

Guy Norman
Chair
Washington

KC Golden
Washington

Jim Yost
Idaho

Jeffery C. Allen
Idaho



**Northwest Power and
Conservation Council**

Doug Grob
Vice Chair
Montana

Mike Milburn
Montana

Ginny Burdick
Oregon

Louie Pitt, Jr.
Oregon

**Council Meeting Summary
September 14, 2022
at Portland, Oregon and via Webinar**

This a summary of the agenda items that came before the Council at its September 14, 2022, public meeting and, where appropriate, the actions the Council decided upon. The summary is intended to provide a general synopsis only for each agenda item. For further details, the complete set of information for the meeting includes the meeting agenda, the packet and presentation material for each item, the recording of each agenda item during the meeting, and subsequent documentation of any decisions by the Council. These meeting materials are posted with this summary at <https://www.nwcouncil.org/calendar/council-meeting-september-13-2022/>.

Wednesday, September 14

Council Chair Guy Norman brought the meeting to order at 10:07 a.m. Council Members Jeffery Allen, Ginny Burdick, KC Golden, Jim Yost, Louie Pitt Jr., and Mike Milburn were in attendance in Portland, Oregon. Member Doug Grob was in attendance via webinar. The next Council meeting is scheduled for October 11-12, 2022, in Corvallis, Oregon and via webinar.

Reports from Committees

Fish and Wildlife Committee

Member Allen, Fish and Wildlife Committee Chair, reported on the Power Committee Meeting held on August 30, 2022, and September 13, 2022, and the Strategy Performance Indicators Workgroup on September 12, 2022.

1. Assessing Performance of the Council's Fish and Wildlife Program

Council staff met with the Committee on August 30, 2022, and September 13, 2022, to present a 40-year retrospective on the Fish and Wildlife Program, and provide an update on the efforts to assess the performance of the Council's Fish and Wildlife Program. The report concentrated on describing how the various programs evolved over time. The staff presentation discussed the impetus for the Power Act, the development of the hydro system, the history of the Fish and Wildlife Program, and how it has evolved over time in response to regional events.

For the report and the presentation materials, see

<https://nwcouncil.app.box.com/file/1000223122382?s=zi5jit6clzlifw9j6szl6gmk4ea4mjcf>
and https://www.nwcouncil.org/fs/18031/2022_09_f2.pdf.

2. Strategy Performance Indicator Workgroup

Member Allen and Member Pitt participated with the Council's staff in a Strategy Performance Indicator Workgroup meeting where the staff presented on the status of the strategy performance indicators (SPI) that are identified in the 2020 Fish and Wildlife Program Addendum. Council staff presented on adding sources, metadata, and contextual information to the SPIs in a Program Tracker and highlighted the remaining work and next steps.

For the report and the presentation materials, see

<https://www.nwcouncil.org/calendar/strategy-performance-indicator-workgroup-meeting/>.

3. Fish Passage Manual and Introduction of New Climate Change Guidance for Fish Passage Projects

Jeff Brown, Hydraulic Engineer for the West Coast Region from NOAA, presented to the Committee a brief update on the history, status and overview of NOAA's recently released updated passage design manual. The manual offers general guidelines for the

design, operation, and upkeep of fishways throughout the Pacific Northwest. Brown also highlighted efforts to broaden the use of climate science in management applications, such as fish passage projects and modifications.

For the report and the presentation materials, see https://www.nwcouncil.org/fs/18030/2022_09_f1.pdf.

Power Committee

Member Yost, Power Committee Chair, reported on the Power Committee Meeting held on September 13, 2022.

1. Power Division Work Plan for Mid-Term Assessment

Jennifer Light, Power Division Director, presented to the Committee a draft plan for the scope and timeline of the 2021 Power Plan Mid-Term Assessment to seek Committee feedback regarding the current plans.

For the report and the presentation materials, see https://www.nwcouncil.org/fs/18035/2022_09_p1.pdf.

2. WECC Wide Buildouts for Adequacy Assessment

John Ollis, Manager of Planning and Analysis, presented on the development process of the Council's annual resource adequacy assessment. The presentation provided an update to the Power Committee on the market study scenario results, which will be used to inform scenarios in the adequacy assessment analysis, as well as recent advisory committee feedback related to this work.

For the report and the presentation materials, see https://www.nwcouncil.org/fs/18033/2022_09_p2.pdf.

3. HVAC Technology Performance in Extreme Weather Conditions

Ben Larson, Larson Energy Research, presented their analysis of the performance of weather-sensitive technologies under extreme weather conditions to the Committee. The presentation included the identification of extreme hot and cold weather events to help understand the potential grid implications during extreme events to identify ways of improving equipment performance.

For the report and the presentation materials, see https://www.nwcouncil.org/fs/18036/2022_09_p3.pdf.

4. Conservation Under the Power Act

Council staff, John Shurts and Jennifer Light, provided an overview of conservation under the Northwest Power Act to the Committee. The presentation included information on the Council's obligation around cost-effective conservation, examples of how the program has been developed in the past, and Bonneville's obligation for conservation acquisition and plan consistency.

For the report and the presentation materials, see https://www.nwcouncil.org/fs/18034/2022_09_p4.pdf.

Public Affairs Committee

Member Pitt, Public Affairs Committee Chair, reported on the Public Affairs Committee announcements.

Chair Pitt, Jr. announced that a Council delegation will travel to Washington, D.C. to meet with congressional staff and leadership and the Council hired Ann Gravatt as its director of communications and public affairs.

Council Meeting Agenda Items

1. Regional Conservation Progress Report

Kevin Smit, Council's Senior Energy Analyst, and Tina Jayaweera, Council's Manager of Power Planning Resources, presented annual and cumulative data collection from all the region's efficiency programs to track progress against the Council's plan goals. Smit provided background to the Seventh Power Plan, reviewed how the data was collected, and the types of savings in the Regional Conservation Progress report.

According to the report, the region fell short of the Seventh Power Plan's 2016-2021 energy efficiency target. Smit stated that the region saved 1,305 aMW of energy, compared to the region's six-year target of 1,400 aMW. Smit mentioned that the region was on or near the target every year until 2020. Smit noted that program savings expenditures have been declining over time and in both 2020 and 2021, the targets increased while the savings decreased, with the biggest gap in 2020 due to covid-19.

Smit stated that covid-19 contributed to the decrease in spending and savings, but the shortfall would have existed regardless. Bonneville achieved less than 42% of the target, it fell about 160 aMW short of its share of the target over the six-year period. Bonneville's program savings account for 31% of the regional program savings. Smit contributed that efficiency continues to contribute significant capacity savings to the region, especially at its peak. The region has saved over 7,500 aMW from cumulative energy efficiency, equivalent to the annual energy consumption of around 5.5 million homes, or almost 3 times the generation of Grand Coulee dam.

Smit mentioned that the target range for the 2021 Power Plan is lower than previous plan. The target range for the 2021 Power Plan is 750-1,000 aMW over a 6-year period. Smith added the cost per aMW will most likely continue to rise, making efficiency savings more difficult to achieve. The previous efficiency measures resulting in savings for the utilities are no longer cost-effective, and new measures and programs must be sought.

Member Grob questioned if geothermal storage and ground thermal heat pumps could help mitigate savings and create stability in extreme weather. Smit indicated the expense of such implementation is high. Member Golden added there is a series of challenges ahead regarding supply chain challenges and the speed of electrification. Member Golden emphasized the importance of accountability on the previously agreed energy efficiency goals and the difference between Bonneville's performance and the rest of the utilities. Member Yost underlined the need for the Council to adjust its thinking regarding conservation. Member Yost emphasized the importance of looking at a big-picture analysis regarding the industry changes and why the trend is down.

Presentation materials are at: https://www.nwcouncil.org/fs/18034/2022_09_p4.pdf.

2. Council's Upcoming Adequacy Assessment and Relationship to Efforts in the West

Council's Senior Power Systems Analyst, John Fazio, presented on the Council's resource adequacy standards, the purpose of the standard, the role of the Western Resource Adequacy Program, and the upcoming assessment. Approved in 2011, the Council's most recent resource adequacy standard represents a 5% annual loss of load probability (LOLP). According to Fazio, the power system is considered adequate if the likelihood of one or more shortfalls in a year is less than 5%. The LOLP standard refers to the region's likelihood of being forced to take emergency (and likely costly) measures to meet regional demand.

Fazio stated that the next resource adequacy assessment will be released in December. The assessment serves as an early warning system for keeping up with demand growth in the five years ahead. This assessment will include a recommendation to improve the resource adequacy standard. Fazio added that the power system has become more complicated, with more variable resources on the grid and reliance on market interactions. As a result, Fazio believes the region requires a standard that better identifies and reflects risks. Fazio explained the advisory committee's role, which includes providing feedback to the Council, reviewing relevant data, and recommending scenarios. Fazio provided an overview of the proposed scenarios for the research adequacy assessment and options for enhancing the standards. The proposed new standard could be considered provisional until sufficient testing is completed to ensure confidence in the results. He added that it includes a hybrid approach protecting against significant shortfalls, excessively high use of contingency measures, spending too much for loss of load mitigation.

Fazio concluded his presentation by discussing the complementary relationship between the Council's Power Plan, the resource adequacy assessment, and the Western Power Pool's Western Resource Adequacy Program (WRAP). He stated that the WRAP's resource adequacy standard must be consistent with resource adequacy standards used to develop a long-term resource acquisition plan. According to Member Golden, the new metric appears promising.

Presentation materials are at: https://www.nwcouncil.org/fs/18032/2022_09_2.pdf.

3. Remarks by John Hairston, Administrator and CEO, Bonneville Power Administration

Bill Edmonds, Council's Executive Director, introduced the Administrator and CEO of Bonneville Power Administration, John Hairston, to update the Council on current power and fish and wildlife issues facing the agency. Hairston expressed his desire to cultivate a deeper connection with the Council and work closely to fulfill all the responsibilities they share with the region.

Hairston discussed Bonneville's back-to-office and remote work initiatives. Hairston praised Bonneville's involvement in the Western Energy Imbalance Market (WEIM) as a significant step forward. He mentioned that Bonneville is working on the California ISO extended day-ahead market (EDAM) and the Southwest Power Pool (SPP) Markets+ proposals. According to Hairston, Bonneville is funding the next phase of SPP's Markets+ development. He wants Bonneville to take the lead in markets. Bonneville has actively participated in developing the Western Power Pool's (WPP) Western Resource

Adequacy Program (WRAP). Hairston praised WPP for submitting their WRAP tariff to the Federal Energy Regulatory Commission (FERC).

Hairston acknowledged that the good water year allowed Bonneville to sell surplus power at higher-than-anticipated market prices. Consequently, Bonneville anticipates a large reserves distribution clause (RDC) amount beginning in the fiscal year 2022. Bonneville estimated RDC amounts of approximately \$615 million for power and \$68 million for transmission, but it could be higher. Hairston asserted that while it is essential to provide rate relief to customers, he must balance this with the budgetary hurdles that Bonneville faces and ensure that Bonneville meets its statutory obligations. Hairston stated that there are challenges, opportunities, and competing priorities. Hairston reported that Bonneville is considering keeping power and transmission rates constant in FY2024 and FY2025. This includes addressing the impact of inflation on budget proposals. Hairston concluded that resolving the rate and tariff cases will allow Bonneville to concentrate its resources on other aspects of the business.

Hairston reviewed the excellent work the teams have been doing to achieve their financial goals. The 2022 Financial Plan addresses some conditions Bonneville must meet as part of the \$10 billion in borrowing authority granted by the Infrastructure Bill. Hairston explained that Bonneville's Record of Decision (ROD) on Sustainable Capital Financing has set a debt-to-asset ratio goal of 60% by 2040, which gives leeway not to significantly impact transmission rates while allowing the administration to pay down debt. Hairston stated that the objective is for the transmission industry to become a net debt payer rather than a net debt borrower. Hairston emphasized that the vast bulk of this debt is being utilized to maintain existing transmission assets rather than to expand and develop new infrastructure.

Hairston commented that he aims to provide headroom for future infrastructure investment and lay the groundwork for Bonneville's long-term outlook to be strong in terms of offerings and accomplishments in mitigating impacts on fish and wildlife and meeting customer demands. Hairston mentioned that to maintain competitive rates, Bonneville must balance properly funding these objectives and managing expenditures. Hairston relayed that Bonneville's final Integrated Program Review (IPR) BP-24 would be released in October; the administration is working to meet as many needs as possible while providing value to the organization.

Hairston informed the Council that Bonneville successfully implemented all the CRSO EIS commitments in a manner consistent with the Council's Fish and Wildlife Program. Bonneville is ensuring full compliance and delivering an effective biological program. Hairston mentioned that Bonneville had reached an agreement to stay the litigation to August 2023, allowing for potential long-term durable solutions. Hairston is optimistic about the opportunities ahead and thinks alignment exists regarding results and goals.

Bonneville is projecting the most significant percentage increase in Fish and Wildlife funding for 2024/2025 since 2010, with an increase of 8.7% compared to the 2022/2023 rate period. Hairston added that this is a good first step, and he thinks there will be opportunities for a higher increase in the future; he is excited to make a difference and move the needle in the right direction.

Hairston praised the Council and staff for their efforts on the 2021 Power Plan, especially in light of the current state of the power system. He is pleased that the Council determined that Bonneville has very low energy deficits, assuming continued energy efficiency acquisitions and reliance on the wholesale power market, which is consistent with Bonneville's resource program. Hairston values the energy efficiency target as a range, and the NEEA market transformation savings and momentum savings are included within the energy efficiency target framework. Hairston closed by providing Bonneville's progress in its Provider of Choice – Post-2028 contracts. Bonneville acknowledges that the process has just begun but is encouraged by customer engagements and public workshops.

Member Burdick inquired whether additional financial resources would be allocated to Bonneville's budget for energy efficiency, adding that she would like to see Bonneville contribute more to the 2021 Power Plan energy efficiency target. Hairston commented that Bonneville hasn't settled on a final number; he hopes the results will allow for potential opportunities to enhance the ability to achieve the goals. Member Yost encouraged further conversations between Bonneville and Council staff regarding accounting differences in energy efficiency savings. Hairston agreed that the goal is to calibrate results and added that it is essential not to create a disincentive for energy efficiency. Member Pitt appreciated Hairston for the increase in Fish and Wildlife funding and iterated the importance of building trust between the organizations. Member Allen added that he looks forward to working closely with Hairston and his staff and sees great opportunities ahead. Member Yost asked Hairston about reaching an agreement between the Council and Bonneville on budget cap and funding. Hairston mentioned that the teams are working on finding a solution. Member Golden added that the electric industry values stability, but the industry is facing challenges on efficiency and raised concerns regarding declining investment.

Presentation materials are at https://www.nwcouncil.org/fs/18026/2022_09_3.pdf.

4. Council Business

Approval of August 2022 Council Meeting Minutes

Vice-Chair Grob moved that the Council approve for the signature of the Vice-Chair the minutes of the August 16-17, 2022, Council Meeting held via webinar, as presented by staff.

Member Yost seconded.

No discussion.

Voice vote – all in favor, none opposed.

Motion was approved.

The approved minutes of the August 2022 Council meeting and other materials from that meeting are at https://www.nwcouncil.org/fs/18037/2022_09_4a_minutes.pdf.

Motion to approve contract renewal of PST Maintenance

Vice-Chair Grob moved that the Council authorize the staff to contract with PSR Soluções e Consultoria em Energia Ltda (PSR Energy Solutions and Consulting Ltd) in an amount not to exceed \$120,000 for renewal of the GENESYS model software license and software maintenance and technical support services for the 2023 fiscal year as presented by staff.

Member Yost seconded.

No discussion.

Voice vote – all in favor, none opposed.

Motion was approved.

Motion to approve contract renewal of Gwen Shearer – GENESYS Contractor

Vice-Chair Grob moved that the Council authorize the staff to contract with Gwendolyn Shearer in an amount not to exceed \$75,000 for GENESYS modeling support throughout fiscal year 2023 as presented by staff.

Member Yost seconded.

No discussion.

Voice vote – all in favor, none opposed.
Motion was approved.

Motion to approve contract renewal of QW Consulting LLC

Move that the Council authorize the staff to contract with QW Consulting, LLC for fiscal year 2023 in an amount not to exceed \$98,700 to assist staff in enhancing and maintaining the functionality of the Council's Fish and Wildlife Program as presented by staff

Member Allen seconded.
No discussion.
Voice vote – all in favor, none opposed.
Motion was approved.

Public Comment on any issue before the Council

Lauren McCloy, NW Energy Coalition
McCloy commented on the Regional Energy Conservation Progress report. The region felt short of the Council's goal under the 7th Power Plan and BPA felt dramatically short by 30% when investor-owned utilities exceeded their target by 10%. McCloy that lost opportunities will have detrimental impacts on customers. McCloy's assessment is that further ground has been lost in the last 2 years. McCloy added that BPA's plan expenditures for energy efficiency are flat and actual low income and tribal energy efficiency spending has fallen dramatically short. McCloy is concerned that BPA's lack of investment in conservation puts the region at risk.

Chair Norman adjourned the meeting at 2:16 p.m.