new analysis of carbon emissions in the Northwest to “hit the refresh button” on the issue and provide current information to help in the development of the Seventh Power Plan. We plan to ask our Board to approve the report, “Carbon Emissions, a Northwest Perspective,” at a meeting this Friday, he said.

Adams pointed out that last July Washington Governor Jay Inslee challenged the Council to work toward reducing the use of coal in the region. We think our new report could be informative in that effort, he added.

PNUCC policy analyst Tomás Morrissey presented the seven key points of the PNUCC report. They are: there are many ways to define a carbon footprint; transportation is the largest contributor of CO₂ in the Northwest; the Northwest produces low-carbon power; the amount of emissions changes from year to year due to water supply; there are big differences among utility portfolio emissions; the Northwest is taking steps to reduce its carbon footprint; and at a certain point, there may be diminishing returns to using variable energy resources for carbon reduction.

There are many ways to define a carbon footprint, Morrissey noted, explaining how PNUCC chose to define it in the report and comparing that with what EPA does. Transportation contributes 44 percent of the emissions in our region, followed by electricity production at 32 percent, and other sources, such as industry, contributing 24 percent, he said.

Because of our hydro resources, the Northwest produces electricity with half the carbon intensity of the U.S. average, Morrissey stated. Annual emissions in the Northwest depend on water supply, with high-water years resulting in lower emissions and low-water years producing higher emissions, he said.

In our region, utility resource portfolios are not uniform, Morrissey noted. Some utilities have mostly hydro, and some rely much more on thermal resources, he said. So if the region were to adopt carbon policies, they would affect utilities and ratepayers differently, Morrissey pointed out. Bill Booth suggested it would be helpful to have charts showing how the four states in the region vary in their use of hydro and thermal resources.

Morrissey described the efforts being made in the Northwest to reduce carbon emissions, including energy efficiency, coal plant retirements, and renewable portfolio standards. Our report analyzes the effect of coal plant retirements, and one thing it shows is that the mix of electric power that will replace retired coal generation will likely contain emissions, he said.

There are many options for future carbon reduction, Morrissey noted, describing several studies that provide cost estimates and different policy choices, such as cap-and-trade and a carbon tax. I hope the Seventh Power Plan will analyze the least expensive options to reduce carbon in the region, he stated. Tom Karier suggested the Council should do more analysis of using energy efficiency to reduce carbon.

If wind has to be backed up by gas turbines, carbon reduction is not that great, Henry Lorenzen stated. Have you compared the carbon emissions created by backing up wind with a combined-cycle gas plant versus a single-cycle plant? he asked. I’ve heard we are tapping out the amount of hydro available to back up wind, Lorenzen noted.

Adams said it could be useful to have an analysis of whether the Northwest is reaching a state of diminishing returns in carbon reduction in light of the need to back up wind resources with natural gas generation. Some studies on wind integration have been done, but it could be a good time for the Northwest to roll up its sleeves and do some analytics to compare different strategies, he stated. I hope the work plan for the Seventh Power Plan will include that, Adams added.

There are many issues to be looked at, said Karier. We will need the help of utilities and transmission planners in the region, he stated. There's a great opportunity here, and I hope we can address this issue with your help, Karier told the PNUCC representatives.

The Council has a good structure in place to do that, responded Adams. He suggested the System Analysis Advisory Committee would be a good vehicle to enlist utility resource planners in fleshing out answers to these questions.

Morrissey briefed the Council on EPA's proposed new 111(d) regulations to control emissions from existing power plants. One thing that is notable is that EPA's calculation excludes hydropower, he said. Also, the 2012 baseline EPA picked for the Northwest was a low emissions year, which could give Northwest states a target that is unintentionally difficult to hit, Morrissey noted. We are still digging into this rule and will have more to say in the future as it evolves, he concluded.

6. Presentation on BPA's FY 2015 start of year budget and definition of capital funding needs in the future:

Lorri Bodi, Bill Maslen and Bryan Mercier, Bonneville Power Administration.

Lorri Bodi, BPA's vice-president of environment, fish and wildlife, led off a presentation on BPA's FY 2015 start-of-year budget and the agency's finances with respect to the F&W program. She explained three components of BPA's F&W program: the integrated program which funds several hundred mitigation projects annually to meet BPA's Northwest Power Act and ESA obligations; fish-related O&M, the hydroelectric share of O&M and other non-capital expenditure for F&W activities by the Corps of Engineers, Bureau of Reclamation, and USFWS; and debt service, the projected amortization, depreciation, and interest payments for investments funded through BPA borrowing, as well as capital investments by the Corps and Reclamation funded by the Treasury and reimbursed by BPA. To our knowledge, these add up to the largest ecosystem improvement program in the nation, Bodi said.

We are at about \$500 million a year in direct expenditures of ratepayer funds for BPA's F&W program overall, and the debt service is increasing over time and is expected to go up, she reported. Staffer Tony Grover pointed out that the integrated program, which is where the Council's actions have the most effect, adds up to about \$239 million.

Bodi described the public processes BPA uses to make financial decisions, including the Capital Investment Review, the Integrated Program Review, and rate cases. She stated that BPA does have an access-to-capital challenge, but noted that F&W capital expenses are just "a small sliver" of BPA's overall "capital and debt management challenge" and are not affected by the affordability cap. F&W is in the "background noise" of this issue, Bodi added.

She went over BPA's current F&W capital investment projections for FY 2014-2015 and 2016-2017, which include hatchery programs, land acquisitions, and tributary passage improvements. F&W program capital budgets must be based on specific assets and satisfaction of measurable commitments, and they must have an estimated life of more than 15 years and a cost of at least \$1 million, Bodi noted.

Rockefeller asked what analysis the agency is doing of older hatcheries that will need maintenance in the future. We take an expense-based approach to O&M at the hatcheries to try to phase maintenance to eliminate the need for capital, Bodi replied. It's a deliberate strategy to keep those facilities well-maintained, she added.

Bodi discussed F&W expense projections, noting BPA implements over 800 contracts annually. We are your partners in this, and you know the scope and scale of this program better than I do, she told the Council. All our environmental and cultural resource compliance is also covered in the expense budget, Bodi noted.

She explained a chart projecting spending of \$343.5 million for the FY 2015 start-of-year budget which includes: \$98 million for Biological Opinion (BiOp) requirements, \$102 million for the Columbia Basin Fish Accords, \$31,700,000 for the LSRCP hatcheries, \$51,800,000 for capital, \$42 million for "general" expenses, and \$18 million for overhead. Council members asked a number of questions about the expenses of the integrated program, including whether the treatment of depreciation and payments on principal and interest could result in double counting, and how the depreciation of land is capitalized. BPA's Bryan Mercier said he would get that information for the Council.

In Oregon, we have to report to the governor and legislature on F&W costs and our report is substantially different from what we are hearing today, Lorenzen said.

Bodi explained budget management tools to maximize the use of available funds and how priorities are set. We have a world-class RM&E program, but it could be more focused and that could lead to cost savings going forward, she said.

The F&W program is 32 years old, and we've accomplished a lot, Bodi stated. In the hydro area, the dams have been extensively overhauled to improve fish passage, and we have the highest dam and in-river survivals for juvenile and adult salmon and steelhead in the Columbia River system since before there were dams, she said.

Over 500,000 acres of habitat have been protected and restored throughout the basin, and we are seeing incredible benefits as a result, Bodi reported. Since 2008, BPA and its partners have re-opened or improved access to about 2,500 miles of river and stream habitat, more than twice the length of the entire Columbia River, she said. We've helped bring water markets into effect and restored more than 254,125 acre-feet of water to rivers and streams, some of which formerly ran dry when fish needed them most, Bodi added.

We've opened up blocked areas, and through scientifically managed hatchery programs, we are bringing fish that were virtually extinct back to the rivers, she said. Bodi thanked the Council for being a partner in all these achievements. It's a lot of money, but it's a lot of progress, she summed up.

As we amend our F&W program, how can we be sure we have the right priorities that will enable us to maintain the investments we have already made and be well positioned to look for good investments to make in the future? Anders asked. We will work with the Council to help prioritize and focus on what we are getting for the money we spend, said Bodi. RM&E is an area of scrutiny, she stated. If we have research projects, we should think about what is the completion date – we haven't done that as much in the past, Bodi noted.

I appreciate BPA's recent efforts to provide more clarity with research projects and what they are contributing, said Karier. I've noticed there has been a larger role for consultants, and I wonder if those contracts are bid competitively, he added. We don't do a lot of competitive bidding on subcontractors, noted Mercier.

We have heard from people in the region that we should work with BPA to make the F&W program more efficient, said Karier. We could work with you to try to institute more competitive bidding, he added. I'd like to have more competitiveness and more of a focus on useful results, and we are pushing for that, Bodi responded.

Rockefeller asked what is covered in the \$18 million of overhead. It covers salaries and related expenses for staff, as well as technical support, legal expenses, facilities, and information technology, Mercier replied.

We should do a better job of promoting the successes our F&W program has had, stated Booth. We've invested a lot and made progress, and our Public Affairs Committee could work on some new ways to tell that story, he suggested.

With respect to RM&E, Booth said that more of a programmatic approach would be helpful. We are making progress in collecting information on standardized metrics, but questions such as how to scale that up and how to display outputs in a useful way still need work, Bodi said. These are issues we are grappling with, and we will come back to the Council with more of a programmatic framework, but that may still be a year out, she added.

7. Update on fish and wildlife program amendment process:

John Shurts, general counsel; Patty O'Toole, program implementation manager; and Laura Robinson, program implementation and liaison specialist.

Staffer John Shurts noted that the Council had extended the public comment period for the F&W amendment process to July 25 and posted that information on the Council's website. He said that since the decision to extend the comment period was taken by the Council chair in consultation with Council members prior to this meeting, he wanted to be sure all Council members were comfortable with that decision. Hearing no objection, Shurts pointed out that the extension could have an effect on the schedule for the amendment process.

Staffer Patty O'Toole said the September 17 target date for adopting a final program has not changed. We are still aiming for that, she added. After the comment period closes, staff will summarize the comments and discuss them with the Council at the August meeting, O'Toole said. Following that meeting, staff will draft revisions to the program, she stated.

O'Toole said there could be a need for additional special Council meetings in August and/or September, and she suggested several dates and asked the Council to review them. O'Toole noted that staff is proposing September 1 as the date the Council and staff would enter into the ex-parte period in which no additional input from outside the Council would be allowed.

At the Council's September meeting, we plan to discuss the revisions to the draft program, and the Council could adopt the program then or wait until later in the month, she said. Is September 17 a statutory deadline or could we wait until the October meeting? Booth asked. In accordance with the statute, the Council has to act within one year, although twice in the past, the Council did exceed that deadline, Shurts said. The Power Act says it should be done in a year, but doesn't specify what should happen if that doesn't occur, he added. Staff is not recommending you miss the deadline, said Grover.

It is an expense to hold extra Council meetings, and we should keep that in mind, said Booth. Shurts clarified that while the target date for adopting the program is September 17, the Council will also be asked to adopt a set of findings explaining its decisions on the program amendment recommendations a month or two after the program is adopted.

I think we should try to hit the September 17 deadline, Yost stated, and Bradbury said he agreed. We will continue to communicate with you as the comments come in, and we will aim for that, O'Toole said.

8. Council business:

– Approval of minutes

Anders moved that the Council approve the minutes of the June 10-11, 2014 Council meeting held in Missoula, Montana. Booth seconded, and the motion passed.

– Adoption of Council Draft Fiscal Year 2016 and Fiscal Year 2015 Revised Budget (Council document 2014-02)

Staffer Sharon Ossmann said the Council released the drafts of the FY 2016 and FY 2015 revised budgets in May for public comment, but that no comments had been made, either orally or written. Anders moved that the Council approve the Fiscal Year 2016 budget and the Fiscal Year 2015 revised budget and authorize reprogramming of available Fiscal Year 2014 funds for unanticipated Fiscal Year 2014 costs. Karier seconded, and the motion passed.

Public comment on any issue before the Council

There was none.

Approved August __, 2014

Vice-Chair