

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**

**Via Webinar  
Council Central offices  
Portland, Oregon**

**December 4, 2012**

### **Minutes**

Council Chair Rhonda Whiting called the Webinar meeting to order at 1:05 pm on December 4<sup>th</sup> and adjourned it at 2:55 pm on December 4<sup>th</sup>. All members were present.

#### **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.

Phil Rockefeller reported that the Fish and Wildlife (F&W) Committee discussed a new initiative to follow up systematically on previous Council recommendations and projects. The new effort will enable us to work with project sponsors and inquire about delays and difficulties in meeting objectives and try to help move projects forward, he said. The Committee also had a briefing from staff on the legal framework for the new F&W program amendment process, and one from U.S. Fish and Wildlife Service representatives on that agency's hatchery assessment philosophy and management, Rockefeller stated. We also had a briefing on the Pacific Northwest Economic Region (PNWER) meeting held in November and discussed a work plan for items that need to be dealt with in light of the recommendations made by the Program Evaluation and Reporting Committee (PERC) in November, he added.

Jim Yost reported that the Power Committee did a chapter-by-chapter review of the "pre-draft" of the Mid-term Assessment of the Sixth Power Plan report. The committee gave the go-ahead to staff to prepare a proposal for end-use load research, he said. We also recommended that the Council approve the Northwest Regional Adequacy Forum report and post it on the Council website, Yost added.

Bill Bradbury reported the Public Affairs Committee sent the newest version of the Council's "pocket guide" to the printer last week. It is one of the Council's most popular publications, he noted. The High Level Indicators report has now been finished and posted on the Council's website, Bradbury said. We are also putting the finishing touches on the fall edition of the Council Quarterly, he reported.

## **1. Council decision on fish and wildlife project reviews:**

Mark Fritsch, manager, project implementation.

### **– Step 2 review of the Kootenai River White Sturgeon Aquaculture Conservation Facility, Project #1988-064-00**

Staffer Mark Fritsch presented a request for funding from the Kootenai Tribe of Idaho to proceed to Step 3 for the Kootenai River White Sturgeon Aquaculture Conservation Facility. He said the Tribe's program addresses the needs of two native species, the white sturgeon and the burbot. The Independent Scientific Review Panel (ISRP) reviewed this project and said it met science review criteria, and the ISRP was "very supportive" of the project, according to Fritsch.

Sue Ireland, F&W director for the Tribe, gave a presentation on the project, explaining the importance to the Tribe and the Kootenai food web of the white sturgeon and the burbot. She described the history of the Tribe's aquaculture program, noting their first successful production was in 1991 and first large-scale release in 2000. We initiated the Council's three-step process in 2007, Ireland noted.

She described the program's successes, including over 200,000 juvenile sturgeon released. Ireland also described the burbot conservation program, noting there was no precedent for such a program because it had never been done before. As a result of our work, we are now seeing burbot successfully disperse throughout the habitat, she reported.

Our aquaculture program meets the Tribe's restoration objectives, addresses the Libby Dam Biological Opinion RPA #4, and is consistent with the Council's F&W program, Ireland stated. She described the different aspects of the program, which includes both upgrades to existing facilities and construction of a new hatchery.

The F&W Committee recommends approval of this proposal, Fritsch said. Tom Karier asked whether they are having luck with sturgeon spawning in the wild. We have a lot of juveniles in the system and about 1,000 older wild adult fish, but there's "a gap" in between, Ireland said. The fish mature slowly, and it takes a long time for them to grow to a size where they can spawn, she stated. Another problem has been that the older population is spawning in places that are not appropriate for survival, Ireland noted. We hope that the measures we are taking will create conditions that will lead to more survival for young fish, she added.

Rockefeller asked about natural predators. There are some non-game species, such as suckers and northern pikeminnow, which may be predators on eggs and smaller fish, replied Ireland.

Bradbury moved that the Council recommend to BPA that the Kootenai River White Sturgeon Aquaculture Conservation Facility (Project 1998-064-00) proceed to the final planning and design phase, conditioned on the following: BPA and the project sponsor, the Kootenai Tribe of

Idaho, to provide to the Council final construction cost estimates in an amount not to exceed \$16.6 million; BPA and the project sponsor to confirm the facility components, both the upgrades to the existing facility and the new facilities; and BPA and the project sponsor to confirm prior to construction what will be the out-year O&M and M&E costs, including an accounting of cost-share and in-kind contributions. Rockefeller seconded, and the motion passed.

Bill Maslen of BPA said he would like to affirm BPA's commitment to work with the Tribe to meet the conditions spelled out in the motion. We've already started working together, and I am confident there won't be any issues that can't be resolved, he stated.

## **2. Briefing on Fish and Wildlife Program amendment schedule:**

Patty O'Toole, program implementation manager.

It's time for the Council to begin thinking about amending its Columbia Basin F&W Program, which was last amended in 2009, staffer Patty O'Toole said. The Council needs to complete the F&W amendments prior to the revision of the next power plan, she noted. We estimate a draft Seventh Power Plan would be issued in the fall of 2014 so we think the F&W amendment process should begin in the spring of 2013, O'Toole stated. Our proposed schedule would have a draft F&W program released in November 2013, with a final adopted by April 2014, she noted.

In April, the Council would put out a formal request for recommendations for program amendments to initiate the process, O'Toole explained. In the past, the Council has highlighted particular topics or issues for the region to consider in developing recommendations, she said. Staff will pull together a list of topics to be identified in the initial letter, Rockefeller stated. He invited other Council members to identify topics they think should be included.

The Independent Scientific Advisory Board (ISAB) is reviewing the 2009 F&W program and will release its report at the end of February, O'Toole pointed out. That will likely provide us useful information, she said.

Karier asked about assessing the current program to ascertain what has been accomplished and what is still "unfinished business." The F&W Committee is working on that, replied staffer Tony Grover. In February or March, we will bring a comprehensive review of that to the Council, which will tie in nicely with the ISAB's review, he said.

## **3. Update on the beginning of the geographic review process:**

Lynn Palensky, program development.

Staffer Lynn Palensky reported that the Council and BPA are preparing to launch the geographic review of F&W projects on December 6 and that the process will extend about a year. An announcement will be e-mailed December 6 to project sponsors, with information on the schedule and the process, she said. The 87 projects included in the review are the habitat-based projects in the anadromous areas of the basin, Palensky noted.

Most of the projects have a Federal Columbia River Power System Biological Opinion RPA association, about half are included in a Fish Accord, and the portfolio of projects represents

about 30 percent of BPA’s annual expense budget, she said. Included in the portfolio are nine “umbrella projects” that fund projects using their own criteria – essentially, they have their own “mini-project solicitations,” Palensky pointed out. The umbrella projects will have additional questions to answer detailing the processes they use to select projects for implementation, she said.

Palensky presented a tentative schedule of project site visits from March to May, and she noted that staff is preparing for workshops in December and January to help sponsors fill out the proposal forms.

The geographic review is a great opportunity for Council members to get a picture of the work going on in the anadromous fish subbasins, said Grover. Are we reviewing existing projects or is this process for new projects? Bradbury asked. This is a review of existing projects, replied Palensky. A focus of the review is to understand how the projects fit into the context of other work in each subbasin and also to focus on project results, accomplishments, findings, and adaptive management, she said.

Many of these projects have been going on a long time, said Karier. In January, BPA plans to submit to the ISRP and the F&W Committee a complete package that looks at habitat monitoring and effectiveness monitoring, Grover said. That will provide a holistic view of the monitoring processes, he stated. Staffer Nancy Leonard added that after briefing the Council in January, BPA will revise its effectiveness monitoring plans, based on comments from the Council and the ISRP, and the agency will start implementing those plans in 2014.

We have also beefed up the “results-type” questions we will ask project sponsors during this review, and we are going to ask more about accomplishments, both good and bad, Palensky noted.

#### **4. Council decision to release the 2017 Resource Adequacy Assessment:**

John Fazio, senior power systems analyst.

Staffer John Fazio noted that the Council was briefed at its last meeting on the Northwest Resource Adequacy Forum’s power supply adequacy assessment for 2017, which indicates the region will have to acquire additional resources in the next five years to maintain a reliable power supply. Staff is asking the Council to approve release of the Forum’s 2017 adequacy assessment and have it posted on the Council’s website, he said.

Bradbury moved that the Council approve for release to the public the final power supply adequacy assessment for 2017 developed by the Resource Adequacy Forum. Yost seconded, and the motion passed.

#### **5. Briefing on draft mid-term assessment report:**

Charlie Black, director, power division.

The Power Committee had a lengthy discussion this morning about the “pre-draft” report on the Mid-term Assessment of the Sixth Power Plan, staffer Charlie Black told the Council. We will incorporate the Council’s advice today into a draft report, which the Power Committee will

review, he said. Council members will be asked, by telephone or Webinar, to approve release of the draft for review around December 18, Black stated. The Council will take comments on the draft at its January meeting, the comment period will last until late January, and a decision on the final report could be made in February, he said.

We will also continue the stakeholder outreach process we've had going on throughout the summer and fall, Black told the Council. I've met with Dick Adams of PNUCC, and he has already reserved time for a discussion about the draft report at PNUCC's January board meeting, Black said. We plan more meetings with a variety of groups in the region, he added. There has been a lot more input on this document than there has been with other things the Council has done in the past, observed Jim Yost.

The purpose of the assessment is to determine if we are on track in implementing the Sixth Power Plan, Black stated. He went over the nine chapters of the assessment, noting some of its key concepts. The report highlights the new emphasis in system planning on meeting peaking capacity and system flexibility needs, rather than just energy needs, Black said. The report points out that the character of the Northwest power system is changing and that there are significant differences among the region's utilities, he stated.

There's a stronger linkage today between natural gas and power system planning because of greater dependence on gas for electricity generation, Black said. The report also reflects the Adequacy Forum's conclusion that for the first time, the region is facing the need for new resources to maintain its adequacy standard, he noted, adding, "that's a landmark change."

The report will contain updated forecasts and recommend the Council annually update its electricity demand, natural gas, and wholesale price forecasts, Black stated. The Power Committee has pointed out wholesale prices aren't providing the right incentives to induce the building of new resources for peaking capacity and system flexibility, he said.

The report concludes the region is "on course" in implementing the Sixth Plan, Black noted, with energy efficiency acquisitions in 2010 and 2011 exceeding the plan's goals and that the 1,200 aMW goal for 2010-2014 "appears within reach."

Topics the assessment suggests the Seventh Power Plan address include planning for capacity and flexibility needs and the shifting paradigm for energy efficiency, he reported. The possibility of continued slow growth in demand could affect utilities' resource and business plans, Black stated. The committee said the next plan should scrutinize the Council's metrics for determining the cost-effectiveness of conservation, as well as disincentives for distributed generation and demand response programs utilities experience as a result of BPA power sales contracts, he said. Other topics include greenhouse gas emissions and the convergence of power and transmission planning and power and natural gas planning, Black noted.

Bill Bradbury asked about the "shifting paradigm for energy efficiency." We've heard that energy efficiency is affected by "where a utility is situated," replied Black. The economics of acquiring energy efficiency are different for a public utility that is below its BPA Tier 1 allocation than a utility above Tier 1 and into Tier 2, and there are also differences for investor-owned utilities, he said. We are looking at how energy efficiency might contribute to meeting

peaking capacity and system flexibility needs, and whether efficiency efforts can be targeted to areas with greater transmission constraints, Black added.

The convergence of power and transmission planning and power and natural gas planning mark a long-term shift of focus for us, said Phil Rockefeller. We will be more obliged to integrate factors that in the past were considered minor to our efforts, he added. This is an excellent overview, Rockefeller told Black.

## **6. Council Business:**

### **– Approval of minutes**

Bradbury moved that the Council approve the minutes of the November 6-7, 2012 Council meeting held in Coeur d'Alene, Idaho. Karier seconded, and the motion passed.

### **– Approval of explanation and response to comments to accompany Council decision on data management projects**

Staffer John Shurts said that staff has produced a document concerning the Council's final decision on data management projects made at the November meeting. The document describes the process and responds to comments that were received about the Council's decision and review of the projects, he noted. Whiting said having this document is a good idea.

Bradbury moved that the Council approve the explanation and response to comments provided by staff to accompany the Council's final decision in November 2012 on recommendations for a discrete set of data management projects and activities. Karier seconded, and the motion passed.

Approved January 15, 2013

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Vice-Chair

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**Henry Lorenzen**  
Oregon

**Tom Karier**  
Washington

**Phil Rockefeller**  
Washington

December 20, 2012  
Council Meeting via Webinar

Chair Rhonda Whiting began the meeting at 9 a.m. All members were present on the telephone.

Charlie Black: This meeting is a review of the Draft Mid-Term Assessment report by the Council Members. I think we sent that out next week. In the review process by the Council Members I think has gone pretty well. Just to provide a little context here, the mid-term assessment report reflects really extensive conversations with regional stakeholders throughout the region, a lot of discussion among people who have had really good input to this report. There's been a number of presentations on different sections of the report at previous Council Meetings, so we're really now just into the background. So we've been doing a lot of work on this effort, it has come together quite well I think. And in the review by the Council Members, there has been one suggested edit to the document and that was provided by Member Karier and I can read that suggested change to the document here. It is really an addition that would go in the Executive Summary Part A, Major Conclusions, and then it would also go in as an addition to Section 9, the conclusion section toward the end of the document. What Member Karier has suggested be added here is the following: "An updated analysis shows that with existing resources and projected energy efficiency, the region's adequacy will fall short of the desired level by 2017. New resources are expected to close this gap, but the Council will continue to monitor regional adequacy." So that basically reflects the results of the Resource Adequacy Forum's work that was completed recently and that would be added as an additional conclusion.

Karier: Charlie, I could explain just briefly the reason for that and as I was reading through it I thought the document was really comprehensive and well done, but there is nothing about this adequacy issue in the major conclusions or the next steps for the next power plan, and it was an issue. It wasn't an issue in the Sixth Power Plan because these, and this is a relatively new finding. Things have changes since the Sixth Power Plan so we did fall into this level of slight inadequacy and it seems important that if we are noting the changes, things that have developed since the Sixth Power Plan that we should acknowledge this. That's the only reason.

Black: Thank you. Any other discussion on that addition? We have a comment from a stakeholder here.

Almost. With the media. Jessica Zahnow, with Argus Media. I just had a question about the end of that comment. It says that "new resources that are expected to added will help close the gap." And I'm just curious in what time frame is that gap supposed to be closed? Prior to the 2017 shortage or will resources prevent that adequacy shortage in 2017?

Black: Sure, we can answer that. John Fazio here is the Council staff member who is the lead staff on resource adequacy. John, can you describe how this is addressed in the Forum:

Fazio: The Forum looks five years into the future and we do this every year so that every year we get kind of an early warning if such things crop up. So we don't have, there are no specific resources that \_\_\_\_\_, however if you look at utility integrated resource plans, you can see that there are sufficient number of resources that are capable of being developed by that time, 2017, if need be. Of course we are still waiting to see how the future unfolds. So it is a five-year period if that was your question.

Crow: This is Steve Crow. We can have you get together with John after the meeting, too, and he can give you all the detail you want.

Czano: Thanks.

Whiting: Any other comments, questions?

Rockefeller: I just noticed that on page 40 of the report there is a discussion of resource adequacy and that's the place where it is disclosed that there is a potential shortfall, and it concludes that it would take 350 megawatts of new dispatchable generation capacity to get the LOL's probability back to five percent so I assume that's the foundation for Tom's suggested additional conclusions. Is that correct?

Karier: yes.

Whiting: Any other discussion. If not, Charlie can you walk us through where this goes from here?

Black: Sure, Madame Chair. If the Council votes today to approve release of the document, it will be posted on the Council's web site, possibly even later today, but certainly by tomorrow, and there will be an announcement that will go out with that inviting public comment on the draft report. There will be an opportunity for in-person public comment at the Council's meeting in January here in Portland, and the comment period will run until January 31, so we'll have several opportunities for public comment there. In addition, we will be having a series of meetings with regional stakeholder groups to have an opportunity to talk with them and hear from them their comments about the draft Mid-Term Assessment report and gather that input so it can be discussed. Ultimately, gather all of that for a report back to the Council Members at the February Council Meeting.

Whiting: Okay, any comments on that procedure or how we're going to move ahead? We're at the point if there aren't any comments to have a motion. Do you have that motion, Bill?

Bradbury: Madame Chair, I would move that the Council release the Sixth Power Plan Mid-Term Assessment Report for public review and comments for a period ending January 31, 2013, and direct the staff to give appropriate notice of this action.

Karier seconds.



Whiting: Seconded by Tom Karier. Any discussion?

Rockefeller: Madame Chair, I assume this includes the suggested language that was offered by Member Karier?

Whiting: Yes. We probably need to add that into the motion?

Bradbury: Yes, that would be a friendly amendment to the motion to show that the additional language that Member Karier discussed would be included in the report.

Whiting: Okay. Does that work for you?

Karier: Yeah.

Whiting: Any more discussion? Do we have a second?

Rockefeller: Second.

Whiting: We need to take a vote on that and since it is on the phone, why don't we just go ahead and do a roll-call vote. Member Measure: aye; Member Yost: aye; Member Booth: aye; Member Bradbury: aye; Member Lorenzen: aye; Member Karier: aye; Member Rockefeller: aye. And the Chair votes aye. Motion passes.

Karier: Madame Chair, I had a question. I assume it's okay for staff to make any sort of grammatical edits that are necessary if they find any as they go through this for the last time.

Whiting: I would think so in their review of it. Is that correct, Charlie?

Black: I think we're pretty much in shape for this to go out as a draft with this one addition and as we get various comments and input we can continue doing that sort of clean-up and editing.

Karier: I think I might have spotted a grammatical error. I'll send it to you by email and if you think so you can fix that.

Black: Okay, thank you.

Whiting: If anybody else sees anything like that, I'm sure they'd appreciate it. All right. Charlie is there anything else we needed?

Black: This is exactly what we needed and we're pleased to have the affirmative vote.

Whiting: Thank you. All of you have a Merry Christmas.

The meeting adjourned at 9:30 a.m.