

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 **Walla Walla, WA**

May 13-14, 2008

Minutes

Bill Booth called the meeting to order at 9:15 a.m. on May 13 and adjourned it at 3:35 p.m. on May 14. All members were present.

Welcome to Walla Walla by Lt. Colonel Anthony J. Hofmann, District Commander, U.S. Army Corps of Engineers.

Lt. Colonel Anthony Hofmann, Commander of the Walla Walla District of the Army Corps of Engineers, welcomed the Council and told them the hydropower produced by the District is valued at \$800 million a year. We've just completed installation of the third Removable Spillway Weir (RSW) at Lower Monumental, a Temporary Spillway Weir at McNary, and in 2009, we'll put in an RSW at Little Goose, he said. The RSWs require less spill, which means that we will be able to produce more hydropower, Hofmann noted.

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 Committee discussed within-year project adjustments, several other fish and wildlife projects, and the proposed changes to the Budget Oversight Group (BOG) process.

Melinda Eden reported the Power Committee was introduced to decision making, uncertainty, and cost-risk tradeoffs as they relate to the resource portfolio model for the next Power Plan. We also talked about fuel switching and the prospect of updating a previous Council study on the subject, she said. The committee discussed demand response, the natural gas forecast, and the implications of energy use by data centers in the region, Eden stated.

Dick Wallace reported that the Public Affairs Committee viewed a new video “The Energy Around Us,” and four short videos for the Council exhibit at Bonneville Dam. We approved release of the annual report to the governors on fish and wildlife expenditures, he said.

1. Council work session on Columbia River Basin Fish and Wildlife Program amendments

Staffer Tony Grover kicked off a work session on the fish and wildlife program amendment process by noting the comment period on amendment recommendations ends June 12. He said the Council will take oral comments on the recommendations at the beginning of its next work session on June 10 in Spokane.

We intend to bring a draft of a new fish and wildlife program to the Council for approval in August, Grover stated. We’ll hold public hearings on the draft around the region in September and October, he said. We expect to have a final draft of the program to work with at the Council’s November meeting, with adoption anticipated in December, according to Grover.

In February, we’ll do the Findings, the legal comments required to be made on all recommendations received, he said. Once that’s done, it will set us up nicely to move on to the Sixth Power Plan, Grover added.

He made two observations about the 3,700 pages of recommendations received. First, Grover said, “by and large, the region is happy with the fish and wildlife program, and most of the recommendations were a validation of the process the Council uses.” Second, “it seems clear that fish and wildlife are going to get a lot more funding over the next several years,” he stated.

Staffer John Shurts described the history of the fish and wildlife program framework, noting that what is being amended this year are the 2000 fish and wildlife program, the 2003 mainstem amendments, and the 2004-2005 subbasin plans.

O’Toole described the sections of the program that, upon initial staff review, seem relatively “stable,” meaning they are not likely to change substantively in the next fish and wildlife program. She said most recommendations supported keeping the program’s current “vision” statement. Other sections, according to O’Toole, that seem “fairly solid” include: the scientific foundation, protected areas, the resident fish substitution policy, the ecological provinces and subbasin structure, and the structure and purpose of the science panels. With those, she noted, “if anything, we got recommendations to expand their use.”

Grover said another key issue for Council discussion is how the program will integrate other actions, such as the Biological Opinion (BiOp) and the Memorandums of Agreement (MOAs) BPA recently signed. Possible approaches, he noted, are to adopt the BiOp and MOAs as part of the Council’s program, reject them, or decide under what conditions the Council would “recognize” the actions in the BiOp and MOAs.

Staff led a discussion of recommendations received in several “topic” areas. Staffer Peter Paquet said most of the wildlife issues in the recommendations involve issues the Council has wrestled with for years, and that still need to be resolved.

Operational losses are one issue, he noted. Because we've already done mitigation for construction and inundation losses, folks want operational losses addressed now, Paquet said. We've struggled with the issue of wildlife crediting, he stated. Our current program has a 2:1 ratio, but Bonneville insists there is only a 1:1 obligation, and we have to deal with this, Paquet said.

Monitoring and evaluation (M&E) and mitigation strategies are other issues we've struggled with, and the recommendations have opened the door to some new approaches, he noted. There are some key decisions to be made, said Karier. For example, is the Council mitigating for an equivalent amount of habitat lost, or is it the number of animals lost, he said.

Staffer Lynn Palensky described issues related to how the program should treat the subbasin plans and recovery plans. We didn't get any recommendations to totally abandon the subbasin plans, she noted. PNUCC and utility customers recommended removing the subbasin plans from the program and using them as reference documents, Palensky said.

There were a lot of recommendations on updates and revisions to the subbasin plans, Palensky pointed out. The Columbia Basin Fish and Wildlife Authority (CBFWA) recommended the plans be "updated and sharpened."

Staffer Jim Ruff said he reviewed all the recommendations on toxics and said the current program says little on water quality and nothing on toxics. The question is whether water quality or toxics should be a separate section, or whether these issues could fall under the habitat section of the program, he said.

A question to consider, he said, is whether we have enough knowledge on the effects of toxics on fish and wildlife health to address the toxics issue. Another thing to consider are incidents involving petroleum and oil products in the system as a result of operations at the hydro projects, said Eden.

I am wondering what our authority would be in this, Booth said. The Power Act does call for providing flows of adequate quantity and quality so that could be a nexus with our program, Ruff stated. We received recommendations that the Council partner with other funding entities that are doing work on toxics, he said.

We do lots of water quality work in the habitat part of our program, and there are water quality measures in the mainstem aimed at improving fish survival, noted Shurts. You "have to be careful you don't go down the rabbit hole," but the issue could be thought of in three tiers as to how it intersects our work, said Wallace. The first is enforcing the Clean Water Act, the middle tier involves the chemical and physical integrity of the water, and third tier deals with things like PCBs and oil-water separators and how they link to the hydro system, he explained.

Ruff discussed recommendations about including new strategies in the program to address impacts from non-native aquatic nuisance species.

Ruff said recommendations suggested the Council partner with other agencies to help inform the public about the problem, sponsor research, and help in management and control programs. BPA recommended that our program encourage actions "it can change," such as directing

resident fish managers to ensure their regulations concerning non-native species do not impede regional efforts to recover listed anadromous fish and white sturgeon, he noted.

The Council received recommendations to include language about climate change in the program, Ruff said. He pointed out that as part of the MOAs, BPA agreed to fund several new projects concerning climate change. As part of its work on the Power Plan, staff will be evaluating climate change impacts on the hydro system, Ruff said.

At the work session in June, the Council will take oral comment from the public on recommendations, O'Toole said. We will discuss the recommendations received on M&E, biological objectives, and hydro operations, and maybe artificial production and the ocean, if time permits, she added.

2. Presentation on carbon sequestration demonstration project:

Peter McGrail, Pacific Northwest Labs.

Peter McGrail of the Pacific Northwest National Laboratory described a demonstration project PNNL is doing to sequester carbon dioxide by pumping it into basalt deposits on Port of Walla Walla-owned land.

He said the pilot project is “a scientific research study only” and was never designed to permit any power plant to be built. Extensive site characterization and testing will take place prior to any injection, McGrail stated. Post-injection monitoring is planned to ensure the CO₂ is not migrating and to track progress toward mineralization, he added.

Dan Clark, representing Walla Walla 2020 and the “Coal Plant Working Group,” presented the Council with 800 signatures from citizens opposing the CO₂ sequestration study and having a new coal plant built at Wallula.

Clark urged the Council not to support the PNNL project. Eden noted the Council’s role in ensuring the Northwest an adequate, economical, and reliable power supply. McGrail said, “Mr. Clark is opposing the pursuit of knowledge, and that’s personally offensive to me as a scientist.”

3. Briefing on conservation achievement report for 2006 and 2007:

Tom Eckman, conservation resources manager; and Charlie Grist, senior analyst.

Staffer Tom Eckman reported that a Regional Technical Forum (RTF) survey shows that the region is not only meeting the Fifth Power Plan’s conservation targets, but in the past three years, “has far surpassed them.” The region is exceeding Plan targets through utility-funded programs alone, before the effects from Northwest Energy Efficiency Alliance (NEEA) programs are factored in, he said.

The RTF survey looked at 2006 and 2007 conservation savings using data from the region’s utilities, as well as information from NEEA and other organizations that operate market transformation programs, Eckman explained. The survey covered 90 percent of the region’s load and over 80 of the region’s utilities, he said.

The region set an all-time-high savings record in 2007 with conservation from all sources totaling 202 MW, compared to the Fifth Power Plan's target of 140 MW, Eckman pointed out. In 2006, 167 MW of conservation were achieved, compared to a 135-MW Plan target, he said

In light of these findings, were our targets too conservative? Karier asked. "It turns out they were," replied Eckman.

The survey shows that, with NEEA activities included, almost 60 percent of the savings came from the residential sector, and 60 percent of those savings came from compact fluorescent light bulbs (CFLs), he reported.

Of the 10 largest utilities' programs, we found that every one increased its conservation savings in 2007 over 2006, Eckman added. "It's been a good year," he summed up, noting that the region is now up to 3,700 aMW of conservation savings since 1978.

What's the take-home message for the average person? Is it about light bulbs? Eden asked. We've achieved the CFL savings in 10 years that we thought would take 15 years to accomplish, replied Eckman. But we haven't got a handle on how well we are doing with new construction, and that's where we need to do some targeting, he said.

With power rates going up, are people changing the way they behave? Council chair Bill Booth asked. The customer responses have been "my rates are going up -- I need to call my utility for help," said Eckman. That has led some customers to initiate new conservation programs, he noted.

Resident Fish Policy (added to agenda)

A panel representing the Upper Columbia United Tribes (UCUTs) presented comments to the Council on the Independent Scientific Advisory Board's (ISAB) proposed draft guidelines for Resident Fish Species Substitution in Areas of the Columbia River Basin Blocked to Anadromous Native Salmonids and criteria for the use of non-native fish in the "Blocked Areas" of the basin. D.R. Michel, UCUT executive director, said they feel strongly that language and policies within the Northwest Power Act and Council's fish and wildlife program support resident fish substitution work and have done so for more than 20 years. We recommend that the policy remain consistent with the past 20-plus years of projects and programs in the "Blocked Areas," and that if necessary, the UCUT resident fish species selection criteria be used for program guidance, he stated.

The ISAB criteria were developed without sufficient context, said Ray Entz, fish and wildlife director for the Kalispel Tribe. He said the UCUTs would provide comments to the ISAB. Deane Osterman from the Kalispel Tribe said over time, staff changes have occurred, and there has been a drift away from the knowledge of resident fish substitution as a fundamental piece of environmental justice in the Columbia River Basin.

Karier said he had toured the Lake Roosevelt area and seen the altered habitat. The conditions make it difficult to run conventional habitat programs like those elsewhere in the basin, so something else has to be done, he noted. We are interested in what the science panel has to say, but the Council will have to deal with this as a policy issue, Karier stated.

4. Report on Northwest Energy Efficiency Task Force (NEET):

Ken Canon, Industrial Customers of Northwest Utilities.

Ken Canon of the Industrial Customers of Northwest Utilities introduced the Council to the Northwest Energy Efficiency Taskforce (NEET), a new organization created in April to further improve the efficiency of electricity use in the region. While the RTF survey shows that “we’re doing great” on conservation, “we can and need to do better, and NEET is set up to make that happen,” he said.

NEET is patterned after the Regional Adequacy Forum and the Wind Integration Work Group, Canon said. Its chairs are Tom Karier, Pat Reiten of Pacific Power, and Steve Wright of BPA, he noted. Canon said he is on contract from BPA to facilitate the group.

NEET will hold its first meeting June 18 in Portland to discuss a work plan, he said. Among the topics we’ll be working on are: promoting the regional sharing of information, finding synergies, and putting a public spotlight on energy efficiency, Canon noted.

5. Presentation on the structure and role of the Regional Technical Forum:

Tom Eckman; and Charlie Grist.

Eckman updated the Council on the RTF. Formed in 1999, its mission is to track regional progress toward conservation and renewable resource goals and conduct periodic reviews to assess that progress, he said.

The Bonneville Power Administration relies on the RTF to maintain a database of energy-efficiency measures for use in agency programs and to screen new measures for technical viability and cost-effectiveness, Eckman explained. The RTF is now also calculating the amount of carbon a proposed project might save over its lifetime, he noted.

The RTF has an Internet-based system for planning, tracking, and reporting regional conservation progress, funded by Bonneville, that utilities can access, Eckman said. Washington utilities will use it to report conservation savings as part of their I-937 compliance, he added.

The RTF is valuable, according to Eckman, because it: leverages utility investments in technology evaluation; provides a centralized source of “peer-reviewed” cost and savings assessments; serves as a clearinghouse for vendors of new technologies; and expands the region’s technical assessment capabilities and knowledge base. We are building an infrastructure the region didn’t have before, he concluded.

6. Presentation by Grant Public Utility District regarding new FERC License for the Priest Rapids Project:

Joe Lukas, Sr. Policy Advisor; and Denny Rohr, consultant to Grant PUD.

Denny Rohr and Joe Lukas from Grant County PUD said the utility’s 14 years of hard work to relicense the Priest Rapids Project paid off on April 17 when FERC granted the facility, consisting of Priest Rapids and Wanapum dams, a 44-year license. Lukas, who will chair the

implementation group for the new license, recounted the many studies, consultations, and compliances required to get the new license, which cost the utility \$50 million.

At 1,893 MW, Priest Rapids is the second largest FERC-licensed hydro project in the country, he noted. Lukas pointed out the license allows for installation of seven new turbines at Wanapum, and the eventual installation of new turbines and generators at Priest Rapids. When the new equipment is installed, we'll be adding several hundred new megawatts, he said. During the term of the license, we'll go up to well over 2,000 MW, Lukas added.

Some of the license's requirements include fish bypass systems, water quality plans, Total Dissolved Gas (TDG) measures, and adaptive management. The license will allow us to test the development of gatewell exclusion screens, install tailrace pumps for fishways, and investigate habitat modifications in the Wanapum tailrace, among other things, Lukas noted. There are new requirements for wildlife habitat management and monitoring, bald eagle protection, historic properties management, recreation planning, and development of a Memorandum of Agreement (MOA) with the Wanapum Indians, he said.

7. Public comment on Council's draft Fiscal Year 2008 revised budget and Fiscal Year 2009 proposed budget (Council document 2008-04).

No public comment given.

8. Presentation by NOAA Fisheries on FCRPS/Snake BiOps, U.S. v Oregon, recovery plan completion and implementation, recommendations to amend fish and wildlife program:

Rob Walton, assistant regional administrator, salmon recovery division; and Bruce Suzumoto, assistant regional administrator, hydropower division.

Bruce Suzumoto of NOAA Fisheries explained the documents the agency released May 5, including the Federal Columbia River Power System Biological Opinion (BiOp), the Upper Snake BiOp, and the *US v. Oregon* harvest agreement. We used the best scientific information available, and we took an all-H approach in the BiOps, he said. The Endangered Species Act (ESA)-listed species we covered include 13 Columbia Basin salmon and steelhead, the green sturgeon, and killer whales, Suzumoto noted.

He summarized how the new BiOp differs from the draft released in October. One major change is that we included the *US v. Oregon* agreement in the BiOp's comprehensive analysis, according to Suzumoto. We also moved up spring transport for steelhead by one week, expanded the consideration of climate change, updated the analysis for steelhead kelts and sea lions, and considered orcas and green sturgeon in the analysis, he said. We also included the MOAs that BPA recently signed, and we found those MOAs were consistent with the ESA, Suzumoto stated.

NOAA Fisheries recommends the Council not go back and revise the subbasin plans, he said. We suggest you consider using NOAA Fisheries' newer recovery plans for your program, he added.

Walton gave an update on the salmon and steelhead recovery plans, pointing out they present “a huge opportunity” for partnership and coordination with the Council. He noted as “emerging scientific issues” climate change, ocean health, and hatchery/natural fish interactions. We’ve begun the transition from Technical Recovery Teams to a regionwide Recovery Implementation Team, which will be based in Seattle, Walton said.

9. Briefing on the annual ISRP retrospective:

Dr. Eric Loudenslager, chair, ISRP; Dr. Pete Bisson, vice-chair, ISRP; Linda Hardesty, ISRP member; and Rich Alldredge, ISRP member.

Dr. Eric Loudenslager, chair of the ISRP, kicked off a discussion of the ISRP’s 2007 Retrospective Report that focuses on adaptive management -- how fish and wildlife projects are changing their strategies and methods based on learning from the results of their actions.

We visited a number of fish production projects, such as the Select Area Fisheries Enhancement Project, the Umatilla Initiative, and the Lake Roosevelt Kokanee Project, and all gave us sufficient information for us to make decisions on their merit, Loudenslager reported.

In 2007, we saw good progress on monitoring the effectiveness of tributary habitat projects, but more work is needed, said Dr. Peter Bisson. The ISRP thinks all habitat restoration projects should include some form of effectiveness monitoring because it is essential in demonstrating a project is achieving its desired results, he stated.

Bisson said the ISRP recommends continued support of Intensively Monitored Watersheds. We are pleased with the work of various regional partnerships, such as the Pacific Northwest Aquatic Partnership (PNAMP) and the Collaborative Systemwide Monitoring and Evaluation Project (CSMEP), he told the Council.

Dr. Linda Hardesty reported that with wildlife projects, the assumption has been that amount of habitat is a good surrogate because “it is easier to measure acres than pygmy rabbits.” We’ve found problems with that assumption over the years, she said. As more land is being acquired, more and more funding is going to operation and maintenance (O&M), Hardesty stated.

Dr. Richard Alldredge said in the future, the ISRP recommends having separate solicitations for new targeted projects, using the Umatilla Initiative as a model for watershed-scale efforts, and having a longer time period, such as two or three years, for innovative projects.

10. Update on M&E and data management high-level indicators:

Dr. Tom Karier, Washington Council Member.

Karier reported on his RM&E work, including the development of a set of high-level indicators, or measures of success, about the fish and wildlife program the Council could report to Congress and the governors. The Council has never adopted a finite list of high-level indicators of what we want, and we have an opportunity to do that in this program amendment process, Karier stated. It should be made perfectly clear to fish and wildlife project sponsors what they have to report to the Council, he said. We’ve asked the Independent Scientific Review Panel (ISRP) for

a list of metrics that would be part of an M&E framework we could adopt into the program, Karier noted. Another part of that framework would be adopting standardized protocols for counting fish, he said.

Possible categories of high-level indicators, according to Karier, include:

- Performance indicators: “What are we trying to achieve and what are we responsible for? Is it improving habitat productivity or total return of fish?”
- Biological indicators: “Is it abundance of target species or estimates of mortality by source and life stage?”
- Management/implementation indicators: “How do we track actions that contribute to program success? Is it percentage of projects passing ISRP review or percentage of projects that are adequately reporting?”
- Watershed health indicators: “How do you measure improvements in watershed functions?”

I’d like the Council to adopt a “working list” of indicators this summer and a final list as part of the program amendments in December, Karier stated.

Brian Lipscomb of CBFWA said Karier’s presentation “mirrors the thought process of the agencies and tribes.”

11. Update on Northwest Energy Efficiency Alliance’s strategic planning outreach process:

Dr. Tom Karier.

“This is a public service announcement” for NEEA, Karier said at the outset of a briefing on the organization’s mission and history. He said NEEA is like “a water pitcher filled with energy-efficiency ideas that utilities can sample and use.” CFLs are one of NEEA’s greatest success stories, according to Karier.

NEEA is going through a strategic planning process to decide whether it should change its approach; for example, add a focus on renewable energy or become more fuel blind, he said. NEEA is holding workshops around the region this month to gather comments on such issues, Karier noted.

12. Council decision on within-year project adjustments for implementation:

Mark Fritsch, manager, project implementation.

– Second Quarter 2008 Requests

Whiting reported that the fish and wildlife Committee approved eight second-quarter, within-year project funding requests totaling \$247,465 in expense funding in FY 2008 and \$51,033 in

FY 2009. She said the committee decided to defer two projects for four months until the Council makes further progress on its data management effort.

Bruce Measure moved that the Council recommend that BPA fund the eight within-year project funding requests, as recommended by the fish and wildlife Committee. Eden seconded, and the motion passed.

– **Project 2007-405-00, Rufus Woods Supplementation and Creel project (3rd Quarter 2007 request)**

Whiting noted that the committee also approved the Rufus Woods Supplementation and Creel Project, which received a favorable review from the ISRP. This project was handled well and worked out well, Dukes said. Joe Peone of the Colville Tribe said the project was initially turned down by the ISRP, but later approved. This is a good example of how a project can be turned around and regain the confidence of the ISRP, he noted.

Measure moved that the Council recommend that BPA fund Project 2007-405-00, Rufus Woods Supplementation and Creel Project, as recommended by the fish and wildlife Committee. Karier seconded, and the motion passed.

– **Budget Tracking - new criteria for Budget Oversight Group (BOG)**

Staffer Mark Fritsch reported on a meeting the fish and wildlife Committee held April 30 to improve and streamline the BOG budget-tracking process. He said the committee decided on three criteria that would govern projects handled by BOG.

Karier said the recommendations seem like a good improvement and said the Council should be notified when BPA is going to increase a budget or change a contract. The Council discussed the third criterion, which says if a project's budget adjustment request is within 10 percent of its approved budget and the request is less than \$75,000, the adjustment can be made at BPA's discretion. Wallace suggested the language in that provision state that if a request does qualify for the use of the \$75,000 threshold, approval would be reviewed by the BOG Management Group and that notice be provided to the Council.

Measure moved that the Council approve adjustments to the fish and wildlife Program budget-tracking process, including a threshold for contract management, as presented by staff and recommended by the fish and wildlife Committee, with the change proposed by Member Wallace. Dukes seconded, and the motion passed.

13. Council decision on follow-up action for Fiscal Year 2007 - 2009 projects:

Mark Fritsch.

– **Project 1984-021-00, Mainstem, Middle Fork, John Day Rivers Fish Habitat Enhancement Project**

Whiting reported that the Mainstem, Middle Fork, John Day Rivers Fish Habitat Enhancement Project had been sent back to the ISRP several times to satisfy concerns the ISRP had raised. The fish and wildlife Committee decided to defer action on this project for 60 days so the sponsors have a chance to meet the ISRP's concerns, and to reconsider a decision on the project at the Committee's July meeting, she said.

Karier moved that the Mainstem, Middle Fork, John Day Rivers Fish Habitat Enhancement Project, Project 1984-021-00, be resubmitted to the ISRP for review within 60 days. Dukes seconded, and the motion passed. We can't afford to have a bunch of project do-overs, said Wallace. Project sponsors have to take this seriously, he added.

14. Council business:

- **Approval of minutes**

Measure moved to approve the minutes for the April 15-16, 2008 Council meeting held in Whitefish, Montana. Wallace seconded, and the motion passed.

- **Council decision to release Council's draft annual report to the Northwest governors on expenditures of the Bonneville Power Administration for public comment**

Measure moved that the Council approve the release for public comment of the draft seventh annual report to the Northwest governors on BPA's expenditures to implement the Council's fish and wildlife Program and direct staff to give notice that comment will be accepted through close of business on Friday, June 6, 2008. Wallace seconded, and the motion passed.

Approved June ____, 2008

Vice Chair

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