

Rhonda Whiting
Chair
Montana

Bruce A. Measure
Montana

James A. Yost
Idaho

W. Bill Booth
Idaho



Bill Bradbury
Vice-Chair
Oregon

Henry Lorenzen
Oregon

Tom Karier
Washington

Phil Rockefeller
Washington

Council Meeting Coeur d'Alene, Idaho

November 6-7, 2012

Minutes

Council chair Rhonda Whiting called the meeting to order at 1:35 p.m.

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

Phil Rockefeller, chair, fish and wildlife committee; Jim Yost, chair, power committee; and Bill Bradbury, chair, public affairs committee.

Fish and Wildlife Committee chair Phil Rockefeller reported on a Step 2 review of the Kootenai River white sturgeon conservation program. Sue Ireland of the Kootenai Tribe of Idaho made a presentation about the sturgeon aquaculture facility and described the program, and the committee subsequently agreed to support proceeding to Step 3 in the facility's development.

We also discussed the upcoming Fish and Wildlife (F&W) Program amendments and items that were not completed from the current program, he continued. The committee is getting ready for a draft project-solicitation letter to the region and wants more regional input on program objectives. The committee had a presentation on the comments received on the monitoring, evaluation, research and reporting (MERR) plan, and staff will incorporate the comments and post a revised MERR.

The committee heard from NOAA Fisheries representatives about their work on hatchery genetic management plans and hatchery policies, he said. Lynn Palensky provided an update on the next geographic review of F&W projects, which begins next month with a letter to project sponsors, he said; and Gary James briefed us on the status of the Walla Walla Hatchery project.

Jim Yost, Power Committee chair, said staff gave an update on the mid-term assessment of the Sixth Power Plan and will have a draft report by the end of the month. The assessment will be ready to send out for public comment in December. The committee also got a preview of the resource adequacy assessment, which is in draft form and will be released for comment next month, he said. Paul Norman gave us a report on the Oversupply Technical Oversight Committee, saying basically "there is no silver bullet" but a few ideas that may make a difference in the oversupply situation, Yost reported.

We had a report on wholesale power prices that indicates they will remain low, he continued. Buyers will have reasonable prices to purchase power, but sellers will receive less revenue from sales, he said. The committee recommended contributing funds to an innovative project to use demand response to help integrate wind, Yost said. We supported a demand response project a year ago related to cold storage facilities, and the request is now for \$20,000 to support another project related to data centers, he said. The committee will recommend to the full Council that we make the contribution. Yost said. He added that the committee supports the work plan and budget for the Regional Technical Forum.

Bill Bradbury, chair of the Public Affairs Committee, said the committee met a month ago and discussed several issues. We are working on the high-level indicators report and are hoping to post it on the Council website next week, he said. The redesigned Council website will launch by the end of December and the Fast Facts update will go to the printer in a week or so, Bradbury reported. The Public Affairs Division is working on a fall edition of Council quarterly, he said, listing the stories that will be featured.

1. Council decision on Program Evaluation and Reporting Committee (PERC):

Tony Grover, director, fish and wildlife

Staffer Tony Grover said the Council heard recommendations from the Program Evaluation and Reporting Committee (PERC) in October and will be considering a motion this month to adopt them. The recommendations, which aim to bring more efficiency to regional data management and sharing, were developed after several meetings with regional partners, he stated. The PERC recommendations were presented to the F&W Committee at its meeting October 9, and the committee voted unanimously to support them, Grover said.

The five recommendations include carrying the contract for the Northwest Habitat Institute (NHI) Integrated Habitat and Biodiversity Information System (IBIS) project forward for three months at \$25,000, after which it would be dropped, he said. BPA will work with NHI to store unique data on StreamNet, Grover added. A PERC recommendation related to the Habitat Evaluation Procedures (HEP) asks the Wildlife Crediting Forum to address the future need for HEP work, he said. Under the PERC recommendations, the StreamNet budget would be cut 10 to 15 percent, and a Council, BPA, and F&W managers' forum would direct data management, Grover explained.

Funds for the Pacific Northwest Aquatic Monitoring Program (PNAMP) would be cut 10 to 15 percent under the recommendation, and BPA would look for further efficiencies, he said. PERC recommends the Status of the Resource Report be discontinued, and a steering committee of Council and BPA staff would develop a scope of work for technical services to support reporting needs, Grover continued. He added that PERC received and responded to comments on the recommendations.

NHI Director Thomas O'Neil told the Council the PERC recommendation for NHI's IBIS "is contrary" to Independent Scientific Review Panel and Independent Scientific Advisory Board comments and reviews. It is also inconsistent with the Council's F&W program, he stated.

O'Neil said a recommendation that NHI merge its "unique data" into StreamNet could impinge on copyright laws.

He went on to say PERC did not state a cause for "why we were being dismissed," and the process lacked transparency. He objected to the PERC recommendations referring to NHI instead of the IBIS project specifically. "Whether or not the IBIS project moves forward, NHI will continue to exist and perform its mission. Inferring that NHI is recommended for termination is plainly false," he stated. O'Neil said the Council's F&W director denied him the opportunity to make a presentation at an October 3 PERC meeting, and the process was not carried out as the Council intended.

"I led the PERC process," and we had an extensive three-month effort with good attendance at meetings and good input from the region, Bill Booth told his Council colleagues. "This type of process is not easy – it is difficult and calls for difficult decisions," he added. We focused on setting priorities and were looking for efficiencies, Booth said. I believe the motion before the Council adequately and accurately represents the recommendations that resulted from our three months of effort, he said.

Karier said he would like BPA to tell the Council how the standard monitoring protocols being developed in PNAMP will be used. I can see why the Status of the Resource report will be discontinued, but we should retain the design and data collection method to build on in the future, he said.

Bill Bradbury made a motion that the Council recommend to Bonneville implementation and funding for a set of data management and sharing projects and processes as follows:

- 1) continued implementation and funding for StreamNet (1988-108-04) and the Pacific Northwest Aquatic Monitoring Partnership (2004-002), both with a budget reduction within the range of 10 to 15% and with other conditions as detailed by staff;
- 2) continued support for the work of the Fish Screening Oversight Committee as detailed by staff;
- 3) continued support for the Habitat Evaluation Procedures project (2006-006) pending the work of the Wildlife Crediting Forum and then the Council on a recommendation for future plans for the use of HEP, with the Forum to report to the Council no later than January 2013;
- 4) discontinued funding for the Northwest Habitat Institute project (2003-072) with a three-month phase out and the transfer of data to StreamNet; and
- 5) discontinued support for the Status of the Resource Report by the Columbia Basin Fish and Wildlife Authority, while a steering committee led by Council and Bonneville staff develops a proposed scope of work for technical services to cover any resulting data and reporting gaps;

all as described by staff and recommended by the Fish and Wildlife Committee.

Rockefeller seconded the motion. Bruce Measure said the StreamNet funding is important to Montana. Because “it has allegedly not been well used by other states,” I resist supporting the motion with a blanket reduction in StreamNet funding, he said. He made a motion to amend the motion by deleting the language related to StreamNet. Henry Lorenzen seconded the motion, which failed on a vote of two to five.

Bradbury’s motion passed with all members voting in favor.

2. Update on Northern Idaho Projects:

Chip Corsi, Panhandle Regional Supervisor, Idaho Department of Fish and Game.

Booth introduced Chip Corsi, Panhandle Regional Supervisor of the Idaho Department of Fish and Game, who briefed the Council on three north Idaho F&W projects. The first project was the Albeni Falls Wildlife Mitigation Project, which Corsi said aims to restore habitat lost through inundation from the Albeni Falls dam. The project is being carried out with IDFG’s tribal partners, the Kalispel Tribe, the Kootenai Tribe of Idaho, and the Coeur d’Alene Tribe, he said. Corsi said the dam changed the Lake Pend Oreille hydrograph and the ecology of the area. The IDFG project mitigates for construction and inundation losses and habitat losses for birds and wildlife in the deltas of the Clark Fork, Pack, and Priest rivers, he said.

Corsi described the work, which began in the late 1980s. We want to shift the project emphasis toward restoration instead of land acquisition, he said. Corsi said Idaho has a letter agreement with BPA for restoration of the Clark Fork delta, work that will be initiated in 2013-14. IDFG and its partners, including Ducks Unlimited, “want to stop the bleeding” and create protective barrier island areas in the delta, he said.

Corsi went on to describe work being done to mitigate fisheries impacts. He said there are several species of concern, including bull trout, west slope cutthroat, kokanee, rainbow trout, and mountain whitefish. Lake Pend Oreille was historically the heaviest fishery in the state of Idaho, and “we want to find a path to get back to the glory days” on the lake, Corsi stated. He provided the Council with details of the mitigation effort.

Kootenai River white sturgeon recovery was the second project Corsi described. We have a lot of partners in this effort, and the Kootenai Tribe “does the heavy lifting,” he said. We are seeing some encouraging things with this program, Corsi said, adding that the survival of hatchery fish has been good. We are trying to get natural reproduction going, he said.

Burbot is a unique species in Idaho, Corsi continued. Libby Dam changed the river environment and was a significant driver in the decline of burbot, he said. Corsi said IDFG is working closely with others on a burbot conservation program and getting encouraging results.

Corsi said burbot had reached critical low level and was proposed for listing under the Endangered Species Act. When the community realized burbot was proposed for listing, it looked for a recovery strategy that would avoid the ESA, he said. With the help of many partners, the community developed a strategy as an alternative to the listing, Corsi stated. This is a good example of a community-based conservation program, he added.

IDFG is also involved in a nutrient enhancement program, Corsi said. Libby acts as a nutrient sink and IDFG is adding nutrients to areas of the river to benefit native salmonids, burbot, and sturgeon, he said. We can see from the data pre and post treatment that we have had significant improvement in fish biomass, Corsi stated. He concluded by saying there are lots of partnerships and opportunities to leverage BPA dollars to get good conservation in northern Idaho.

3. Briefing by Bonneville on expense budget for fish and wildlife – 2012 end of year and 2013 start of year budgets –

Bill Maslen, Bonneville Power Administration.

Bill Maslen of BPA said there are good signs in the agency's efforts to reduce fish and wildlife (F&W) spending and stay within its budget. Our 2012 F&W budget was \$246 million, and the actual spending was \$249 million, he said. While that was above the budget, "it was \$5 million below what we were expecting," according to Maslen. In the first month of the 2013 fiscal year, spending lags October 2012, which is "a good sign" we are managing as we intended, he stated. Maslen said BPA's combined budget for 2012 and 2013 is now \$492 million.

BPA realized it had a budget problem early in 2012 and discussed the situation with project sponsors, he said. We sent letters to sponsors asking them to manage their spending, Maslen said. In September, the agency had discussions with sponsors about reducing spending and deferring work where possible, he explained.

"It was a tough discussion," but as a result, we found about \$15 million in efficiencies and deferrals, Maslen stated. For the start of fiscal year 2013, our total planning budget is \$270 million, and we think that will lead to \$243 million in actual spending, he said. "We'll be watching every step of the way," according to Maslen.

"None of us wanted to go through the process" of reducing F&W budgets, but we had high level criteria and principles we followed, such as maintaining the integrity of projects and preserving the Columbia Basin Fish Accords, Biological Opinion work, and F&W program commitments, he said. "It was very important that we approached this collaboratively," Maslen added. We had a point of view about the opportunities and reductions, but we worked with our program partners to find them, he said. In the end, we had broad agreement across the full array of projects and sponsors, Maslen stated.

Going forward, BPA will limit contract extensions and multiyear contracts because that allows too much moving around in spending, he said. We need to manage this across the fiscal year, and "we will have to limit the flexibilities we allowed in the past," Maslen stated. He noted that a number of in-year budget requests had come through the Budget Oversight Group (BOG), but only two were implemented because the budget reserve is gone.

People have asked about the results of the budget adjustments across different sponsors, Maslen continued. The non-Accord parties had the largest project portfolios, and those reductions were all about 10 percent, he said, noting that the Pacific States Marine Fisheries Commission was cut about 8 percent since some of its funding passes through to states.

Karier pointed out that BPA is contracting for \$270 million in FY 2013, but is still betting on spending 10 percent less than that. We will be more conservative in our management, Maslen responded. “We aren’t managing on hope,” he added.

Rockefeller asked if BPA is tightening up on contractors who are late to report their spending. Maslen said BPA is focusing on “more timely closeout of contracts” that are no longer active. We have also talked about spending plans with sponsors to understand better the shape of their spending, he said.

Lorenzen questioned Maslen about BPA’s use of the term “budget” to indicate a projected level of spending as opposed to an end figure. We want to be able to use the spending authority that is available, Maslen replied. Project sponsors can’t always tell us the shape of their spending, and we don’t want to under-spend, he stated.

4. Council decision on 2013 Regional Technical Forum (RTF) Workplan:

Nick O’Neil, RTF manager.

Staffer Charlie Grist reminded the Council that the region racked up 277 MWa of energy efficiency savings in 2011. We are developing a lot of efficiency, and it is the RTF’s job “to make sure we measure it in as realistic terms as possible,” he said. He noted that the RTF has utility sponsorship for a \$1.5 million annual budget.

Staffer Nick O’Neil said the RTF annual work plan was finalized in October after a comment period. He explained the general categories of RTF work and pointed out that the 2013 focus is on three categories: existing measure review, new measure development and review, and standardization of technical analysis. A big change is the allocation of budget to RTF contract staff, instead of consultants, O’Neil said. In 2013, we plan to bring a lot of the analysis back in-house, with consultants conducting third-party reviews, he stated.

The RTF Policy Advisory Committee (PAC) reviewed the 2013 budget and work plan and recommends approval, according to Jim West, co-chair of the RTF PAC. We had a good discussion about the plan, as well as the proposed shift from consultants to contract staff for analysis, he said. “We think it is a good move” for reasons of efficiency and cost, West added.

Bradbury made a motion that the Council approve the 2013 Regional Technical Forum work plan, budget and business plan as recommended by staff. Karier seconded the motion, which passed unanimously.

5. Council decision on 2017 Resource Adequacy Assessment:

John Fazio, senior power systems analyst.

Staffer John Fazio said the question of the Northwest’s resource adequacy is becoming more complex. The power system is evolving for a number of reasons, and capacity has become a bigger issue in the adequacy assessment, he stated. The latest assessment is now available, and the Council will be asked to release it officially next month, Fazio said.

Back in 1998, the BPA Administrator came to the Council to express concern about a large looming energy deficit, he explained. The first assessment in 2000 yielded a 24 percent loss of load probability (LOLP), Fazio said. The region subsequently created the Pacific Northwest Resource Adequacy Forum, and in 2008, the Council adopted a LOLP standard of 5 percent, he said. The official assessment the Council adopted in the Sixth Power Plan indicated that the power supply in 2015 was “on the cusp of inadequacy,” Fazio stated.

The Council adopted a revised adequacy standard in 2011. The forum subsequently determined how much new generating capacity beyond the region’s current capacity is needed for the Northwest to be adequate, he explained. According to the latest assessment, which takes into account refinements to the computer modeling and data updates, “if we did nothing, we would have a slightly inadequate system” before the end of the five-year period, Fazio said.

He pointed out the 2012 assessment shows that the region has sufficient energy, but beginning in 2015, “we began to cross the adequacy threshold for capacity.” Fazio went on to explain what the forum expects will happen with loads and resources between 2015 and 2017.

We anticipate 114 MW of new thermal generation, 250 MW of small hydro and hydro upgrades, and about 1,200 MW of additional wind, he said. As for the market supply of power, 380 MW of generation that belonged to an independent power producer has been purchased by a Northwest utility and will be committed to the region, Fazio said.

In addition, a lot is happening in California that affects the market here, he indicated, and we anticipate generating plant retirements in California. As a consequence, we dropped the availability of 1,500 MW of power from the Southwest market from the assessment, Fazio said. For load, we expect it will increase by 300 MWa, net of energy efficiency, he reported.

With these changes to the assessment, we came up with a 6.6 percent LOLP, Fazio stated.

What percentage of wind generation do you count on for adequacy? Bill Booth asked. Fazio said the model simulates an hourly dispatch of wind. We have wind-year profiles in the model based on historical data, he said. The model simulates the 2017 operation many times over using the different wind-years, Fazio explained. We don’t use a flat percentage for wind, we use a profile based on historical operation; it is variable hour by hour, he stated.

“Wind is modeled probabilistically,” staffer Charlie Black added. In the scenarios, “sometimes wind is producing and sometimes it is not,” he said. Black noted that there are reserves held in the hydro system to balance for wind, which are also reflected in the model. “The attempt is to simulate how the system actually operates,” he stated.

On average, we get about 30 percent of the nameplate value for wind as energy, and for capacity, we get 5 percent, Fazio elaborated. In some simulations, we have bad wind-years and bad water-years combined, he said. Most of the bad outcomes for adequacy occur when those situations come up – “it is the worst case,” Fazio stated.

The 6.6 percent LOLP in the assessment for 2017 is driven by short-duration peak shortfalls, he said. The months of January, February, and August are the most critical, Fazio stated.

This doesn't mean "the lights will go out" and "there are always things utilities can do," he said. "But if we rely only on the existing resources, in 2017, the likelihood of curtailment is larger than the agreed upon threshold," Fazio stated. He noted that changes to the operation of Canadian hydro projects lessened the LOLP probability in August because streamflows increased, but those changes made the situation worse in January and February.

Isn't the Canadian operation negotiated by the United States and Canada? Bill Bradbury asked. Every year, an Assured Operating Plan is worked out between the countries, Fazio responded. So if there is a change in operations and a greater LOLP in January and February, did we negotiate that? Bradbury asked. Every year, the parties negotiate a plan that is supposed to be best for both, Fazio replied.

The major uncertainties in the adequacy assessment include the water supply, temperature-related load variation, wind profiles, and forced outages, he went on. We explicitly model these variables, but we do not model economic load growth or uncertainty in the Southwest market, Fazio said. Instead, we do sensitivity studies of those variables that show us how they affect the LOLP probabilities, he added.

Fazio explained that in the latest adequacy simulations, the LOLP ranges from 2.8 percent to 16.8 percent, depending on the loads and power market. The LOLP is highest when load is high and no power is available from the market, he said. But "we are saved" by the small likelihood of that happening, Fazio explained.

The next step in the assessment is to look at how much resource it takes to get us back to the 5 percent LOLP standard, he continued. We did scenarios with combustion turbines and found it would take 350 MW of new capacity, Fazio said. Three hundred average MW of additional efficiency would do the same thing, assuming the shape of efficiency is the same as the shape of the load, he said, adding that demand response could also play a big role.

Filling the resource gap is beyond the scope of the forum's work, Fazio stated. That is the work of the Council's power plan and utility integrated resource plans, he said. But we looked at the worst cases and found 2,850 MW of new resources moved a 13.33 percent LOLP down to 5 percent, Fazio explained. The sum of utility planned resources exceeds 3,000 MW, although "planned" in this case is the sum of the utilities' requests for proposal, and not all of the resources will be built, he acknowledged.

If we do nothing, in five years we will have a power supply that is less adequate than we want, Fazio stated, and it will take 350 MW of new generation to solve that. By anticipating what we might do, we can better fit resources to our needs, he wrapped up.

Henry Lorenzen asked what would happen if more data centers than expected move into the region or if there is some other unexpected jump in load. Fazio said the probability chart in the assessment is very helpful for that type of planning since it shows what it would take to keep the LOLP within the adopted standard.

Phil Rockefeller said if the assessment went out to 2020, when the Boardman and TransAlta coal plants will be retired, it would be a different resource picture. Why don't you go beyond five years? he asked. More than five years pushes the limit of the load forecasting model, Fazio

responded. We do this assessment every year so we will always have the information five years out; a combustion turbine could generally be built within five years, he said.

The Council's power plan looks out 20 years, Jim Yost added. We use a long-term model, as well as the Resource Portfolio Model, for the power plan, he said. The adequacy assessment looks out five years, but it is not the only tool we use, Yost stated.

We will need to look at solutions through the Council's power planning process, Tom Karier stated. He noted that energy efficiency measures have different capacity values, and "we need to have a better idea about that." Karier said the region is using old data on how homes use energy, and the Regional Technical Forum (RTF) has developed a business case for doing an end-use load study to get more up-to-date information. It is expensive, but "we may need to consider doing that," he stated.

Bradbury asked if the end-use study is being pursued. The study proposal developed under RTF guidance looks at three levels of effort, and the cost for it ranges from \$2 million to \$28 million, depending on the level of effort, Black said. We are looking at "how much bang for the buck" we get at each level, he said. Part of the effort is to do outreach and look for funding partners since others in the region would find the data useful too, Black added.

6. Update on Mid-Term Assessment:

Charlie Black, director, power division

Black reported the Council has gotten feedback on the "situation scans" prepared for the mid-term assessment of the Sixth Power Plan. We have gotten comments and good suggestions on the scans and will be updating those narratives to include in the draft report, he said. The mid-term assessment report will also have updates in forecasts and resources, and we will include an update on the shifting power system, Black stated. A draft report will be ready by the end of November and can be sent out for public comment, he said.

7. Presentation on Regional Transmission Issues:

Allen Burns, CEO, ColumbiaGrid and potential representative from Northern Tier Transmission Group

ColumbiaGrid CEO Allen Burns started his presentation by stressing the importance of coordinated transmission planning. He said ColumbiaGrid has been working with Council staff and is interested in ways to improve coordination on transmission planning.

Burns described ColumbiaGrid and its core values, which include collaboration, transparency, and independence. We encourage broad participation and our study teams are open to anyone who wants to be involved, he said. ColumbiaGrid strives to be a leader in finding solutions to optimize grid use and works on things that are implemented by utilities and other organizations, Burns added.

He provided an overview of the ColumbiaGrid planning process, which includes an annual system assessment and a biennial transmission expansion plan. The latest biennial plan foresees \$2 billion in investment on the planning horizon, Burns said. He described ColumbiaGrid's

study team process and successful solutions developed for transmission issues in the Puget Sound Area and in the Northern Mid-Columbia.

ColumbiaGrid is very involved with the Wind Integration Study Team, Burns went on, assessing dynamic transfer capability and remedial responses needed as flows change on the transmission lines. ColumbiaGrid also has a Gas-Electric Interdependencies Study Team, he said. The team is looking at the consequences of losing gas pipeline service in the I-5 corridor, Burns stated.

ColumbiaGrid is working with Council staff on plans for a transmission assessment for the Council's next power plan, he reported. Other studies are in the works, including the effects of higher levels of wind penetration and performance of the transmission system in a high-wind case, Burns explained.

FERC Order 1000 requires more coordinated transmission planning, and ColumbiaGrid is working with other subregional planning groups on its requirements, he said. "The West is already in pretty good shape," and "we are ahead of the game" with Order 1000, Burns stated. We are formalizing processes that are already taking place, he added.

Burns described ColumbiaGrid's work with the Northern Tier Transmission Group (NTTG) on a Joint Initiative to develop products and services that accommodate real-time transactions, and with the Northwest Power Pool on an Energy Imbalance Market and market tools. We are adding production cost modeling capability and have talked to Council staff about using uniform data sets, he said.

Black commented that the Council is being urged in the Seventh Power Plan to get a better picture of transmission. We don't have a large unconstrained power system, he added.

Ray Brush of NTTG described the history of his group and its structure, which includes a steering committee and planning, transmission, and cost allocation committees. NTTG puts out a biennial integrated regional transmission plan, he stated. With Order 1000, cost allocation is "a lot more rigorous" than in the past and very important going forward, Brush said. Much coordination is needed between NTTG and ColumbiaGrid since the member transmission systems overlap in the Northwest, he added.

Brush explained the NTTG planning process and noted that the plan developed is "information only" and sponsors can decide if they want to go forward with any projects identified in the plan. In 2010-2011, the NTTG "null case" identified insufficient transmission to meet future demand, but there are "foundational projects" planned that would increase the system enough to reliably integrate resources and serve the forecast load, he said. Additional transmission would be required to serve a large amount of wind development in Wyoming and Montana, Brush added.

Order 1000 led to changes in the NTTG planning process, with the largest changes due to cost allocation requirements, he said. Brush described the three-step process to allocate costs, which includes identifying entities that may be affected by a project based upon the initial benefits calculation; adjusting the initial net benefits; and allocating project costs proportionally based on the net benefits.

Bruce Measure asked how deeply the Council should delve into transmission for power planning purposes and what role the Council should play in the transmission planning process. Burns said regular involvement and coordination are important so the Council is aware “if something we are doing would have a big impact on the resource side.” You can ask for consultation with ColumbiaGrid any time, he added. Black pointed out that during development of the Seventh Power Plan, “we have a series of touch points” with transmission.

Major transmission projects cost a lot and take a lot of time, Rockefeller commented. How much time is needed for a major project? he asked. Optimistically, seven to ten years, but if things don’t go smoothly, it could be 10 to 15 years, Brush responded. The big issue is getting customers for the line, and with power markets weak, that becomes difficult, he said.

8. Status report on Northwest Energy Efficiency Taskforce:

Ken Canon

Northwest Energy Efficiency Task Force facilitator Ken Canon briefed the Council on an October meeting of the NEET executive committee and progress on NEET’s energy efficiency goals. Based on reports from our members, there has been considerable progress, he said.

One area for the region to focus on is data gaps, Canon stated. Consultant KEMA is developing proposals through the RTF for an end-use load study, he said. The region is working with 25-year-old data, and we know energy use in homes is “very different today than it was in 1985,” Canon said. We need this information to solve energy efficiency issues, he added.

Among the meeting highlights, Canon said, was a report on emerging technologies that indicates there has been “remarkable progress” on recommendations from the NEET work group, with BPA and the Northwest Energy Efficiency Alliance leading the effort. NEET’s marketing and research work group led to formation of a Regional Marketing Coordination Council, which has conducted more research and put together a marketing tool-kit that includes messages and ads, he reported. Canon encouraged the Council to read the voltage optimization report, an activity that started with NEET. There are achievable savings in that area, and this report tells us we aren’t getting them, he stated.

Canon went on to say the agenda for NEET’s October meeting was to consider “where we are” and identify concerns. Based on reports and discussion, “we are peaking out on what we can do” with efficiency around 2015-16, he said. “The salvation” is in emerging technologies, and NEEA and BPA reported on where we are on the emerging technologies pipeline, Canon stated. They are taking advantage of BPA’s engineering prowess and NEEA’s know-how to come up with new technologies and ways to get them into the marketplace, Canon said.

9. Council Business

– Approval of minutes

Bradbury made a motion that the Council approve for the signature of the Vice-Chair the minutes of the October 9-10, 2012, Council meeting held in Whitefish, Montana. Measure seconded the motion, which passed unanimously.

– **Contract approval for BPA Technology Innovation Project (Ecofys) co-funding.**

Bradbury made a motion that the Council approve the use of \$20,000 from the Council's budget and the equivalent of \$20,000 in consultation and analytical services of Council staff in a jointly sponsored and funded effort with the Bonneville Power Administration to explore power system balancing with demand response from data centers, as detailed by staff. Karier seconded the motion.

Booth asked whether BPA is committed to \$850,000 to cover half the project budget. Black said BPA is committed as long as 50 percent of the funding is picked up by others. We have heard that goal is close to being reached, he added. The motion passed unanimously.

The meeting adjourned at 10:57 a.m.

Approved December 4, 2012

Vice-Chair

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