

Joan M. Dukes
Chair
Oregon

Bruce A. Measure
Montana

James A. Yost
Idaho

W. Bill Booth
Idaho



Rhonda Whiting
Vice-Chair
Montana

Bill Bradbury
Oregon

Tom Karier
Washington

Phil Rockefeller
Washington

Council Meeting Hood River, OR

May 8-9, 2012

Minutes

Council chair Joan Dukes called the meeting to order. She began by asking for committee reports.

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.

Bill Bradbury, Public Affairs Committee, said progress on the Council's new website has been slower than expected and it is not yet ready for a demonstration. The committee is working on details of the August congressional staff tour, which starts in Seattle August 14, he reported. The tour will continue in Chelan, Washington, focusing on the Council's fish and wildlife program. Bradbury said the Public Affairs Committee is reviewing the Council's report to Northwest governors on BPA's annual fish and wildlife expenditures.

Fish and Wildlife Committee chair Phil Rockefeller said the committee heard a presentation by Rich Carmichael of the Oregon Department of Fish and Wildlife (ODFW) on hatchery and supplementation policies; a presentation by staffer Mark Fritsch on three proposed project budget adjustments; a briefing by the Mid-Columbia Regional Fish Enhancement Group; and a demonstration of the "subbasin dashboard." Rockefeller said the latter was a valuable demonstration on integrating a vast array of data and making it useful, but the committee is hesitant about moving forward on 58 other subbasins. Staff will provide a schedule for going forward and the priorities.

Staffer Lynn Palensky reviewed staff recommendations for resident fish, data management and coordination projects and provided a preliminary scoping for a geographic categorical review of these projects, Rockefeller reported. Staffers Patty O'Toole and Raquel Crosier gave us a briefing on Northwest forage fish, and the committee discussed high level indicators, he said.

Jim Yost, chair of the Power Committee, recapped the committee meeting. There was a presentation by PNUCC on the *Northwest Regional Forecast* and a discussion about issues the

forecast suggests for the mid-term review of the Sixth Power Plan, he said. A number of interested parties described the issues they want us to consider in the mid-term review. They suggested issues we should discuss, as well as issues to carry over to the seventh plan, he said.

Public comment on any issue before the Council

Dukes asked if there were members of the public who wished to comment. There were no responses and the Council moved on to the agenda.

1. Presentation from Susan Stratton, Executive Director, Northwest Energy Efficiency Alliance

The Northwest Energy Efficiency Alliance (NEEA) has been delivering savings to the region since 1997, according to Charlie Grist. NEEA has delivered about 25 percent of the Northwest's total efficiency savings, and over time, the region has been asking NEEA to expand its portfolio of work, he said.

NEEA's executive director Susan Stratton has worked in energy efficiency since the 1970s. She learned early on that energy efficiency is the least-cost resource when efficiency trumped a project to install solar panels on row houses in the East. Cost may become a bigger challenge with time, but I think efficiency will still be out in front of other resource options in the future, Stratton said.

She went on to describe NEEA and its function. We speak for 12 million consumers and leverage our efforts to benefit them, filling "the energy efficiency pipeline," Stratton said. NEEA is always scanning for new technologies, and we determine if there is as an opportunity to accelerate adoption of them, she said. We are successful because of the Council, which provides a roadmap for our work, Stratton stated, adding that NEEA's foundation is the Council's 20-year power plan.

She went on to explain the steps in market transformation. NEEA intervenes where there are opportunities to remove market barriers and move market adoption forward, Stratton said. She provided an example of a project NEEA undertook with Northwest food processors to reduce the intensity of energy use per unit of output. The food processors' association set a goal of reducing energy intensity by 25 percent in 10 years and by 50 percent in 20 years, Stratton said.

Reducing energy intensity makes the industry more competitive, she stated. Our message isn't to reduce production, but to reduce the amount of energy it takes to produce the same product, Stratton explained. "People are not penalized if their business is successful," she added.

Stratton described success NEEA has had with energy efficiency initiatives and the alliance's "unique role" upstream of where utilities work first-hand with customers. NEEA focuses on transforming the market and may give incentives to manufacturers or retailers, but not directly to consumers, she explained. Stratton laid out the difference between energy efficiency efforts aimed at direct acquisition versus market transformation. We try to affect the supply of products in the market, to reach "market influencers," and to raise demand for energy efficiency, she said.

Stratton listed NEEA's strategic goals, from filling the pipeline to accelerating market adoption of products, and NEEA's current initiatives in all customer and market sectors. She pointed out

that in addition to residential, commercial, industrial, and agriculture, NEEA has initiatives in codes and standards, partner services, and emerging technologies.

NEEA has a multistep process for taking technologies from discovering the opportunity through long-term monitoring, Stratton said. She described the steps in the process, which include identifying the savings potential. We need about 1,200 aMW of potential to realize 300 aMW of savings, Stratton stated.

She noted that it takes time for savings to accumulate from initiatives NEEA is funding. The initiatives funded from 2005 to 2009 “are starting to deliver big-time now” but will taper off, Stratton stated. Overall, NEEA has affected 707 aMW of direct savings, with over 400 aMW since 2005, the equivalent of two medium-sized power plants or the residential use in Portland, Boise, and Seattle each year, she reported.

Stratton moved on to a description of the NEEA board, funding sources, advisory committees, and other collaborators. NEEA’s funders provide \$190 million annually, she said.

The Northwest is “a beacon for the country” in energy efficiency – we move the rest of the nation, Stratton said. NEEA’s advisory committee organization is “an intricate weave of collaboration, discussion, and working together,” she stated, and NEEA has a number of market partners, including large retailers. Stratton described a call Walmart made to NEEA to assure its acquisitions from China for the year synched up with what NEEA is planning to do.

NEEA’s goal is to deliver 300 aMW of savings every five years, she stated. Stratton described NEEA’s success with influencing the energy efficiency of televisions by 50 percent over three years ago. “The market moved quickly,” she added.

Heat pump water heaters offer the next big opportunity, with 492 aMW of potential, Stratton continued. There is a big opportunity because so many hot water heaters in the region are electric and many are replaced every year, she said. We are looking to address the market barriers and make sure equipment appropriate to the Northwest “is on the shelf at Home Depot,” Stratton stated.

She described another NEEA initiative, the residential building stock assessment, which will provide information about energy efficiency potential. The assessment will be completed in the fall, followed by a commercial building stock assessment in 2013, Stratton said. NEEA has its eye on behavior change as an opportunity in the future, she said.

Stratton wrapped up by noting that former council member Melinda Eden is on the NEEA staff and is tasked with visiting small and rural utilities regularly to find out what NEEA can contribute to their energy efficiency efforts.

2. Council decision on Project Review:

Mark Fritsch

– Quarterly review of within-year project adjustments for implementation

Staffer Mark Fritsch presented three budget requests that were reviewed by the Budget Oversight Group (BOG) for the second quarter of fiscal year 2012. In the first request, the Westland

Irrigation District is making a request to complete a repair of the Stanfield irrigation diversion fish return pipe and to restore the stream bank, he said. Fritsch said the Council took action on this project earlier in the fiscal year to approve funds for emergency work on the site to prevent further damage. He noted that the Umatilla Passage Operations and Maintenance Project is related to the Biological Opinion and addresses Mid-Columbia steelhead.

Rhonda Whiting made a motion that the Council recommend to Bonneville the implementation of proposed activities for Project #1983-436-00, Umatilla Passage Operations and Maintenance, in an amount not to exceed \$100,165 in Fiscal Year 2012 expense funding to complete repair to the Stanfield Irrigation Diversion fish return pipe and restore the stream bank, as presented by the staff and recommended by the Fish and Wildlife Committee. Jim Yost seconded the motion, which passed unanimously.

Fritsch said there was no motion on a second project reviewed by the BOG. Staff and the F&W Committee felt the Idaho Department of Fish and Game should do the project related to Albeni Falls wildlife mitigation within the current budget. Bill Booth said the project is an attractive opportunity in which costs could be shared with Avista and the U.S. Forest Service. The project couldn't proceed without additional funding, but in light of BPA's budget constraints, he said he would go along with the staff recommendation. This is a project we would like to delay, not kill, Booth added.

A third request from the Siletz Tribe relates to 2012 regional coordination, Fritsch said. The Independent Scientific Review Panel (ISRP) reviewed the project and gave it a qualified approval, stating it is difficult to do a science review on a coordination proposal, he said. Fritsch said the Siletz Tribe's need for coordination funds is driven by activities in the Willamette subbasin and the Willamette Biological Opinion. He noted that the Siletz have ceded lands within the subbasin.

Whiting made a motion that the Council recommend to Bonneville the implementation of the Siletz Tribe Coordination proposal, Project #2012-005-00, in an amount not to exceed \$12,022 in Fiscal Year 2012 expense funds, with implementation and funding level beyond Fiscal Year 2012 to be determined as part of the Resident Fish, Data Management and Regional Coordination Category Review, as presented by staff and recommended by the Fish and Wildlife Committee. Bradbury seconded the motion. The motion passed, with Measure voting no.

Motion for Executive Session

Whiting made a motion that the Council meet in Executive Session on Wednesday, May 9, 2012, at 8 a.m. Pacific Time to discuss Council participation in civil litigation. Bradbury seconded the motion, which passed unanimously on a roll call vote.

3. Council decision on recommendations for ocean research projects:

Patty O'Toole

Staffer Patty O'Toole said staff wants to continue working with the sponsors of two ocean research projects to refocus the project work. Staff and the Fish and Wildlife Committee think the ocean research is valuable and provides important information, but the projects need to be

reshaped, she said. The two projects are NOAA Fisheries' ocean survival study and the Canadian Department of Fisheries and Oceans salmon shelf survival study.

O'Toole described the Council's deliberations on ocean projects in the fish and wildlife program, including the comprehensive synthesis report project sponsors prepared, which was subsequently reviewed by the ISRP. Based on the report and discussions with sponsors, she said there is an opportunity to enhance how the ocean research benefits fish affected by the federal hydro system.

O'Toole detailed ways in which the projects could be improved that include linking the research to management actions for hatcheries, habitat, hydro, and survival calculations, and emphasizing research related to the Columbia River plume, the near-shore, and estuary. Continuing to fund the projects as proposed is not appropriate, and we need time to reshape and make them better, she stated. Among the issues, O'Toole said staff needs to work with the sponsors to determine what is needed to satisfy the federal hydro system Biological Opinion, lay out priorities, and define "the nexus" with the Council's program.

Measure asked what the synthesis report said about the nexus of the ocean projects with the Federal Columbia River Power System (FCRPS). The sponsors think there is a nexus and the ISRP thinks there is a nexus in the near-shore plume area, O'Toole responded.

We don't know if the ocean projects have a connection to the FCRPS other than "vague language in the Gorton amendment to the Power Act, staffer Tony Grover responded. We want to pull the focus into the near-shore and plume and see if we can shape them into something useful to the program; we won't come back with the projects if we don't get anywhere with this, he said.

Dukes said the plume has a direct connection to the FCRPS. We are talking about focusing even more on this area in revising the projects, she said.

O'Toole said the staff estimated it would take about six months to rescope the projects, but that is optimistic.

Karier said if there is a vote on the projects, he would abstain. I would need a clear nexus to the power system to support them, he said. Karier reviewed the history of the ocean project consideration. We started this about two years ago, and we still don't know what the nexus is, he stated. We need to connect this research to the power system, Karier said, adding that when the issue comes back to the Council, BPA should clearly articulate why it is funding the research and what the benefits are for the power system and fish survival.

Staffer John Shurts said the question on the nexus was discussed in the past. He said it has been a number of years since the research began and it is worth stepping back to see whether the research is bringing the Council information that it needs. That's the point of taking more time to consider the projects and whether they can take us any further, Shurts said.

Our recommendation is to give these projects another year at most and to work in good faith with utilities, project sponsors, and fish and wildlife managers to rescope the projects, Grover said. We need to take "a vast amount of research capacity and point it directly at the problem," he

stated. We may decide we can't find a practical use for the information, but we should review and try to make the projects more relevant, Grover said.

BPA should look specifically at the money it is putting toward these projects, Karier said. He said one of the subcontracts included half a million dollars for reporting, which far exceeds the reporting budgets in any other project in the basin, he said.

Bill Maslen of BPA said the work-element budget that includes the half million dollars is set up differently from the way the charges are made. So it can appear misleading, he said. If the sponsor were spending half a million dollars on reporting, we'd address it, Maslen stated.

Rockefeller said he recommended the Council strive to have a more prioritized and focused scope of work. He indicated the figure could be tightened up in the review. The value of this exercise is to get a review done quickly, within six to eight months, Rockefeller stated. I'd encourage the Council members to let the staff move ahead and by the end of the year, we should have better guidance and could amend the contracts, he said.

Whiting made a motion that the Council continue to support two ocean research projects, #1998-014-00, NOAA's ocean survival of salmonids, and Project #2003-009-00 Canada Department of Fisheries and Oceans, while Council staff by February 2013 works with project sponsors, Bonneville, and others in the region to redefine the scope of the research as presented by staff and recommended by the Fish and Wildlife Committee. Rockefeller seconded the motion. The motion passed with Whiting and Measure voting no and Karier abstaining.

4. Briefing on updates to protected areas database:

Philip Thoennes, intern; Peter Paquet, manager, wildlife and resident fish; and John Shurts, general counsel.

Staffer Peter Paquet provided background on the Council's designation of protected river reaches in the Columbia River Basin. At the time the Council adopted protected areas in 1988, the GIS and mapping tools we have today didn't exist, and in some cases, the designations were based on hand-drawn maps, he said.

Paquet said Council staff proposes to bring the protected areas mapping up to date and into an appropriate scale. The timing of the effort is right since it could be brought into "good shape" prior to the next fish and wildlife program amendment process, he stated. Paquet also said there was a hiatus for a number of years on hydro development, but we are beginning to see new applications come in, which has led to interest in protected areas. Our proposal is not to make changes in the protected areas; this is "a technical exercise" that will result in a better tool, he said.

Booth asked what statutory authority the Council has to set aside areas that it is mandatory for a state to protect. Staffer John Shurts explained that the protected areas designation pertains to what BPA and FERC might do. In the program, we have identified stream reaches to protect, and we have asked FERC to take this designation into account for licensing hydro projects and BPA to do the same in serving transmission, he said. Shurts went on to explain that the protected areas do not affect what a state may or may not do; the State of Oregon is an exception since it recognizes and adopted the Council's protected areas.

Staff intern Philip Thoennes summarized the history of the Council's protected area process, which began in 1983 and involved states, tribes, and agencies in preparing a river study. Following a multiyear study funded by the Council, the four states offered a report and recommended areas the fish and wildlife managers wanted to be protected, he said. The Council reached a number of findings regarding protected areas and what the designation means, and in 1988 adopted protected areas into its fish and wildlife program, he said. There have been a series of amendments but no updates since 1992, Thoennes said.

He said the database format and mapping for protected areas is outmoded, and prior to the F&W program amendment process, staff is working to update it. We used the John Day as a pilot case to demonstrate the update procedures, Thoennes added.

He explained how the old mapping and scale is out of date and noted that many streams don't appear on maps of the scale used when the protected areas were adopted. Shurts provided further explanation of the mapping and database problem and how the new approach to mapping, a whole-stream approach versus a segment approach, is quite different.

Booth asked if new tributaries not shown on the original maps will be drawn into the protected areas. We are making no changes to the actual designations, Paquet responded. They will not change at all but they will be easier to identify, he stated.

Thoennes pointed out that not all states use the same approach to databases and mapping, so the regional effort is constrained by "the least common denominator" or the simplest data model. He explained that the update work involves identifying only those streams identified in the 1980s for protection and transferring that information to maps in the updated scale.

Shurts said the exercise involves taking a paper map and getting it into technical GIS form and securing the protected area designations. It makes sense it to get it into this new form, he stated.

Whiting asked why the update is not making use of satellite technology. Thoennes said satellite imagery doesn't work for the changes that need to be made to the database. Grover pointed out that satellites are the optimum tool for many cases, but the protected areas project is "tied up by the straitjacket of the past." If we were doing this today, we'd start with satellites, he said, but that use isn't consistent with what we have here from the past.

Shurts said the Council doesn't want to be seen as changing protected area designations by going through the technical updates. He pointed out that there was originally a protected areas exception process in the F&W program that was inadvertently deleted in 2000. We will recommend the exceptions process be put back when the F&W program is amended, Shurts said.

Rockefeller said a Washington PUD is contemplating a change that would need an exception.

Karier asked about the future of a Northwest hydro site database. Paquet said the database, used to estimate how much the protected areas are affecting the potential for hydropower, is housed on an old VAC system, which BPA is keeping updated as best it can. We have determined we can have a better system and people in the Council's power division are working with others to come up with a suitable tool for making assessments about the potential, he stated.

5. Update on Bonneville capital budget and Integrated Program Review: – BPA

Staffer Charlie Grist introduced Peter Cogswell and Don Carbonari of BPA, saying the Council may want to engage in BPA's capital budget process since it affects implementation of the fish and wildlife program and power plan. Cogswell said BPA is about three months into its review of the capital program and will begin its Integrated Program Review (IPR) in June. We want you to know what we're hearing from customers and the schedule going forward, he added.

Carbonari told the Council BPA started its strategic capital discussions with the region last fall. We were presenting the sheer magnitude of our capital spending and the tools available to fund it, he said. We usually borrow from the U.S. Treasury to fund capital, but there are limits to what we can borrow, Carbonari continued. BPA Administrator Steve Wright hosted a meeting on the last day of January to discuss several things, including what is going on in the Northwest economy and the drivers of BPA's spending, he said.

Carbonari said customers asked BPA to split its capital discussions apart from expenses. That's why we are sequencing the process this way, he said. We began with the Capital Investment Review (CIR) in March and April; we had a lot of public meetings and the close of comments is May 11.

The CIR sets the stage for the IPR in June, when we will go over BPA's planned expenses, as well as borrowing and the amount of debt service, for the next three years, 2013-2015, he continued. An initial rate proposal will follow in the fall, Carbonari said.

He went on to describe other meetings BPA executives held with people around the region. There were meetings in seven cities in which BPA talked about its asset strategies and provided insights into how the agency sets spending priorities, Carbonari said.

Debt service is a big part of BPA's rates, he stated. In addition to borrowing from Treasury, the agency needs other tools to cover its capital program, Carbonari said. For example, BPA has a successful lease-finance program for capital needs in transmission, he added.

BPA is exploring a prepay option for power, and we have asked utilities to look seriously at it, Carbonari stated. The prepay program would fund capital assets for power services, he explained. There are still issues to work out, but the intent is to set up a mechanism under which a utility could voluntarily prepay some portion of its power bill; in exchange, BPA would give the utility credit over some period of time toward its power purchases, Carbonari explained. We've asked for utility input and are developing the mechanics with utilities, he said, adding that the idea is to find a way to avoid borrowing from the Treasury.

Carbonari recapped what BPA has heard from customers, saying they are generally supportive of the asset strategies. Some customers want BPA to look at its capital spending as a whole and prioritize across the agency, not just by category, he said. Some customers have an issue with BPA's role in energy efficiency, Carbonari added.

Bill Bradbury asked what benefit a utility would gain from using ratepayer money to prepay its power bill. Carbonari explained that the utility would earn a return on its dollars. The process

would be competitive, with utilities offering to participate up to a set dollar amount, he said. A utility might borrow money on a tax-exempt basis to participate or it could use cash, Carbonari stated. They would build in a rate of return on the money prepaid and compete for the opportunity to participate; “BPA would decide who is in and who is out,” he said.

We have assumed we could have a prepay program as large as \$1.7 billion over the next several years, Carbonari said. We don’t expect that level of participation, but raising \$500 million “would be very successful,” he stated. If we don’t have the prepay program, we have one less tool to fund the capital program, Carbonari said, noting that the agency’s goal is to avoid running out of capital within 10 years.

He went over the schedule for the upcoming IPR reviews, noting there is time being held open for customer workshops in July. An initial rate proposal is set for fall and a final rate decision is scheduled for summer 2013, Carbonari wrapped up.

Grist asked what BPA is hearing from customers about whether the agency should capitalize or revenue-finance energy efficiency. Carbonari responded that BPA has heard both sides. Even if we expense energy efficiency, the borrowing authority issue is still there, he added. The magnitude of the problem is bigger than the energy efficiency program, which doesn’t put “a big dent” in BPA’s borrowing authority, Carbonari stated.

Joan Dukes asked if a utility could get a reduced rate on its power purchases for paying up front. Carbonari said BPA is not offering a reduced rate. But a utility could “end up at the same place” financially depending on how it calculates the rate of return, he said. We don’t know what will happen in terms of the interest rate question so we don’t know if prepay will be successful, Carbonari stated.

6. Briefing on Mid-Columbia steelhead recovery implementation Panel:

Lynn Hatcher and Scott Rumsey, NOAA; Bill Sharp, Yakama Nation.

Grover introduced a panel representing a number of fish and wildlife agencies to give an update on implementation of the Mid-Columbia steelhead recovery plan.

Scott Rumsey of NOAA Fisheries spoke first, commending the Mid-Columbia region for its collaborative approach to recovery. He said the NOAA Fisheries recovery plan and the Council’s fish and wildlife program are intertwined and share a common approach. Rumsey listed the common threads, including widespread public involvement, emphasis on science and adaptive management, and reliance on local implementation.

Rumsey described the Mid-Columbia steelhead, saying it was listed under the Endangered Species Act (ESA) in 1999 and the listing was reviewed in 2006 and 2011. The review confirmed the listing, but “very narrowly so,” he said. Rumsey said the Mid-C steelhead is the closest to recovery of the region’s listed anadromous species. It is doing quite well, he said, and if it were delisted, the ESA would disappear from that recovery region.

Rumsey went through the elements of the recovery plan and listed the entities in the Mid-C Forum. He described the Mid-C’s five management units and the entity responsible in each.

Bill Sharp with the Yakama Nation Fisheries Program described the activities in the Washington Gorge Management Unit. He said the steelhead is important to the physical and spiritual sustenance of the Yakama tribes. They go everywhere in the subbasin and are present year-round, Sharp said. He listed members of the implementation team and the process for carrying out the plan. Sharp described priority actions in the Klickitat subbasin, which are funded by the Columbia Basin Accords and through the Council's F&W program.

Steve Martin of the Snake River Salmon Recovery Board gave an update on the Southeast Washington Management Unit. He listed a number of accomplishments and said the activities have now moved to more complicated reach-scale efforts that involve multiple landowners. We now have the confidence in our funding through the Snake Recovery Funding Board and BPA to pursue the reach-scale projects, Martin stated.

Alex Conley of the Yakima Basin F&W Recovery Board said there are 18 organizations involved in recovery efforts in the Yakima Unit. The board was created to write the subbasin plan for the Yakima, and there is a lot of coordination and local involvement to support the priority projects, he said. Conley went through the steps for carrying out the priorities and listed major needs in the Yakima Unit, such as habitat and flow work in key tributaries and floodplain restoration. He described a 1,000-acre reach restoration project near Union Gap.

Conley's final graph showed the increase in numbers of steelhead and the trend toward delisting. We are headed there, he said. Getting to delisting in the Mid-C is a real achievement, Conley wrapped up.

Adrienne Averett of ODFW reported on the Oregon Unit. She said the Council's subbasin plans are key references for the Oregon Unit's Mid-C plan. Averett listed threats to the Oregon steelhead populations and said research indicates the hydro system is a big threat to John Day and Fifteen Mile Creek populations. She noted the 81 members of Oregon's Mid-C implementation team and said "it takes a bi-state village" to address the Mid-C steelhead issues.

Megan Duffy of the Washington Governor's Salmon Recovery Office wrapped up the panel. The possibility of delisting is something the governor would love to see, she stated. The Mid-C recovery plan is a coordinated local effort supported by science, Duffy said.

Karier asked Conley if there is an analysis going on to determine where the additional steelhead are coming from. Are they the result of habitat improvements? he asked. Conley said it is unclear. We've looked at it but there have been so many changes, and overall there is a good trend in the Yakima, he said. But determining the reasons for the increase "is not clean or easy to do," Conley stated. We are still chasing that information, he added.

7. Briefing on Lower Columbia Recovery Plan:

Scott Rumsey and Patty Dornbusch, NOAA.

Rumsey provided an overview of the proposed ESA recovery plan for the Lower Columbia River. He said the plan would be published in the Federal Register in the next week. Rumsey said the plan is the first that addresses multiple species, and it focuses on Lower Columbia River chinook, coho, steelhead, and chum. The primary goal of the plan is delisting, but the three local

plans in the document have other broad recovery benefits such as harvest and social and economic goals, he said.

Rumsey went over the technical foundation for the recovery plan and the recovery scenario, which was developed by local planners. The NMFS delisting criteria are the targets in the local plans, along with amelioration of threats to the viability of the populations, he said. Rumsey went over details of the recovery scenario for the Columbia River coho, which he said are in “pretty poor shape.” He noted on a graphic there is a big gap to recovery for this population.

Rumsey described the overall approach to recovery and the multiple steps, from evaluating the status of each population to reducing threats. He explained how the approaches differ in Oregon and Washington, noting that Washington is targeting actions evenly across the four “Hs,” where as in Oregon the emphasis may vary.

Rumsey went through a summary of the strategies for habitat, hydropower, hatcheries, and harvest. He also explained the approach to predation and climate change in the recovery plan. All of the actions must be backed by a strong RME function, Rumsey stated. As budgets shrink, we need to be well coordinated in this area, he added.

Rumsey said the slide on costs “is scary” since the lower river populations are in such poor shape. It take a lot of resources to get to recovery, he said. The approach to implementing the recovery plan is similar to that taken in the Mid-Columbia, Rumsey stated. There will be a lot of coordination, and recovery actions will take place on a local level, he said.

The recovery plan will hit the streets in mid-May, Rumsey said, and there will be a 60-day comment period. We hope to finalize the plan by the end of the calendar year, he stated.

Booth asked how open NOAA Fisheries is to comments. Rumsey said the agency is open to comments, but the plan was developed with considerable input from the states. We don’t expect much in that regard, he concluded.

8. Panel on the status of Condit Dam decommissioning and White Salmon restoration:

PacifiCorp, the Yakama Indian Nation, and the Mid-Columbia Regional Fisheries Enhancement Group.

Todd Olson of PacifiCorp said the company never intended to remove Condit Dam. “We believe in clean, renewable power and that’s what hydro is,” he said. But sometimes that becomes costly for our customers, and the decision to remove Condit “came down to an economic decision of fish passage versus the cost of decommissioning” the dam, Olson stated. When we looked at the two options, we decided it was better for our customers to go with decommissioning, he said.

The Condit project is located on the White Salmon River three miles upstream from the Columbia, Olson explained. All of the land around the dam, 450 acres, is owned by PacifiCorp, he said.

Olson said a settlement was reached with a number of parties that culminated with a decision to decommission the dam. The actual date for decommissioning was postponed a couple times

because of the time it took to get a Biological Opinion approved and to get the needed certificates from the Corps of Engineers, he explained. The Federal Energy Regulatory Commission (FERC) then gave its final order to authorize removal, and the dam was breached in October 2011, Olson said.

He went on to describe steps that had to be taken before the breach, which included dewatering below the dam, replacing a bridge, collecting fish that would spawn upstream of the Condit site once it was breached, and dredging sediment that had piled up for 100 years in front of the dam. Once the area below Condit was dewatered, crews began to tunnel and blast into the 90-foot-wide structure, Olson explained. Crews tunneled 80 feet in before dynamiting the rest on October 26, the day the final breach was made, he said.

A lot of material moved out when the structure was blown open, Olson continued. We predicted it would take six hours to drain the reservoir but it took two, he said.

Olson said since the dam was breached, PacifiCorp has been very focused on public safety in the area because the banks down to the river are so steep. He pointed out that PacifiCorp has removed an old coffer dam and pilings that supported an old bridge, which were hidden under water in the reservoir. We found another bridge upstream, and with high flows this winter, large woody debris started hanging up there, Olson said. PacifiCorp had to address that to provide safe boat passage through the area, he said.

PacifiCorp is working to demolish the dam and associated structures, crushing and recycling or landfilling the pieces, Olson continued. Of the dam, he said excavators chisel away at the structure and dump trucks load and haul it away. Our intent is to have the whole dam removed by the end of August; the coffer dam was gone by May 1, Olson stated. We are recontouring the sediment and preparing it for revegetation, and river boat outfitters began using the river in April, he added.

The majority of the sediment behind the dam was glacial till, and we are watching the plume from the White Salmon to see how far it encroaches into the Columbia River, Olson went on. With flows in the Columbia increasing this spring, most of the material is moving along the north bank of the river, he indicated. There is a buoy at the mouth of the White Salmon so shipping traffic knows where the delta is, Olson stated.

PacifiCorp is on schedule to have the dam removed by the end of August, he said. We will do the revegetation this fall and will have ongoing monitoring to track the success of the project, he wrapped up.

Tom Karier asked if the decommissioning had stayed within budget. Olson said it had not. In the settlement agreement, we forecast it would be \$28 million but we are now projecting \$37 million, he said.

Phil Rockefeller asked who would cover the overage. Olson said FERC does not recognize cost caps. When they issued the decommissioning order, they told PacifiCorp to do it regardless of the cost, he said. We still feel it is in the best interests of our customers at \$37 million than to have done fish passage, Olson said.

He said the powerhouse at Condit was 14 average megawatts (aMW) and the production averaged about 7 aMW over the years. PacifiCorp has 50 other projects and predicts upgrades at its other facilities will cover the loss of generation at Condit, Olson stated.

Bill Sharp of the Yakama Nation and Margaret Neuman of the Mid-Columbia Regional Fisheries Enhancement Group described fish recovery efforts that are going on in the White Salmon subbasin. This is a key area for the Yakama, with lots of tribal history and abundant resources, Sharp said. We hope to restore the net fishery and the link to the Yakama Nation's past, he said. Sharp said crews are actively conducting fisheries surveys and hope to see runs of steelhead and tulle fall chinook restored.

Neuman said there is strong coordination in the subbasin to pursue recovery projects. She explained issues in the subbasin, including the unwillingness of landowners to participate in restoration, lack of compliant fish screens, and significant flow limitations in some tributaries of the White Salmon. Neuman said a priority is working on riparian restoration and increasing education and outreach to get people willing to take on restoration activities.

9. Presentation on comparative survival study and results for 2011:

Jack Tuomikoski, Fish Passage Center

Staffer Jim Ruff introduced Jack Tuomikoski and Michele DeHart of the Fish Passage Center to present findings from the Comparative Survival Study (CSS). CSS is one of the region's major monitoring tools for fish survival, he said.

Tuomikoski began with background of the CSS, which he described as management-oriented large-scale monitoring. The foundational goals of the study are to quantify the efficacy of transportation, compare survival rates within and across species, and establish a long-term data set for addressing these questions, he said. Tuomikoski described how CSS data is derived and confirmed that the project has been independently reviewed. He described multiple reviews of CSS by the Independent Scientific Advisory Board (ISAB), beginning in 1996, with the latest a 2009 review of the CSS annual report. Tuomikoski also went over a graphic of how the CSS project is structured and the participants.

The CSS includes multiple Snake River, Upper Columbia River, and Middle Columbia River hatchery and wild stocks, he said. Tuomikoski presented map illustrations of where the fish stocks included in the study originate and graphs of the time period over which data has been collected in each of the three major geographic areas. He explained how and where smolt survival and adult success are measured to answer questions in the study.

Tuomikoski listed several items the CSS provides for the region, including long-term consistent information that is easily accessible and transparent, as well as long-term indices for variables like travel time, in-river survival rates by route of passage, and adult success. A wide range of management questions can be addressed with data that is gathered via PIT tags as fish transit the hydro system, he explained.

Data in the 2011 CSS annual report shows the overall smolt-to-adult (SAR) return ratio for chinook is below the Council's goal of 2 percent to 6 percent for recovery, Tuomikoski said.

Karier asked if the data has been corrected for tagging mortality. Tuomikoski said it had not, and DeHart noted that the study compares tagged fish to other tagged fish. They are probably reacting similarly, she stated. DeHart added that the CSS includes an ongoing study on the effects of PIT tagging, which was directed by the ISAB.

Tuomikoski went over the CSS results by the individual chinook stocks noting that most of the data shows SARs are less than 2 percent. For steelhead, the CSS results are somewhat better, but still below the Council's goal.

Booth asked if the FPC has looked at other rivers for comparison in terms of the SAR results. DeHart said the study uses the Council's 2 to 6 percent SAR goal as a regional marker and has not weighed in on whether it is a good goal. Booth said the Council will be looking at the goal again and asked if the FPC could weigh in on it. DeHart said that is a question for NOAA Fisheries. Ruff agreed NOAA would be the best agency to address the goal. There will be a discussion about this with the next F&W program amendment process, he said.

Tuomikoski moved on to the juvenile metrics in the CSS and a finer-scale analysis of data that responds to a comment from the ISAB. He said the goal of the finer-scale analysis is to evaluate the effects of operational and environmental features within the federal hydro system, and he listed multiple factors that were analyzed, ranging from temperature and turbidity to percent of spill and surface passage structures present. The analysis showed that improvements for in-river survival and fish travel times can be achieved through increased spill, Tuomikoski said.

He also said the CSS analyzed survival of transported fish versus those that migrate in-river. The correlations show transportation is directly related to survival and transportation will not be beneficial for wild stocks when in-river survival is 55 percent or greater, Tuomikoski said.

The CSS also looked at variables affecting the adult success rate, he continued. Transportation was consistently a good predictor of adult success compared to other environmental variables and the data showed transported smolts had a lower adult success rate, Tuomikoski stated. There was also more straying with transported fish, he said.

Ruff said the CSS data could also be an indicator of hatchery effectiveness. DeHart said the FPC sends all of the data to hatchery managers so they know how well their fish do each year.

10. Status report on demand response and smart grid development:

Ken Corum

Staffer Ken Corum briefed the Council on the latest developments in the Northwest with demand response and the Smart Grid. He started by defining demand response as the voluntary temporary change in electricity use to benefit the power system. Historically, demand response referred to a reduction in load at or near peak demand; it occurred when there was a problem on the system with meeting load, Corum said.

Demand response has not been a big issue in the Northwest since we have a hydro system with lots of capacity and are at the end of a big transmission link with California and the Southwest, he explained. PacifiCorp and Idaho Power are exceptions since they have summer peaking areas in their service territories, Corum noted.

Today there is more interest in demand response because the hydro system is built out, and the region's summer peak is growing, he said. The day is coming when there will be more interest in demand response, Corum added.

There is also a growing interest in the use of demand response for balancing services, where it could come into play for both load increases and decreases, Corum said. The interest in demand response for this use is driven in the Northwest by the need to integrate wind, he said. Not all load could provide demand response, but a fair amount could, Corum pointed out.

He recapped the status of demand response in the Northwest, pointing out that PacifiCorp has about 650 MW primarily in the eastern summer-peaking part of its service territory. The company expects to add another 120 MW by 2013, Corum said. Idaho Power has 336 MW of demand response on its system, he said. Avista has conducted pilot programs, but is more like the rest of the region, and demand response has not been judged to be cost-effective at this time, Corum stated. PGE and PSE have modest demand response efforts under way, he indicated.

BPA has an ambitious program and has moved beyond "pilot scale" with its demand response initiatives, Corum said. BPA has involved 14 utilities with 100 MW of demand response potential across all customer sectors and using a broad range of technologies, he stated.

Corum went on to note that all organized markets, like the independent system operators (ISOs), across the United States are pursuing demand response. FERC rules are encouraging ISOs to do demand response, and FERC's goal is to let load compete with generation for balancing services, he said. Corum pointed out that the Western Governors' Association report on the integration of renewables includes a chapter on the contribution load could make to integration and balancing.

The Smart Grid could be summed up in terms of three types of technologies, he said: new and better sensors that provide more information about the system; better communication; and better intelligence that sorts through data and makes sense of it in real time. Demand response overlaps and interacts with the Smart Grid, but they aren't the same thing, Corum added.

He described a number of Smart Grid initiatives in the Northwest, including a \$178 million demonstration project being carried out jointly by Battelle and BPA. There are 12 utility partners and five technology partners involved in the effort, and the project will finish up in 2015, Corum said. A number of utilities in the region used Smart Grid investment grants that were part of the federal stimulus to install smart meters and other equipment, he reported. PGE had installed 825,000 smart meters by the end of 2011, Corum said.

Bradbury asked what plans utilities have for using the smart meters. Corum said the meters can be read remotely and utilities are figuring out other uses they can be put to. He said utilities report they can provide better customer service because the meters allow remote diagnostics.

Bruce Measure noted that a lot of utilities have been convinced to buy Smart Grid meters for their customers, but haven't been able to deploy them for uses like demand response. But they can serve their customers better as a result, he said.

11. Background and context for a Council recommendation to release High Level Indicators for public comment:

Tony Grover, director, fish and wildlife division

Rockefeller gave an update on the high level indicators for fish and wildlife, saying there wasn't an answer yet from the ISAB review of the indicators, but it should be available within a couple of weeks. We have other responses that indicate we need to revise the data in some way, and we are considering whether to release those comments to the public, he explained.

Dukes said staff is following up to make sure the public and the Council's fish and wildlife partners are comfortable with the data used for the indicators. The ISAB has the comments but is taking longer than anticipated with its review, she said. The item could be back on our agenda next month, Dukes stated.

Grover said staff received comments from all of the people who provided data that went into the high level indicators. We asked if they are comfortable with the way we are using the data and we got a range of responses, including some suggestions that we really rethink it, he stated. We can compile a more full description for you, Grover said. He suggested once the ISAB has delivered its comments, staff put together a package with all comments for the next Council meeting and for release to the public.

12. Council business:

– Adoption of minutes

Measure made a motion that the Council approve for the signature of the Vice-Chair the minutes of the April 10-11, 2012 Council meeting held in Stevenson, Washington. Rockefeller seconded the motion, which passed with all ayes.

– Council decision to release draft Council budget for public comment

Staffer Sharon Ossmann noted that the Council's 2013 and 2014 budget proposals are lower than projections made last year. Measure made a motion that the Council release the Draft Fiscal Year 2014 and Fiscal Year 2013 revised budget for public comment for a period between May 10 and June 29, 2012. Booth seconded the motion, which passed with all ayes.

– Council decision to release for public comment the draft Report to Governors for Fish and Wildlife Expenditures for 2011

Dukes said the Council's annual report to governors on BPA's F&W expenditures is still under discussion and its release is being delayed until next month.

The meeting adjourned at 2:33 p.m.

Approved June ____, 2012

Vice-Chair