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Tom Karier  
Washington

Phil Rockefeller  
Washington

March 29, 2012

## DECISION MEMORANDUM

**TO:** Council members

**FROM:** Michael Schilmoeller                      Senior Power Systems Analyst  
Sandra Hirotsu                                      Senior Counsel

**SUBJECT:** Approval of charter for System Analysis Advisory Committee

**PROPOSED ACTION:** Authorize the renewal of the System Analysis Advisory Committee (SAAC) two-year charter

### SIGNIFICANCE

The SAAC charter expires September 22, 2012. Council energy efficiency and generation resource decisions rely to an extent on the credibility and acceptance of the Council's computer models. This advisory committee of technical experts and policy leaders provides peer review of the Regional Portfolio Model (RPM) and of other computer models that provide analytical basis for policy recommendations.

### BUDGETARY/ECONOMIC IMPACTS

Support for the SAAC will cost approximately \$5,000 per year in travel support for the public committee members and for administrative needs, such as note taking. In addition, about four months of staff time will be required to coordinate meetings, develop agendas, prepare presentations, and attend meetings.

### BACKGROUND

The unique nature of the RPM makes it challenging to keep opinion leaders abreast of these developments. There is no commercially available model that performs the RPM's kind of risk analysis. The Council has provided the computational engine, an Excel workbook, and instructions for its use through the Council website for five years. Detailed explanation of the model's algorithms appears in the Fifth Power Plan's Appendices L and P and the Sixth Power Plan's Appendices J.

The RPM has become more conspicuous as its results have become of greater consequence to regional utilities, to their commissions, and to their boards. For example, Washington State's I-937 legislation now requires qualifying utilities to demonstrate that their acquisition of energy efficiency is consistent with Council methodology. There are stiff penalties for non-

conformance. The market price adder for energy efficiency that the RPM has shown to reduce cost and risk has therefore become of greater interest to more utilities.

The SAAC has met four times since the Council adopted its charter on September 22, 2010. Meetings have focused on understanding the RPM and its recommendations. At the last meeting, discussion began to branch into new areas. Participation has remained relatively strong. The last meeting had 28 attendees, including ten by web conference. At the close of the meeting, the participants expressed the desire to continue the SAAC and its work. As one participant stated, analytical questions of reliability and risk are often the topic of interest at regional meetings. However, the SAAC is the sole gathering, in his experience, where modeling is the focus of discussion.

### **ANALYSIS**

Attached is a copy of the proposed charter for the System Analysis Advisory Committee. The charter was prepared in accordance with the Council's policy on advisory committees and the Federal Advisory Committee Act.

### **ALTERNATIVE**

We could accomplish similar results without actually creating an advisory committee. That would require meetings and consultations between Council staff and many different groups and would lack the benefit of getting the region's experts together in one place to discuss the issues.

### **ATTACHMENTS**

System Analysis Advisory Committee Charter

List of potential SAAC participants/organizations (not an exclusive list)

## Potential SAAC participants/organizations (not an exclusive list)

Clint Kalich	Avista
Marty Howard	BMH3 consulting
Robert J Diffely	BPA
Lauren Miller Gage	BPA
Tina G. Ko	BPA
Birgit Koehler	BPA
Ben Kujala	BPA
Tyler Llewellyn	BPA
Rick Pendergras	BPA
Robert Petty	BPA
Scott Read	BPA
Joshua Ainslie	BPA
Clarisse M. Messemer	BPA
Dave Vidaver	California Energy Commission
Charlie Black	Charles J. Black Energy Economics
Hossein Parandvash	City of PDX, Bureau of Water Works
Tyler Bryant	David Suzuki Foundation, Vanc BC Canada
Morag Carter	David Suzuki Foundation, Vanc BC Canada
Johanne Whitmore	David Suzuki Foundation, Vanc BC Canada
John Scott	EPIS, the Aurora® model vendor
Eric M Hiasen	Eugene Water & Electric Board
Kevin Nordt	Grant County PUD
Tom Noll	Idaho Power Company
Mark Stokes	Idaho Power Company
Rick Sterling	Idaho Public Utility Commission
Steve Weiss	Northwest Energy Coalition
John Bushnell	Northwestern Energy
David E Fine	Northwestern Energy
Ken Dragoon	NWPCC
Massoud Jourabchi	NWPCC
Michael Schilmoeller	NWPCC
Maury Galbraith	OR Public Utility Commission
Steve Schue	OR Public Utility Commission
Mike Hoffman	Pacific Northwest National Laboratory
Eric Arzola	PacifiCorp
Connie Clonch	PacifiCorp
Brian Osborn	PacifiCorp
Peter Warnken	PacifiCorp
Bill Pascoe	Pascoe Energy

Dick Adams	PNUCC
Teyent Gossa	Portland General Electric Co
Brian Kuehne	Portland General Electric Co
Silvia Melchiorri	Portland General Electric Co
Kurt Miller	Portland General Electric Co
Mike Niman	Portland General Electric Co
John Ollis	Portland General Electric Co
Horace Tso	Portland General Electric Co
Steven Bleiler	Portland State University, Dept of Math./Statistics
Tom Fielden	Portland State University, Dept of Math./Statistics
Dave LeVee	PowerCast consulting
Mike McCoy	PSRI, and Principal, Becker Capital
Villamor B Gamponia	Puget Sound Energy
Phillip Popoff	Puget Sound Energy
Wendy Gerlitz	Renewable Northwest Project
Jimmy Lindsay	Renewable Northwest Project
Brendan O'Donnell	Rocky Mountain Institute
Cathy Carruthers	Tacoma Power
Nicholas Garcia	Tacoma Power
Chris Robinson	Tacoma Power
Peter F. Brooks	US Army Corps of Engineers
Barbara Miller	US Army Corps of Engineers
George Katsuras	WA State Dept of Commerce

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## **NORTHWEST POWER AND CONSERVATION COUNCIL**

### **CHARTER OF THE SYSTEM ANALYSIS ADVISORY COMMITTEE**

1. Official Designation: This advisory committee will be known as the Northwest Power and Conservation Council's System Analysis Advisory Committee.

2. Background: The Pacific Northwest Electric Power Planning and Conservation Act, P.L. 96-501, 16 U.S.C. §839 et seq. (Act), in Section 4(e)(3)(D), requires the Pacific Northwest Electric Power and Conservation Planning Council (Council) to develop “a regional conservation and electric power plan.” The plan is to include a twenty-year forecast of electricity demand and a resource plan for the development of conservation and generation to meet the demand at the lowest cost, consistent with adequate and reliable electricity service. The System Analysis Advisory Committee is being formed to assist the Council in its development and amendment of the Northwest Conservation and Electric Power Plan (power plan). The value of resources in the power plan depends on their contribution to the reduction of risk and enhancement of reliability in the larger power supply and demand system. This Committee will advise the Council about the assumptions behind, analyses of, and options for managing economic and performance uncertainty and reliability in the region’s power supply system.

This advisory committee is established as part of a network of advisory committees satisfying the Council's obligation under the Act to establish a Scientific and Statistical Advisory Committee. Section 4(c)(11). Under Section 4(a)(4) of the Act, the terms of the Federal Advisory Committee Act, 5 U.S.C. Appendix I, sections 1-14, apply “to the extent appropriate” to the Council's advisory committees.

3. Objectives and Scope of Activity: The System Analysis Advisory Committee will advise the Council by evaluating the computer models and analytical techniques used to arrive at power generation resource portfolio recommendations. The Committee will also suggest enhancements to these tools and processes as well as improved approaches to the communication of results derived from their use.

In particular, the System Analysis Advisory Committee will examine the methods of the Regional Portfolio Model (RPM), a tool used to develop resource portfolios under the Fifth and Sixth Power Plans. The Committee will review the sources and nature of the model’s assumptions and data. The Committee will also evaluate the interpretation of the model’s results.

4. Official to Whom the Advisory Committee Reports: The System Analysis Advisory Committee will report to the Council's Executive Director.

5. Authority of the Advisory Committee: The System Analysis Advisory Committee will serve in an advisory capacity only. Neither the Committee nor its members are authorized to make statements or commitments on behalf of the Council. Non-staff members of the Committee are not Council employees.

6. Estimated Annual Operating Costs in Dollars and Staff Time: Five thousand dollars (\$5,000) plus four months of staff time.

7. Advisory Committee Members: The chair of the advisory committee, in consultation with the Director of the Power Planning Division, will solicit technical experts to participate on the advisory committee from a wide range of regional stakeholders. The Council's Executive Director shall approve the participants and, in doing so, shall ensure that membership of the advisory committee is fairly balanced in terms of the points of view represented and the functions to be performed by the advisory committee. Committee members shall be selected based primarily on their technical expertise and experience. All Committee members serve at the pleasure of the Council.

8. Advisory Committee Management Officer: The Advisory Committee Management Officer (Management Officer) for the System Analysis Advisory Committee will be the Director of the Council's Power Planning Division.

9. Chair:

(A) The Chair of the System Analysis Advisory Committee will be Michael Schilmoeller.

(B) The Chair may be called upon to report to the Executive Director of the Council on appropriate matters, including the Advisory Committee's progress on the tasks described in Part 3 of this Charter.

(C) The duties of the Chair will include presiding over System Analysis Advisory Committee meetings, setting agendas for such meetings, ensuring that detailed minutes of such meetings are prepared and submitted to the Executive Director of the Council in a timely manner, and maintaining communication between the Committee and the Council's staff.

(D) The Chair will certify detailed minutes of meetings of the System Analysis Advisory Committee. The minutes should include a complete and accurate description of matters discussed, conclusions reached, actions taken, persons invited to meet with the Committee, and persons in attendance. The minutes also will include copies of reports received, issued or approved by the Committee. Minutes of meetings will be prepared and released within ten days of the meeting, unless the Management Officer grants an extension. The Chair will distribute copies of the minutes to members of the Committee and other interested persons.

(E) Subcommittees or small workgroups of the System Analysis Advisory Committee may be established by the Chair of the Committee to undertake particular aspects of the Committee's work. Methods for organizing the work and procedures of the Committee must follow the scope

of responsibilities assigned to the Committee by the Council. Council staff will make arrangements for Committee meetings provide general support services.

10. Vice-Chair: A Vice-Chair of the System Analysis Advisory Committee may be appointed from Council staff by the Council's Executive Director. The Vice-Chair will perform the duties of the Chair of the Committee in the absence of the Chair, and such other duties as the Chair of the Committee may assign.

11. Rules: The advisory committee rules approved and adopted by the Council on March 17, 1982, as amended from time to time, will apply to the System Analysis Advisory Committee to the extent such matters are not covered in this Charter.

12. Estimated Frequency of Committee Meetings: The Chair of the System Analysis Advisory Committee, after consultation with the Management Officer, or his designee, will call meetings as necessary. All meetings will be open to the public, unless closed pursuant to 5 U.S.C. §552b(c). Timely notice of meetings, including agendas, will be made. Interested persons may attend Committee meetings and appear before or file statements with the Committee pursuant to the Council's advisory committee rules and subject to such other rules as the Council may prescribe.

13. Reimbursement of Expenses: The Council will reimburse public members of the System Analysis Advisory Committee for travel, including per diem in lieu of subsistence in accordance with the Council's travel regulations for contractors and advisory committee members, for the purpose of attending Committee meetings as authorized by 5 U.S.C. §5703. The Executive Director shall determine who public members are.

14. Duration: The System Analysis Advisory Committee will terminate two years from the date this Charter is adopted, unless renewed in accordance with the Federal Advisory Committee Act.

This Charter for the System Analysis Advisory Committee was approved and adopted at a duly noticed meeting of the Northwest Power and Conservation Council, April 11, 2012 at Stevenson, Washington.

NORTHWEST POWER AND CONSERVATION COUNCIL

By: \_\_\_\_\_  
Joan Dukes, Chair