

Tom Karier  
Chair  
Washington

Frank L. Cassidy Jr.  
"Larry"  
Washington

Jim Kempton  
Idaho

W. Bill Booth  
Idaho



Joan M. Dukes  
Vice-Chair  
Oregon

Melinda S. Eden  
Oregon

Bruce A. Measure  
Montana

Rhonda Whiting  
Montana

## **Council Meeting Portland, OR**

**September 11, 2007**

### **Minutes**

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

Rhonda Whiting chair, fish and wildlife committee; Jim Kempton, chair, power committee; and Larry Cassidy, chair, public affairs committee.

Power Committee chair Jim Kempton reported that Terry Mundorf, a lawyer who represents public utility districts, briefed members on the average system costs (ASC) calculation and the workings of the 7(b)(2) rate test. Mundorf told us there won't be a settlement on the residential exchange, he added.

He continued his report with an update on the staff's CO<sub>2</sub> analysis, noting that the committee's support for releasing an issue paper was not unanimous. Staffer Wally Gibson brought us up to date on various transmission developments in the region, Kempton said. There is a lot of work contemplated in this arena, but things are still in the planning phase for major projects, he added.

We discussed the economic adequacy target work that staff is doing, as well as a revised fuel forecast, Kempton said. A decision on formally revising the forecast will come before the Council later in the agenda, and we unanimously recommend it be adopted, he wrapped up.

Rhonda Whiting, chair of the Fish and Wildlife Committee, noted that the committee held a special meeting August 28 to discuss the innovative project proposals. Today, we had an update on the fall Chinook transportation evaluation, and the researchers expect to develop a long-term study plan by October, she said. Rick Williams is the moderator of the Science Policy Exchange this week, and he will put together a summary of the materials presented.

Staff presented a draft letter for announcing the fish and wildlife program amendment process. There is some concern about the schedule for the call for amendments, but the consensus on the committee is to keep to the dates adopted in April, Whiting said.

CBFWA reported on its abundance work, and we discussed the difficulties with getting data, she went on. She noted that CBFWA does not want to become the data warehouse. The committee

got an update on the regional coordination issue from tribes, and we should have completed budgets in October, Whiting said. The committee's last item was a follow-up on the Grand Ronde model watershed after another science review, she concluded.

Joan Dukes made a motion that the Council meet in executive session at the close of business on Tuesday, September 11, to discuss Council organization and procedures. Larry Cassidy seconded the motion, which passed unanimously on a roll call vote.

## **1. Council decision on Innovative Proposals:**

Patty O'Toole, program implementation manager.

Staffer Lynn Palensky gave an overview of the two-day Science Policy Exchange planned for September 12 and 13. She said abstracts of the presentations will be available.

Patty O'Toole noted that the Fish and Wildlife Committee met August 28 to determine which of dozens of innovative project proposals should be funded. The committee recommended funding five proposals in fiscal years 2008 and 2009, she reported. According to a staff summary, the projects address improving habitat by remediating contaminated sediments; using a non-lethal electric barrier to deter marine mammal predation on salmon; enhancing the Columbia River estuary with innovative site selection and planting techniques for eel grass; enhancing summer instream flows and reducing temperatures in agricultural watersheds; and testing a flow-velocity enhancement system.

The Council received 59 proposals, and the Independent Scientific Review Panel whittled them to nine, O'Toole said. There was considerable public comment, which was taken into consideration in the final selections, she stated. O'Toole pointed out that the barrier to deter marine mammal predation is much more costly, at \$1.4 million, than the other projects.

O'Toole explained that the five projects total \$2.4 million, and that \$2 million would come from funds Bonneville agreed to make available. The remaining \$421,000 would come from unexpended funds carried forward from the current year, she said.

Staff drafted language that could be added to the motion to make it clear that support for the project to deter sea lion predation does not diminish the Council's support for investigating a lethal remedy.

Eden said she would vote for the package of projects because she is interested in seeing how the sea lion project works out. But she noted that Oregon took a minority position on the 2007-2009 budget recommendations to BPA because of the funds allocated to the innovative project category.

One of the criteria we had for the innovative projects was that they be concluded within 12 to 18 months, and it doesn't appear that will be the case with this project, she went on. We need to be aware that we are violating our criteria in voting for it, Eden said.

Dukes made a motion, seconded by Cassidy, that the Council recommend that Bonneville fund in fiscal years 2008 and 2009 the five innovative proposals presented by the staff and recommended

by the Fish and Wildlife Committee. The Council voted unanimously in favor of adopting the motion.

Cassidy said there should be no confusion that the Council continues to support the states and tribes that are pursuing a permit to use lethal means to stop sea lion predation. This electric barrier is an experimental project, and we're not giving up on the other route, he said. This increases our options to address the sea lion problem, Karier agreed.

## **2. Council decision on follow-up Fiscal Year 2007-2009 actions:**

Mark Fritsch, manager, project implementation.

### **– Project 1992-026-01, Grand Ronde Model Watershed Program Habitat Restoration - Planning, Coordination and Implementation**

Staffer Mark Fritsch explained that sponsors of the Grand Ronde model watershed program had addressed conditions imposed in the 2007-09 funding recommendations. The ISRP gave us a report in August that said the project now meets the scientific review criteria, he said. Fritsch noted that in its review, the ISRP had made helpful comments with regard to monitoring and evaluation in the F&W program.

Dukes made a motion, which Eden seconded, that the Council acknowledge that the conditions placed on its funding recommendation for fiscal years 2007-2009 for the Grand Ronde Model Watershed Program, Project 1992-026-01, have been adequately addressed. The Council voted unanimously in favor of the motion.

## **Public comment on any subject before the Council.**

Jaime Pinkham of the Columbia River Inter-Tribal Fish Commission said he appreciated the Council's consideration of the "Smith-Root" proposal for an electric barrier and sonar system to deter marine mammal predation on salmon. We have met with the sponsors, and they considered our concerns in what they are proposing to do, he indicated. The project does not, however, diminish the need for the other option of getting a Section 120 permit to do lethal take, Pinkham said.

We would also like to reiterate our request that you build-in time in the run up to your fish and wildlife program amendments to consider the collaboration that is going on with the Biological Opinion, he continued. We would ask you to exercise patience so you can build this into your program recommendations process, Pinkham said.

## **3. Council decision on the schedule for the program amendments and**

**Review of draft letter calling for recommendations for the Fish and Wildlife Program amendment process:**

Tony Grover, director, fish and wildlife division; Patty O'Toole: and Lynn Palensky, program planning and special projects coordinator.

Staffer Patty O'Toole presented a draft letter outlining the Council's process for amending its fish and wildlife program and calling for recommendations. According to the proposed schedule, the letter will need to be finalized and approved at the October meeting, she said. O'Toole went over sections of the letter and noted that in it, the Council suggests areas in the fish and wildlife program where people might focus their attention – "areas that could benefit from fresh ideas."

This time, we are including the mainstem with the rest of the program so there will be a single amendment process, she said. We also speak to the subbasin plans, although we do not intend a "wholesale update" of them, O'Toole explained. According to the draft letter, the Council would defer recommendations to change subbasin plans to a later process.

Karier suggested deleting a paragraph that addresses implementation and the relationship of the plan to other fish and wildlife processes. That is an internal discussion and doesn't need to be in this letter, he said. Karier also pointed out the need to reference the guidance in the Northwest Power Act that spells out the type of data that "shall" accompany amendment recommendations. That needs to be highlighted, he stated.

Kempton said he felt strongly that anyone submitting multiple recommendations should prioritize them. If we don't have priorities, it will be difficult for the Council to sort and choose among proposals, he said. I'd vote against this letter without language to that effect, Kempton stated. We can't evaluate the priorities in a subbasin better than those who wrote the subbasin plan, and we should include the need for prioritization in our call for recommendations, he elaborated.

Staffer Lynn Palensky said there has been comment from customers and tribes about the schedule laid out in April for the amendment process. There have been requests for a delay so that a rewritten Biological Opinion (BiOp) can be taken into account, she explained. Palensky offered a possible alternative schedule that pushes out the comment period on recommendations beyond February to accommodate the BiOp. This would bump adoption of final amendments into January 2009, she added.

Does closing the comments in February accommodate the BiOp? Karier asked.

Staffer Tony Grover said he had talked to NOAA Fisheries and learned that fairly significant sections of the BiOp would not be available when the draft is offered at the end of October. We are looking at the end of January or mid-February before we get a final BiOp, he reported.

Eden said she is not optimistic the region will get a final BiOp by the deadline. I'm not in favor of postponing, she stated.

Dukes made a motion that the Council approve the schedule for amending the Fish and Wildlife Program presented by the staff and recommended by the Fish and Wildlife Committee. Kempton seconded the motion, which passed unanimously. The schedule calls for recommendations in November, close of public comment in February, a draft program amendment in June, and final adoption in October 2008.

#### **4. Council decision to adopt final revised fuel price forecasts issue paper (Council document 2007-10):**

Terry Morlan, director, power division.

Morlan reported that staff completed a final revision of its fuel price forecasts. After a period of public comment on a draft, the new forecast is ready to go final, he stated. Dukes made a motion that the Council approve the final version of the paper Revised Fuel Price Forecasts as presented by the staff and recommended by the Power Committee. Eden seconded the motion, which passed unanimously.

#### **5. Council decision on release of the CO<sub>2</sub> Footprint paper:**

Terry Morlan; and Jeff King, senior resource analyst.

Jim Kempton, chair of the Council's Power Committee, reported the committee did not have a unanimous recommendation on releasing an analysis of the CO<sub>2</sub> footprint of the Northwest power system. The vote was three to one to recommend putting out an issue paper for public comment, he said. The Oregon member objected to deletions made from a version presented to the Council at a previous meeting, Kempton noted.

Staffer Terry Morlan said the key point of the analysis is that it will be very difficult to reduce CO<sub>2</sub> emissions below levels in the 1990s. The analysis makes clear that actions like breaching dams and spilling water in the hydro system will impact CO<sub>2</sub> production, he stated. Since the paper was presented, we rewrote the introduction and removed information related to replacing the Lower Snake River dams, Morlan explained. That part of the analysis was not comparable to the rest of what we had done, and it shouldn't have been included to begin with, he said.

Melinda Eden objected to releasing the analysis without the Lower Snake River dam scenarios. "It is incomplete without them," she said. The previous analysis looked at removing the dams and replacing the power with purchases from the market or with conservation and renewables, Eden said. We asked the staff for that analysis, and it shouldn't be removed before we open this for comment, she said. I will vote against releasing the paper, Eden added.

I look at the Council as leading the region in discussions about the future, Joan Dukes stated. "I'm curious and interested in the comments that will come forward," she said. Just because we leave that part of the analysis out, it doesn't mean we won't get comments about it, Dukes stated. All options available should be included in our analysis; otherwise, we are selling the region short, she said, adding that she too would vote against the motion.

I have concerns about the suggestion that we are pulling something out of the analysis on a whim of the committee, Kempton said. The Lower Snake River dam scenarios did not follow our usual standards for analysis, and the scenarios presented were "apples and oranges" in the context of the rest of the analysis, he indicated. Kempton acknowledged there were concerns early on about a lack of qualifiers on the Snake River scenarios and how to implement them "in the real world."

Morlan said the important thing about the analysis is that anyone can now combine elements for purposes of a policy discussion and see the effects. "It's all there," he said. Eliminating the

Lower Snake River dam scenarios “keeps the analysis more pure,” and it’s now more like a sensitivity analysis, Morlan added.

It is easy to lose sight of the original purpose of the analysis, which was to see where the CO<sub>2</sub> in our power system is coming from, Council chair Tom Karier pointed out. As the region grows, we will be producing more CO<sub>2</sub>, and the report shows that it will take more than renewable portfolio standards and Council conservation targets to hold CO<sub>2</sub> as low as 2005 levels, he said. This report shows how difficult it will be, and it gives us an additional tool to analyze future policy options, Karier stated.

The region relies on the Council for analyses and information, Bruce Measure said. The dam removal scenarios “are about as contentious as anything we deal with,” he said, noting that he brought the issue up at the Council’s Spokane meeting. Some scenarios are just not feasible, and we can’t release something like that, Measure stated. The scenarios didn’t meet the standards in the rest of the analysis, he added.

Kempton made a motion that the Council direct the staff to release for public comment the staff issue paper, *The CO<sub>2</sub> Footprint of the Northwest Power System*, as presented by the staff and recommended by the Power Committee, and give noticed of the opportunity for public comment through 5:00 P.M. on October 12<sup>th</sup>. Measure seconded the motion, which passed on a vote of six to two; Oregon’s two members voted no.

## **6. Council Business**

### **– Adoption of minutes**

Dukes made a motion that the Council approve for the signature of the Vice-Chair the minutes of the August 14-15, 2007 Council meeting held in Spokane, Washington. Whiting seconded the motion, which passed unanimously.

The Council Meeting adjourned at Noon.

Approved October 16, 2007.

/s/ Joan Dukes

Vice-Chair

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