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February 9, 2016

NORTHWEST POWER AND CONSERVATION COUNCIL

CHARTER OF THE INDEPENDENT ECONOMIC ANALYSIS BOARD

1. Official Designation: This advisory committee will be known as the Pacific Northwest Electric Power and Conservation Planning Council's Independent Economic Analysis Board (Independent Economic Analysis Board).
2. Background: The Northwest Power Act, P.L. 96-501, 16 U.S.C. §839 et seq. (Act) requires the Council to develop a regional conservation and electric power plan (Section 4(d)(1)) and a fish and wildlife program to protect, mitigate and enhance fish and wildlife affected by the development and operation of the hydroelectric facilities on the Columbia River and its tributaries (Section 4(h)). In developing the fish and wildlife program, the Act requires (among other things) that the Council “utilize, where equally effective alternative means of achieving the same sound biological objective exist, the alternative with the minimum economic cost.” (Section 4(h)(6)(C)). The Council also oversees a project review process as part of the implementation of the Fish and Wildlife Program, and as part of that review process the Act directs the Council to “determine whether the projects employ cost-effective measures to achieve program objectives.” (Section 4(h)(10)(D)(vi)).

The Council is establishing the Independent Economic Analysis Board to provide the Council with advice and an increased analytical capability to help bring economics to bear on issues within the Council's statutory responsibilities. This advisory committee is established as one of several advisory committees satisfying the Council's obligation under the Act to establish a Scientific and Statistical Advisory Committee. (Section 4(c)(11)). Under section 4(a)(4) of the Act, the terms of the Federal Advisory Committee Act, 5 U.S.C. Appendix I, Sections 1-14, apply “to the extent appropriate” to the Council's advisory committees.

3. Objectives and Scope of Activity: The Independent Economic Analysis Board will advise the Council on the appropriate methods of economic analysis for proposed fish protection and mitigation measures and projects as well as other issues within the Council's statutory responsibilities. This advice will include the appropriate role and limits of economic analysis in making policy decisions and, where applicable, the associated economic costs and benefits of those decisions. The Independent Economic Analysis Board will fulfill this role by:
 - (A) Interacting as an advisory committee with the Council regarding methods of economic analysis for alternative fish recovery measures and other issues, including economic costs and benefits, within the Council's statutory responsibilities.
 - (B) Assisting the Council to evaluate new analytical tools, and advising on the most appropriate study designs.
 - (C) Helping to identify sources of information and data.
 - (D) Performing specific tasks assigned by the Council on a cost reimbursement basis.
 - (E) Assisting in the review and interpretation of study results.
4. Official to Whom the Advisory Committee Reports: The Independent Economic Analysis Board will report to the Executive Director of the Council or his designee.
5. Authority of the Advisory Committee: The Independent Economic Analysis Board will serve in an advisory capacity only. Neither the Board nor its members are authorized to make statements or commitments on behalf of the Council. Board members will not be considered to be members of the Council staff.
6. Estimated Annual Operating Costs in Dollars and Person-Days: Not to exceed \$10,000.00 per year for travel, teleconference and video conference meetings support; \$4,000.00 per year contracted services for minutes; and eight staff days to organize and attend Board meetings
7. Advisory Committee Management Officer: The Advisory Committee Management Officer for the Independent Economic Analysis Board will be the Executive Director of the Council or his designee. The Management Officer will designate members of the Council's staff to attend meetings of the Board.
8. Staff Coordinator: The Management Officer will appoint a Staff Coordinator(s) for the Independent Economic Analysis Board. The Staff Coordinator(s) will be responsible for organizing meetings, coordinating work with the Council, and managing the Independent Economic Analysis Board's business functions.
9. Appointment of Independent Economic Analysis Board Members: The five members will be appointed through a process of nomination, screening by a peer group of economists to ensure the highest quality of nominees, and Council verification of independence. Nominations will be solicited through a public announcement of intent to appoint a new member or members. Applications will be screened and ranked by a nominating committee composed of three regional

economists chosen, if possible, from the Board of Directors of the Pacific Northwest Regional Economic Conference and assisted by the Staff Coordinator. The nominating committee will submit its recommendations to the Council who will make the final selection based on the committee's recommendations and public comment regarding qualifications and perceived independence. In addition to the candidate(s) recommended to the Council, the nominating committee will also name two alternates so that if a vacancy on the board occurs, the alternate candidates may be considered, in turn, for appointment.

10. Length of Board Membership: Independent Economic Analysis Board members will serve four-year terms. Terms will be staggered to maintain some continuity to the board at all times. Members may be reappointed to the board by the Council.

11. Chair:

(A) The Chair will be elected by the Independent Economic Analysis Board.

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

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

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

(E) Small sub-groups of the Independent Economic Analysis Board may be established by the Chair of the Board to undertake particular aspects of the Board's work. Methods for organizing the work and procedures of the Board must follow the scope of responsibilities assigned to the Board by the Council. The work of the staff for the Board will include making arrangements for Board meetings, solving logistical problems, and providing clerical services.

12. Vice-Chair: A Vice-Chair may be appointed by the Independent Economic Analysis Board. The Vice-Chair will perform the duties of the Chair of the Independent Economic Analysis Board in the absence of the Chair, and such other duties as the Chair may assign.

13. Policy: The advisory committee policy approved and adopted by the Council on May 17, 1982, as amended from time to time, will apply to the Independent Economic Analysis Board.
14. Conflict of Interest Guidelines: For the Independent Economic Analysis Board to function effectively, it must maintain its status and credibility as a deliberative scientific board. Members must not only avoid activities that create a conflict of interest, but those activities that may represent a significant appearance of conflict of interest or otherwise impair the credibility or status of the board. In addition, members of the Independent Economic Analysis Board should not be perceived to have a bias in matters likely to be addressed by the Board. Given the controversial nature of many of the questions and issues that the Board must deal with, questionable professional or personal activities could easily undermine the effectiveness of the individual members and ultimately the Independent Economic Analysis Board as a whole. The goal of establishing these conflict of interest and bias guidelines is to maintain the integrity of Independent Economic Analysis Board opinions. The conflict guidelines are based on ones modified from ISAB Terms of Reference August 20, 1996, amended December 2, 2002, and provide consistent policies among the Council's independent scientific review boards (Independent Economic Analysis Board, Independent Scientific Review Panel, and Independent Scientific Advisory Board).

(A) Definitions of "Bias" and "Conflict of Interest":

"Bias" relates to views stated or positions taken that are largely intellectually motivated or that arise from the close identification or association with a particular point of view or the positions or perspectives of a particular group. Such potential sources of bias are not necessarily disqualifying for purposes of Independent Economic Analysis Board service. Indeed, membership of the Independent Economic Analysis Board is intended to include individuals with a variety of interests, backgrounds and expertise. However, where bias impairs a member's ability to view matters in a scientific manner and give fair consideration to new information it can jeopardize the member's usefulness to the board.

"Conflict of interest" means any financial or other interest that conflicts with the service of the individual because it 1) impairs the individual's objectivity or 2) could create an unfair competitive advantage for any person or organization. Conflict of interest requirements are objective and prophylactic. They are not an assessment of one's actual behavior or character, one's ability to act objectively despite the conflicting interest, or one's relative insensitivity to particular dollar amounts of specific assets because of one's personal wealth. Conflict of interest requirements are objective standards designed to eliminate certain specific, potentially compromising situations from arising, and thereby to protect the individual, the other members of the Independent Economic Analysis Board, and the public interest. The individual and the Independent Economic Analysis Board should not be placed in a situation in which others

could reasonably question, and perhaps discount or dismiss, the Independent Economic Analysis Board's work simply because of the existence of conflicting interests.

(B) Examples of Activities that Should Be Avoided:

1) Members should avoid direct involvement in or public endorsement of projects or activities that will likely be subject to Independent Economic Analysis Board review such as those related to the Council's power plan or fish and wildlife program. Such involvement would create a conflict of interest that would preclude participation of that member in the review of a project or activity, and could lead to questions regarding the ability of the Independent Economic Analysis Board as a whole to judge the merits of the subject research objectively or to provide objective scientific advice.

(2) Members should avoid financial relationships with organizations receiving substantial economic benefit from the programs and activities connected to the Council's power plan or fish and wildlife program. Such a relationship could potentially create a conflict of interest, particularly if the Independent Economic Analysis Board is asked to review the scientific merits of a project being proposed or conducted by the employing organization.

(3) Members, as individuals, should avoid taking public positions on issues related to the Council's power plan or fish and wildlife program. Members should be especially conscientious in ensuring that their opinions as individuals are not perceived or construed to be those of the Board or to result from Board activities.

(4) Members should to the extent practicable avoid identification as a major advocate for particular scientific, intellectual, or social causes that would give rise to the appearance of undue bias relative to matters likely to come before the Board.

(C) Procedures:

(1) The selection criteria for Independent Economic Analysis Board members are intended to screen out applicants who may have significant real or perceived conflicts or bias. The specific selection criterion used is, "Ability to provide credible advice and analysis that are objective and independent, and widely perceived to be so."

(2) At the beginning of each two-year period following the renewal of the Independent Economic Analysis Board charter and appointment of any new members, each member of the Independent Economic Analysis Board will disclose his or her primary areas of activity and business associations. Any potential conflicts of interest or sources of bias will be proclaimed in a regularly scheduled meeting of the Independent Economic Analysis Board. It is not expected that any serious problems will be identified in this process because

potential members are screened for obvious or apparent conflicts during the appointment process.

(3) During the conduct of any Independent Economic Analysis Board analytical task, members will disclose any potential conflicts of interest or bias they may have with regard to the analysis proposed. If it is clear that an actual or perceived bias or conflict of interest exists for an Independent Economic Analysis Board member, there are alternative remedies available depending on the nature and extent of the problem.

- The member can recuse him or herself from all deliberations and decisions on matters arising in the course of the review for which that individual has a conflict of interest. The Independent Economic Analysis Board will include such notification in the minutes of the meeting following such notice and recusal.
- The member can disengage from the outside activity that creates the conflict of interest;
- The member can resign from the Independent Economic Analysis Board.

15. Board Meetings: The Chair of the Independent Economic Analysis Board, after consultation with the Management Officer, or his designee, will call meetings as necessary. All meetings will be open to the public, unless closed pursuant to 5 U.S.C. §552b(c). Timely notice of meetings, including agendas, will be given. Interested persons may attend Board meetings and appear before or file statements with the Board, subject to such reasonable rules as the Board may prescribe.
16. Reimbursement of Expenses: The Council will reimburse Independent Economic Analysis Board members for their time, as determined by the Council, and travel costs, including per diem in lieu of subsistence in accordance with the Council's travel regulations for contractors and advisory committee members, for the purpose of attending Independent Economic Analysis Board meetings as authorized by 5 U.S.C. §5703. In addition, the Council may contract with Board members or others to carry out specific task assignments. In particular cases, and with Council approval, the Independent Economic Analysis Board may recommend the use of consultants to accomplish an assigned task.
 - Duration: The Independent Economic Analysis Board will terminate two years from the filing date of this Charter, unless renewed in accordance with the Federal Advisory Committee Act. All members of the Board serve at the pleasure of the Council.

This Charter for the Independent Economic Analysis Board was approved and adopted at a duly called meeting of the Pacific Northwest Power and Conservation Planning Council, February 9, 2016, in Portland, Oregon.

NORTHWEST POWER
AND CONSERVATION COUNCIL

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Chair

Date Filed: [date]