

W. Bill Booth  
Chair  
Idaho

James A. Yost  
Idaho

Tom Karier  
Washington

Dick Wallace  
Washington



Bruce A. Measure  
Vice-Chair  
Montana

Rhonda Whiting  
Montana

Melinda S. Eden  
Oregon

Joan M. Dukes  
Oregon

## **Council Meeting Spokane, Washington**

**August 11-12, 2009**

### **Minutes**

Chair Bill Booth called the meeting to order at 1:45 pm on August 11<sup>th</sup> and adjourned it at 3:10 pm on August 12<sup>th</sup>. All members were present.

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

Rhonda Whiting chair, fish and wildlife committee; Melinda Eden, chair, power committee; and Dick Wallace, chair, public affairs committee.

Rhonda Whiting reported that the Fish and Wildlife (F&W) Committee discussed several Accord projects, a Biological Opinion (BiOp) project, and several third-quarter F&W projects. We also received an update on RM&E and artificial production category reviews, approved a charter for the Wildlife Crediting Forum, and discussed options related to the Hatchery Scientific Review Group's recommendations, she said.

Melinda Eden reported that the Power Committee worked to clarify several issues in the draft power plan, including issues with respect to effects on consumers, electricity rates, conservation, and carbon penalties. The Power Committee is prepared to recommend release of the draft plan to the full Council, assuming that any outstanding issues can be resolved during the upcoming Council work session on the plan, Eden added.

Dick Wallace reported that the Public Affairs Committee discussed the Congressional staff trip scheduled for next week in Montana. We also talked about public outreach and the hearing schedule for the draft power plan, he said. Wallace gave a brief report on his recent trip to meet with Columbia Basin Trust board members and staff

## **1. Council work session on development of the draft Sixth Power Plan:**

Terry Morlan, director, power division.

The Council's work session on the draft power plan began with a preview of the slide show to be used at the start of each public hearing on the plan. Staffer Terry Morlan went over the power point presentation, which says the plan "in a nutshell" is: aggressive conservation; renewable generation to meet Renewable Portfolio Standard (RPS) requirements; additional energy, capacity, and flexibility needs provided by natural gas-fired generation; and taking advantage of cost-effective, small-scale local renewable and cogeneration opportunities.

He summed up the five-year action plan by saying it calls for developing 1,200 average megawatts (aMW) of conservation by 2014, with a target range of 1,100 to 1,400 aMW and a midpoint evaluation of progress. The action plan, according to Morlan, also calls for developing cost-effective new generation if needed for energy, firm capacity, or flexibility "as warranted by individual utility situations," and improving power system operation and the ability to integrate wind generation. It also seeks to demonstrate promising new technologies for improved efficiency, demand response, and generation, he noted.

Staffer Mark Walker presented the latest version of the "vision" for the plan, and Council members suggested editorial changes and some rewriting. Council chair Bill Booth recommended the description of the Council's mission to ensure the region an adequate, efficient, economical, and reliable power supply be moved to the top of the vision statement, and the Council agreed.

Booth suggested the plan include BPA's estimate that replacing lost hydropower capability and funding direct fish and wildlife (F&W) program expenditures have increased its costs by \$750 million to \$900 million per year. Joan Dukes said she liked the language without those numbers and noted that foregone revenue is a very controversial issue. People might think that putting in a dollar amount could equate to meeting the needs of the Power Act when it doesn't, she stated. Dick Wallace said he was okay with inserting the numbers, but that the plan needs to point out the numbers came from BPA and explain the reason for using a range.

Morlan said staff could "polish up" the appendices to the plan and make them available on line, or the draft could go out without the appendices. The appendices aren't something the Power Committee goes through with a fine-toothed comb -- they are technical data, said Melinda Eden. She recommended posting them on the Web site, and the Council agreed.

Morlan presented a draft of the cover letter that would accompany the plan, noting it flags several items the Council would especially like comments on, including uncertain carbon-control policies, renewable energy, the need for capacity to meet peak loads, the need for flexible generation to help integrate wind power, and demand-management opportunities through the smart grid. He asked for additions to the list. I'd like to add conservation goals and the Model Conservation Standards, Booth said.

Eden suggested putting in an item on cost comparisons and explaining how they are reflected in a "base case" that represents current policies, given that the four states differ in policies such as the RPS. Jim Yost suggested the list include costs to consumers.

At the continuation of the work session on Wednesday morning, Morlan presented a revised version of the vision statement. This needs some additional work, and frankly, we have to be very, very careful about what we include in the draft document, said Booth. Yesterday we saw some "premature information" about the plan in the press, he stated. People could look at that and forget the information is based on a draft, Booth said.

It's not just the vision statement I have concerns about, he continued. Before we release a draft, we better make sure the entire document is pretty close to what we can live with, Booth said. The vision doesn't address dam removal, which is an important issue in my state, he added. We don't want to rush something out prematurely, Booth said.

We've been showing power points in public meetings for months now, but I'm anxious to hear from the people who work with this, she said.

If we delay, there is additional work that could be done to clarify some of the issues, and I'd commit to help doing that, said Yost.

It's unfortunate about the premature release of some of this information, but it's evidence of the level of interest in the region, stated Tom Karier. The best thing is to get the plan out -- it's in very good shape, he said.

I am concerned about the failure to conform the appendices to the draft document, Bruce Measure said. I'm also confused about the disparity between what I read in the article in the *Spokesman-Review* and what's in the plan, he stated. Measure cited the way electric vehicles were addressed and representation of the Snake River dam issue and whether those projects could be replaced "with a few gas plants." There's more to it than that, he said.

With respect to the Snake River dam issue, the plan does address the technical costs, risks to the power system, and additional carbon emissions that would likely occur, Karier noted. Unfortunately, the *Associated Press* news story didn't cover all that, he said.

With respect to the appendices, in the entire history of the Council, the appendices "haven't been buttoned-down documents" until the plan is completed, stated Eden. She pointed out that neither the Council's F&W program nor the power plan advocate dam removal. As for the conservation analysis, it has been worked on for a couple of years, Eden pointed out. There could be further discussion, but I don't think the numbers are going to change, she said.

Eden recommended releasing the draft and "finding out what people have to say" about it. We will be able to go out and discuss these issues with people and then come back and put together a final product, she said.

I don't agree with the "information department" of the Council on what the plan's vision is, stated Yost. We need to discuss that, and we need to go through the appendices to see what's in there, he added. I'd also like to look at the Snake River dam issue before the public hearings take place because I'll be at them supporting the plan, Yost said.

## **2. Council decision to release the Draft Sixth Power Plan for public comment:**

Terry Morlan, director, power division.

Booth called for a motion to release the plan for public comment. Eden made a motion to do so, and Karier seconded.

Morlan went over revisions to the plan staff had made overnight. Yost commented that one of the messages in the plan is that electricity prices are going to go up and that people are going to have to do more conservation to keep their monthly bills down. We are forcing them to do conservation, and that's okay if that's what we want them to do, he said. We need to say in the plan that if consumers do conservation, their monthly bills won't increase, but if they don't, bills will increase, Yost stated. Customers have a right to know about this, and it isn't very clear in the plan, he added.

If we don't do conservation and have to build other resources, that would be very expensive, and that may not come out clearly in the plan either, said Morlan.

Dukes asked about the inclusion of advanced nuclear energy in the future resources section of the plan. Until we settle the issue of nuclear waste disposal, I'm hesitant to consider nuclear power a future resource, she said.

Eden asked staff to discuss the plan's conservation estimates for years six through 20. Staffer Tom Eckman described how the plan's conservation numbers were developed in concert with the Regional Technical Forum and other groups. Our numbers were peer-reviewed by everyone interested in this in the region, he stated.

This is the first time we've "had our homework reviewed" at that level of detail, Eckman said. As for costs to the consumer from conservation, it's clear that consumers will be participating in many conservation programs without knowing it because of changes in standards and codes, he explained. On the commercial and industrial side, there's more of a choice, Eckman noted.

You are predicting a lot of conservation will happen in the future compared with what happened in the last two decades, said Booth. Some of that success was bolstered by the increase in the use of compact fluorescent light bulbs, he stated. I'd like to validate the large increase in conservation called for in the plan, Booth said.

The conservation increases are predicted because we've discovered "a bunch of new measures" beyond CFLs that weren't available before, for example, in the industrial sector and for appliances like TVs, said staffer Charlie Grist. We are gearing up to take advantage of the new measures, and all of the region's utilities have projects "targeted at this stuff," he added.

We have spent an inordinate amount of time on conservation for the first five years, but I don't believe we've had a similar effort for the latter 15 years, said Booth. People are looking at the full 20 years and seem to want to "make proclamations" about that, he stated. I'm not comfortable that this issue has been fully vetted, both on the conservation side and on the load side, Booth said.

I like the conservation portion of the program for the first five years, Measure said. There was a lot of work done to accommodate the needs of rural and small utilities, but I remain concerned about the economic implications of the conservation program for those utilities, he added.

The out-year conservation proposals in the plan are going to be very nebulous and may change drastically, and I'm not as afraid of them as others may be, Measure continued. But I don't think the plan is ready to go out, he said, adding that while he would vote against releasing it, he hoped it could go out before the September meeting.

After the first five years, the conservation targets will be less certain, commented Karier. That's one of the advantages of doing a new plan every five years, he said.

The motion to release the plan failed on a roll-call vote. Karier, Wallace, Eden, and Dukes voted yes. Booth, Yost, Measure, and Whiting voted no.

I have a list of issues to be resolved, and I'm ready to work to do that, said Booth, after the vote. I support having a special meeting between now and our September meeting, Wallace stated. We'll check schedules and figure out how to meet either in person or by phone, Booth said.

### **3. Council decision on project reviews and within-year adjustments:**

Mark Fritsch, manager, project implementation.

#### **– Project #2008-004-00, *Sea Lion Non-Lethal Hazing***

Staffer Mark Fritsch presented funding requests for five Accord projects. The first, he said, is for \$2,190,905 in expense funds for FY 2008 through 2017 for a project called Sea Lion Non-Lethal Hazing, sponsored by the Columbia River Inter-Tribal Fish Commission (CRITFC). Fritsch noted that the Independent Scientific Review Panel (ISRP) had reviewed the project and found it "met scientific review criteria in part." Karier asked how BPA treats ISRP reviews for Accord projects. We are reviewing and monitoring these projects and working with BPA -- the Council provides a check-and-balance for these projects, Whiting said.

Eden moved that the Council recommend that BPA fund Project 2008-004-00, Sea Lion Non-Lethal Hazing, as presented by the staff and recommended by the F&W Committee. Karier seconded, and the motion passed. Measure was absent and did not vote.

#### **– Project #2008-455-00-00, *Sturgeon Management***

Fritsch said the second project, Sturgeon Management, sponsored by the Yakama Nation, is for \$1,369,315 in expense funds for FY 2008 through 2017. The goal of the project is to restore population abundance and fishery benefits for white sturgeon in mid-Columbia River reservoirs between Bonneville and Priest Rapids dams, he noted. The ISRP found that the project's first objective met scientific review criteria, but that the remaining four objectives did not because they depend on the development of a master plan, which is called for in the first objective, Fritsch reported.

The F&W Committee recommends approving funds for objectives 1 and 2 of the project at this time, he said. So the ISRP did not support objective 2, but we would support it in spite of that? Eden asked. Fritsch explained that objective 2 involves maturing captive sturgeon that are being

held in a large pond, and staff thinks it is appropriate to carry out the objective, which is to continue to develop critical expertise and refine effective sturgeon culture methodology for spawning and rearing. The Yakamas want to use these fish as "guinea pigs," he stated.

Booth said the staff estimates the price of objective 2 to be about \$56,000. They have the fish and could use them for research, he stated. My expectation is this wouldn't go on ad infinitum -- it's maybe a one-year deal, Booth said.

If the ISRP is objecting, it doesn't sound like this has been looked into thoroughly, Eden said. There are fish there as a legacy of past projects, and if we don't fund this research, we lose the opportunity to build on previous projects, Wallace stated.

Why doesn't the ISRP think objective 2 is a good idea? Eden asked. There wasn't a lot of explanation, replied Whiting. We are "figuring out a new dance" in how to deal with these Accord projects and whether we can stop them or not, she added. BPA did the Accords -- it wasn't the Council that did them, so we are in a different arena, Whiting said.

Booth asked if the project could be delayed a month in order to get the information Eden requested about it. The F&W Committee decided to move forward -- the fish are there, and there's no sense wasting a short-term opportunity, Dukes said. Additional information will be forthcoming in the master plan, she added.

Booth asked Fritsch to provide Council members with additional information about objective 2 of the project. I'll vote no on this, said Eden. It's not that the Yakamas don't do a good job -- they do, she stated. And it's not that sturgeon recovery is not important -- it is, Eden said. But we are "at the top of a slippery slope" with these Accord projects, and I'm concerned about pushing them through without positive recommendations from the ISRP, she added.

Eden moved that the Council recommend that BPA fund objectives 1 and 2 of Project 2008-445-00, Sturgeon Management, subject to the condition that objectives 3, 4, and 5 shall be dependent on future reviews, as presented by the staff and recommended by the F&W Committee. Dukes seconded, and the motion passed, with Eden voting no. Measure was absent and did not vote.

– **Project #2008-308-00, *Willamette Falls Lamprey Escapement Estimate***

Fritsch said the third project, Willamette Falls Lamprey Escapement Estimate, sponsored by the Confederated Tribes of the Warm Springs Reservation, is for \$1,643,178 in expense funds for FY 2008 through 2017. The project's goal is to develop abundance and escapement estimates for adult Pacific lamprey at Willamette Falls, he noted. The ISRP found objective 3 of the project met scientific review criteria, but requested more information on objectives 1 and 2, Fritsch reported.

Eden moved that the Council recommend that BPA fund objective 3 of Project 2008-308-00, Willamette Falls Lamprey Escapement Estimate, subject to the condition that full implementation of the project shall be dependent on a favorable review of the response requested by the ISRP for objectives 1 and 2, as presented by the staff and recommended by the F&W Committee. Wallace seconded, and the motion passed. Measure was absent and did not vote.

– **Project #2008-524-00, *Pacific Lamprey Passage Design***

Fritsch said the fourth project, Pacific Lamprey Passage Design, sponsored by CRITFC, is for \$6,298,848 in expense funds for FY 2008 through 2017. The project's goal is to carry out the objectives of the draft Tribal Pacific Lamprey Restoration Plan for the Columbia River Basin, he noted. The ISRP found the proposal to be too general to allow scientific review and recommended that only the objective associated with finalizing the lamprey restoration plan be funded, Fritsch reported. Staff recommends the Council only support that work and that additional actions depend on CRITFC addressing the ISRP's concerns, he said.

Eden moved that the Council recommend that BPA fund only the finalization of the lamprey restoration plan under Project 2008-524-00, Pacific Lamprey Passage Design, subject to the conditions that further actions shall be dependent on: 1) the sponsor satisfying the ISRP concerns; and 2) future reviews by the ISRP and the Council, as presented by the staff and recommended by the F&W Committee. Whiting seconded, and the motion passed. Measure was absent and did not vote.

– **Project #2008-117-00, *Rufus Woods Redband Net Pens***

Fritsch said the fifth project, Rufus Woods Redband Net Pens, sponsored by the Colville Tribes, is for \$2,019,879 in expense funds for FY 2010 through 2017. The project's goal is to raise redband rainbow trout in net pens in Lake Rufus Woods and reduce the need for raceway space and water at the Colville Tribal Hatchery by raising the trout broodstock off-site, he noted. The ISRP found the proposal met scientific review criteria, Fritsch reported.

Eden moved that the Council recommend that BPA fund Project 2008-117-00, Rufus Woods Redband Net Pens, as presented by the staff and recommended by the F&W Committee. Wallace seconded, and the motion passed. Measure was absent and did not vote.

– **Project #2008-710-00, *Chum Salmon Enhancement in the Lower Columbia River***

Fritsch presented a BiOp project, Development of an Integrated Strategy for Chum Salmon Restoration in the Tributaries below Bonneville Dam, sponsored by the Washington Dept. of Fish and Wildlife, requesting \$496,372 for its first-year activities. The ISRP found that four of the project's seven objectives met scientific review criteria, Fritsch reported. Staff recommends funding those, with support for the remaining objectives being dependent on future reviews by the ISRP and the Council, he said.

Eden moved that the Council recommend that BPA fund objectives 1, 2, 4, and 6 of Project 2008-710-00, Integrated Strategy for Chum Salmon Restoration in the Tributaries below Bonneville Dam, subject to the conditions that: 1) the qualifications and responses identified by the ISRP for objectives 3 and 5 be addressed in the Step Review anticipated for objective 7; and 2) full implementation of objectives 3,5, and 7 shall be dependent on future reviews by the ISRP and the Council, as presented by the staff and recommended by the F&W Committee. Karier seconded, and the motion passed. Measure was absent and did not vote.

– **3rd Quarter Projects**

Fritsch presented within-year project funding requests for four projects: Lake Roosevelt Rainbow Trout Net Pens, Umatilla Hatchery Operations and Maintenance, Knapp-Wham and Hanan Detwiler Irrigation Consolidation and Well Drilling, and The Nature Conservancy

Willamette Wildlife Acquisitions. The total requested amounts are \$137,912 in expense and \$1,912,000 in capital funds in FY 2009, and \$121,694 in expense funds in FY 2010, he noted. The F&W Committee discussed these and found them to be good projects, Booth stated.

Eden moved that the Council recommend that BPA approve the four within-year funding requests as presented and conditioned by the staff and recommended by the F&W Committee. Whiting seconded, and the motion passed. Measure was absent and did not vote.

#### **4. Presentation by Colville Tribe on Selective Harvest:**

Joe Peone, Director of Fish and Wildlife for the Confederated Tribes of the Colville Reservation, Virgil Seymour, Confederated Tribes of the Colville Reservation Natural Resource Chair, Mike Finley, Chairman of the Colville Business Council, and Salmon Harvest Biologists Keith Kutchins and Michael Rayton.

Joe Peone, F&W director for the Colville Tribes, updated the Council on results from the second year of the Tribes' three-year selective harvest study, which is evaluating fishing gear for the live capture of salmon for mark-selective harvest. Our first priority is to separate out the impacts on species listed under the Endangered Species Act (ESA), he noted. Biologist Keith Kutchins said the work is part of the research conducted for the Chief Joseph hatchery. The plan is to release 2 million summer chinook and 900,000 spring chinook starting in 2011, and the adipose fins of the fish will be removed to identify the fish for harvest, he explained.

Kutchins described the harvest agreement the tribes have with the state of Washington, noting it is the first salmon harvest agreement between Washington and a tribe ratified outside a court proceeding. He said the objectives of the selective harvest research include integrating traditional and modern fishing gear, harvesting hatchery-origin fish for tribal use, reducing the spawning of hatchery-origin fish in the wild, releasing natural-origin fish unharmed, and preventing the future ESA listing of fish not listed now.

Are you able to meet your entire fishery goals through selective harvest? Booth asked. We are getting almost 90 percent through selective harvest, replied Peone.

#### **5. Follow-up actions from the US Bureau of Reclamation's invasive mussel presentation:**

Jim Ruff, Manager, Mainstem Passage and River Operations.

Staffer Jim Ruff kicked off a presentation on efforts to control invasive mussels in the West, which he said follows up on the briefing the Council received from Bureau of Reclamation representatives last month. He said zebra and quagga mussels have not been eliminated from any of the large bodies of waters in the East, Midwest, or Southwest and that mussel densities have been recorded as high as 700,000 per square meter.

Invasive mussels would have a significant cost to the region's ratepayers and impact regional fish and wildlife restoration efforts, according to Ruff. Mussels would affect the hydropower production of all our hydro plants, causing flow restrictions, head loss, and turbine inefficiencies.



He detailed new control efforts under way, including the development of the Q/Z Mussel Action Plan (QZAP) for the western states. Ruff said Reclamation is monitoring for mussels at 27 reservoirs in the Northwest and evaluating different boat-cleaning methods to prevent mussel spread. He urged the Council to support funding for a variety of federal agency efforts to control mussels.

Ruff reported that in 2009, the Corps of Engineers lacks authority to continue monitoring, and said that the Council should support funds in the Corps' budget to enable it to do mitigation planning for mussels at all its hydro projects and fish facilities in the Columbia River Basin. The Council should also encourage regional utilities to use the QZAP as the region's common plan for mussels, he added.

Booth suggested Ruff provide the Council a list of actions to support in various policy arenas.

Eric Anderson, a state representative from Priest Lake, Idaho, told the Council, "if there were raging wildfires in the states to the south of the Northwest, federal and state governments would take action." This is a "biological wildfire," and it could be something that we can't see until it is too late, he stated.

Anderson urged the Council to support Idaho Governor Otter's letter to the Dept. of Interior asking for the U.S. Fish and Wildlife Service to take action to prevent the entry of mussels into the Northwest. The Interior Secretary has said it is too expensive, Anderson reported.

We need to take a hard look at what we can do to help, stated Booth. This is a huge threat to the dams, said Dukes. Why would the Corps say it lacks authority when it has authority to do maintenance on its dams? she asked. The Corps is having difficulty getting this as a line item in its budget because the mussels are not a problem here yet, replied Ruff.

## **6. Council Business:**

### **– Approval of minutes**

Eden moved to approve the minutes for the July, 2009 Council meeting held in Portland, Oregon. Whiting seconded, and the motion passed. Measure was absent and did not vote.

### **– Charter and schedule for Wildlife Crediting Forum**

Eden moved to approve the charter of the Wildlife Crediting Forum Advisory Committee as presented by the staff and to name Peter Paquet as chair of the committee. Dukes seconded, and the motion passed. Measure was absent and did not vote.

### **– Approval of the Council's Annual Report to the Governors on fish and wildlife spending**

Karier moved that the Council approve the Annual Report to the Northwest governors on BPA's expenditures to implement the Council's Fish and Wildlife Program as presented by the staff. Wallace seconded, and the motion passed. Measure was absent and did not vote.

### **– Financial disclosure statements**

Staffer John Shurts said the Council's financial disclosure policy calls for a public disclosure at a regularly scheduled Council meeting of the members' earned outside income during the

preceding year. This year, Member Eden reported earned outside income from a seasonal agricultural business she manages, and Chairman Booth reported earned outside income from his position as a director of an Idaho bank, Shurts said.

He added that no other members reported earned outside income and that disclosure forms would be available to the public on September 16.

Approved September \_\_\_\_\_, 2009.

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Vice-Chair

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