

Jennifer Anders
Chair
Montana

Vacant
Montana

Guy Norman
Washington

Patrick Oshie
Washington



Northwest Power and Conservation Council

Richard Devlin
Vice Chair
Oregon

Ted Ferrioli
Oregon

Jim Yost
Idaho

Jeffery C. Allen
Idaho

Council Meeting July 16-17, 2019 Butte, Montana

Tuesday, July 16, 2019

Chair Jennifer Anders brought the meeting to order at 1:03 p.m.

All members were in attendance. As of the July meeting, no replacement for Montana Council Member Tim Baker had been appointed.

Reports from Fish and Wildlife, Power and Public Affairs committee chairs

Fish and Wildlife Committee

Council Member Guy Norman, committee chair, reported on three items:

1. The Committee heard recommendations to the Council on Mainstem and Program Support Project Review. Forty-eight projects have been reviewed, including specific recommendations by the Independent Science Review Panel (ISRP). The Committee heard staff recommendations on each of the project categories and is moving forward with funding. After some edits they will go out for public review on July 26, and then they will be before the full Council in August.
2. Presentation from staff and the Washington Invasive Species Council on the northern pike economic study. It was funded by the Council and matching funds from the Invasive Species Council. It looks at costs to basin. We saw the study two months ago and there was money left over from that contract, Member Norman said. Staff and the Invasive Species Council are asking to move forward with those funds

for an outreach and education program. The Committee agreed it's worthwhile.

3. The Committee reviewed proposed questions to the ISRP on the Upper Columbia United Tribes' (UCUT) phase one reintroduction program. They will move to the full Council tomorrow.

Power Committee

Council Member Richard Devlin, committee chair, discussed six items:

1. The committee discussed putting together the building blocks of the Power Plan to inform analysis and discussion. They discussed seven scenarios that will be useful in forming the analysis: they include greenhouse gas emissions, resource adequacy, market expansion and Bonneville's competitiveness.
2. They also looked at what new generating resources they can recommend to Bonneville and the region that will be available to help with supply shortfalls. They will be looked at from their commercial viability and will be separated into primary, secondary and emerging resources. This is where they will develop cost factors to compare with each other and with energy conservation.
3. Member Devlin said they will look at the basic economic assumptions used in the Power Plan, but will not necessarily determine them. The idea is to make sure that everyone is using the same assumptions — the inflation rate, discount rate, forecast period, transition and deferral, transmission and distribution deferral upgrades — so we're comparing apples to apples.
4. The Power Plan will have a more-extensive look at natural gas end use. While we do rely on it for some power generation, it's not as prevalent as other regions for meeting our electric energy needs. It's used more by end users. It will be helpful in determining prices and availability.
5. As part of the Power Plan, we have to develop model conservation standards, Member Devlin said. We have the authority to recommend a surcharge on BPA customers who don't meet them. That hasn't been done before, so once we put that in place, we'll need to come up with a formula for levying a charge.
6. What is the status of the existing system? We look at generation, retirements and new facilities coming online (they must be breaking ground). That will provide the basis for determining what resources we actually have. The Power Division staff has been working very hard on this.

Public Affairs Committee

Council Member Jeffrey Allen, committee chair, said Public Affairs has met twice since the last Council Meeting. They talked about Council sponsorships and the upcoming Congressional tour. In Washington, D.C., Members and staff met with 18 Congressional members and staff. The Council has unprecedented access to members in the Northwest, and Member Allen complimented the efforts of Mark Walker, Public Affairs Division director, and Todd Ungerecht, fish and wildlife policy analyst. The Committee will meet today and discuss the Congressional tour, which Member Allen said is greatly responsible for the good relationships with Congress and staff.

Member Anders thanked those who went to Washington, D.C.

1. Presentation by the Western Montana Public Power utilities.

Brian Dekiep, energy analyst, introduced the panel: Rollie Miller, general manager, Vigilante Electric Cooperative; Mark Hayden, general manager, Missoula Electric Cooperative; and Ray Ellis, general manager, Lincoln Electric Cooperative.

Miller talked about Vigilante Electric's service area. A lot of windshield time is spent responding to customers. The territory is intermixed with NorthWestern Energy. They serve the urban areas, while Vigilante serves the rural areas. Vigilante has averaged slow, steady growth over the last few decades. They are the only summer peaker in the Western Montana G&T service area. The load doubles in the summer from irrigation. Half of Vigilante's revenue goes to power supply costs. Miller said he is there to talk about BPA-related issues. The irrigation rate and the low-density discount product are main concerns. Those help equalize utilities with large growth with those that aren't. Energy efficiency and conservation funding through BPA continues to be a benefit to the well-to-do (farmers and ranchers in the area) at the expense of all the members. Irrigation system upgrades are primarily what we do with those dollars, Miller said. The post-2028 power supply contract is a big issue.

Their Western Montana G&T group has created a power supply committee to discuss that variation. He read from a long list of principles that stated power prices should be competitive with minimal risk. He also talked about the need for greater price certainty from BPA, while recognizing that price increases are realities. However, hikes every two years creates volatility and uncertainty. He also mentioned the carbon-free virtues of hydropower. He also said they are open to working with cooperatives and other utilities outside of Montana for future pooling arrangements or for a joint operating entity. Support for organized markets and a reevaluation of the regional transmission organization may be important considerations for post-2028 power supply.

He said the Western Montana G&T will probably look different at the end of the power supply contract process. They're also keeping an eye on BPA's work with CAISO and the Columbia River Treaty. Another big issue is NorthWestern Energy rate case filing with FERC, which is proposing a 50% increase in transportation delivery service. Several entities have intervened and Miller said it appears to be a weak case for NorthWestern Energy, and hopefully it will be reduced — but the cost went into effect July 1.

Miller said he appreciates the Council for reaching out to the Montana coalition. He said they were were solicited for nominations and they support the people that were nominated by the Western Montana G&T.

Mark Hayden said that Missoula Electric is a small, rural co-op with 15,000 meters. Its territory is just outside the city of Missoula. They rely on hydropower as their primary source of generation. Hayden said the financial impact of decisions made by Council on BPA will be passed along to them. He thanked Anders for passing on information and appreciates the Council focuses on performance in fish and wildlife programs. He appreciates the sunset of some programs and the idea that BPA needs to provide more funding should be pushed back on by the Council.

In the area we serve, the industry is being replaced by tech industries. Our area set limits on cryptocurrency and GHG targets. Since 2011, sales have increased 0.75 to 1 percent. They are working to meet the energy efficiency goals in the region. He said they have worked hard to spend down their EE budgets. They have leveraged commercial lighting rebates and commercial lighting rebates are decreasing. Some commercial not converted to LED lighting and will push for those rebates. They offer free residential audits and are pushing for a loan program for low-income folks. They have secured funding through the Department of Energy's rural lending program and will continue to pursue lighting opportunities. New and existing technologies allow consumers to monitor their consumption.

Ray Ellis provided an overview of Lincoln Electric's territory. It's a heavily forested area with 4,600 members. It's less than five meters per mile. There has been some economic improvement. They're still dealing with the recession and the loss of mills. The median income is \$28,000–\$30,000. Any BPA costs are passed on to customers who can't afford it. Ellis said they've seen rates increase by 50%. Every year I stand up before our members and announce another rate increase, he said. BPA takes our money and gives half back. Our resources are limited.

Co-ops are a different animal, Ellis said. We are member owned. They have a direct line to the utility and dictate how it's operated. Lincoln has a 10-member board. It is the ultimate consumer advocate group, he said. He's seeing rising wholesale costs.

Ellis worries about the attacks on the hydrosystem. It's the backbone and jewel of the country, he said. Recently, costs escalated dramatically. He worries that BPA will lose its competitiveness and may lose Lincoln as a main customer. Talking about doing away with Snake River Dams is just bad policy. We need better communication to talk about the reality of that. The idea that we can generate our needs from solar and wind is just bunk, Ellis said. We need the baseload that can handle it. The Council's resource adequacy studies have proven it. When we get big outages, they'll blame the people running the utilities, not the politicians who come up with 100% renewables approaches.

On BPA's competitiveness, he said fish and wildlife programs a big part of it. He said his people only get 50% of their money back from energy efficiency. We need to be able to spend our own money.

Ellis said they need to build a relationship where the Council looks to co-ops. Our interest is only for the members.

Member Anders noted that Glacier Electric could not attend.

Member Devlin asked Hayden how many square miles are in Missoula Electric's territory. Hayden replied they have 2,000 miles of line, square miles isn't on the tip of his tongue. Member Devlin said that PGE in Tualatin has about the same number of residential customers, plus more industrial and commercial in eight square miles. Ellis said Lincoln is about 1,500 square miles.

Member Devlin said he reads spread sheets more than anything else and asked if there ever been a discussion of having more disclosure at a public level of what the actual financial situation is. Ellis replied that their members have access to all of the co-op's financials. Anyone who asks usually gets them. We're as open as you can be. Our meetings are open.

Member Devlin said you think these requests would be received? He said that in his experience, getting information from nonprofits on what their expenditures are can be very difficult. And that puts them at a disadvantage in terms of explaining their situation.

Hayden said their financial statements and tax returns are a matter of public record. Every one of our 990s is online. Did you try looking there? Member Devlin said he saw a reference, but doesn't know how detailed they are.

Miller said if you took Rural Montana Magazine, you'd see their monthly financials in a section.

Miller asked, what is an example of what you're looking for that's not available? Member Devlin replied that he knows they have the same issues as others in rising wholesale power costs, in labor and attracting workers. I'm trying to understand your financial situation better.

Member Anders said, "Trust me, if you provide it, Richard will read it."

Member Ferrioli told the panel that they're absolutely right to be terrified. Serving in a district of 36,000 square miles, with more co-ops than any other district in Oregon, one thing that terrifies me is a model that you developed with wood and copper depended on board members contributing enough revenue resources to cover depreciation, replacement, obsolescence and all the other stuff. We're getting to a place where infill didn't happen and replacements aren't there. It's what happens when population consolidates in urban areas. We all have a love/hate relationship with BPA. It's absolutely essential that we protect that resource, and that it continues to be economically viable and well-managed. But there's no getting away from the charge with fish and wildlife — the requirement to mitigate for the losses. We're going to have to find a way to be sustainable in those communities. Every Council Member is acutely aware of the challenges you face, but it helps to have to appear and tell us.

"Is irrigation your largest customer?" Member Ferrioli asked.

Hayden said a lumber mill is the largest. Ferrioli talked about the impact of a mill closure in his district. Member Ferrioli then talked about solar overlays and the impact of solar of flooding in. Is there an opportunity to do wind and solar as a part of your sustainability solution instead of a threat to your bottom line? Hayden said they have three community solar operations that operate like net metering.

Ellis said at Lincoln, they do understand their obligation to fish and wildlife, but it's about one-third of BPA's budget. Ensuring those expenditures are having a positive outcome on fish and wildlife is terribly important. You can't throw money at everything all the time. We don't shirk our responsibility. But base it on best available science.

Member Ferrioli said we're working on outcomes. We inherited a system on a steep learning curve. This Council is working hard to ratchet up accountability.

Member Yost mentioned that every time Ray Ellis comes he rants and raves, but we hear the message. They're difficult problems to solve.

Ellis said he appreciates that. He talked about the economic struggles of some of his members.

Member Norman asked about reliability and the event in early March. Hayden said his co-op is the beneficiary of the best hydrosystem in the planet — there was no impact. Ellis said they were asked to curtail, but they don't have large industrial loads. We're trapped because of transmission, he said, we don't have enough to serve growth. Miller said they handed it very well.

Member Yost remarked that in the West, they call curtailment “demand response.”

Member Allen asked about the 50 percent energy efficiency figure: is it the same for everyone? Miller said they get three-quarters back.

2. Briefing by panel of Montana Public Power Utilities regarding implementation of pre-pay programs

Brian Dekiep introduced panel members Jonnalea Tatsey, director member services, Glacier Electric Cooperative; Mark Hayden, general manager, Missoula Electric Cooperative; Ray Ellis, general manager, Lincoln Electric Cooperative; Ross Holter, director member services, Flathead Electric Cooperative; and Rollie Miller, general manager, Vigilante Electric Cooperative.

Hayden said Missoula Electric has had a pre-pay program for four months. Miller said they don't have prepaid program in place yet. They will be taking it to the August board meeting. Miller then read from a list of frequently asked questions about pre-pay.

Member Anders asked if all the programs are similar. Yes, replied the panel members.

Tatsey said that Glacier Electric started by having employees and board members on pre-pay. Now that the program is up and running, billing disconnects have gone from 300 to 400 to a month, to 30 a month. They now have 1,700 accounts on it.

The concept is that the customer buys electricity before they use it. Tatsey described what happens if there's a negative balance, the shutoff parameters and power restoration procedures. It's also a great program for people with credit problems, she said. The feedback has been positive.

Member Ferrioli asked if the balance goes below zero, is there a minimum charge? They have to cover the balance, plus a penny over, Tatsey replied.

Member Norman asked about the advantages for the utility. In most of our cases, customers aren't paying a large amount, Tatsey said. But they have noticed a difference in the number of shutoffs.

Flathead Electric's Ross Holter gave a similar presentation. They serve some urban areas too, including parts of Glacier National Park and Libby. He talked about their service territory and the positive response they get from customers on pre-pay.

Hayden said the program is in its infancy; they've been at it four months and have hit the 100-meter mark. He said the system is great. Using online tools, customers can manage their usage and get alerts. Once a customer signs up, it's the last time they pay fees. A lot of people who can't keep up with a bill are buried in fees, he said. The person who used to do all the shutoffs has been reallocated to doing home energy audits. We offer a payment plan to help get customers out of arrears.

Holter said they recently implemented a residential demand charge. Now they have a residential demand rate. There are provisions for capturing that in pre-pay.

Ellis said they have had pre-pay for three years. Now, 6% of their customers are on it. This is a program that helps liberate the poor because it does away with the fees for disconnects. Our younger members prefer it, Ellis said, and he's also on the program. Lincoln Electric has a 10 percent discount for seniors and low-income customers. We want to steer them towards pre-pay. The front office doesn't have to deal with delinquencies and the linemen don't have to go out and perform disconnects. The savings is passed on through our rates to our members.

Member Pat Oshie observed that the utilities had to install AMI meters. Was that part of an overall meter-replacing strategy by utilities? Ellis said Lincoln's system is 100% AMI. It has a lot of other benefits as well. Pre-pay wasn't the original intent of the AMI system. Member Oshie said he's impressed by all the benefits of pre-pay — to prevent all those truck rolls, have two-way communication and enabling different billing structures like the demand charge. Ellis said it improves their cash flow as well.

Member Devlin said he can see why some advocates would see it as a detriment. He talked about low-income constituents during his tenure in the Oregon Legislature. He asked the panel if they have been able to reduce their bad debt numbers? Tatsey said, yes, they used to have to take out a loan during the winter months to pay Bonneville; they no longer have to do that. She said they don't do bad debt for monthly billing. If a customer is behind, they're switched to pre-pay. Glacier has cut their bad debt by 80 percent compared to 10 years ago. Ellis said their bad debt is almost nonexistent.

Member Ferrioli asked if the utilities were employing demand response technology. Flathead does. Under its peak time program, they have 3,000 electric water heaters with demand response units. Holter said they turn them off when needed. He said it's been difficult to get going because people think of a cold shower. The water heaters are turned off for a maximum of three hours. They had to do a lot of marketing and give their members

a \$4 credit. They ended up spending so much on marketing, they had to run a cost/benefit analysis. So they put a halt on it.

Ellis said his members are private and don't like us in their homes. Miller said they ran a cost/benefit analysis and it's not there for them.

3. Council decision to release the draft Fish and Wildlife Program amendments for a 90-day public review and comment period

Patty O'Toole, program performance and development manager, said the Council has a draft addendum to the 2014 Fish and Wildlife Program before them. The Council is being asked to consider releasing it for public comment. It includes responses to recommendations that were made.

O'Toole walked the Council through the edits. One is on page 33: "The Council will begin reporting annually on aspects of program performance" was added. Also the specification that a "comprehensive" program performance report will be given prior to the next program amendment process.

Member Devlin said he likes the change from "periodic" to "annual" reporting on program performance. He also wants the Fish and Wildlife Committee to consider a schedule for which areas will be covered in these annual reports.

Member Anders asked Tony Grover, Fish and Wildlife Division director, to incorporate this into his work plan. Grover said Nancy Leonard, program performance manager, fully expects to develop that schedule and will be the person concerned with maintaining relationships, and making sure it meets the needs of the full Council.

Member Norman is tracking what Member Devlin wants. He said periodic could mean waiting five years before getting a report. He would like annual information on performance if it is available.

O'Toole said that as annual cost reports are developed, it's good to have program performance progress report.

Member Devlin said that before, you would have gotten report before you started the new Fish and Wildlife Program after this Program, though it would have been 3.5 years after you adopted this. He remains concerned that the more-difficult elements are still being struggled with at the end. He said he understood the Fish and Wildlife Program more the second time he read it than the first. He recalls there were high-performance indicators and a clear intent

that those would be elaborated on in the five-year process. There was a clear admission that not much of that would happen. I was trying to ensure that we stay on schedule.

Member Ferrioli said the staff performed in an outstanding manner. He appreciates the help received. The process wasn't a slam dunk, but let's not celebrate yet. We're asking for people to review this, which starts an additional process.

Member Anders said, with respect to this particular issue, are we okay with the wording staff has come up with to get this document out? It looks like it's accepted. I'm told there are peripheral issues in addition.

John Shurts, legal counsel, said he will be forwarding a draft set of findings on the recommendations. If the Council is comfortable, they will post it as a staff draft at the end of July. Some recommendations were included in the addendum and others weren't, and people will want to know why, Shurts said. They'll also get comments on the draft, which will be folded in as well. Shurts recognized Andrea Goodwin for her help.

Shurts went through the recommendations and said that a lot of people are interested in hatchery interactions and the impact on native fish. Another area of interest is predator management and settling on a metric. A third is the ecological role of salmon and steelhead. There's also an interest in climate change and there were specific comments on that. Those areas are still a work in progress.

Member Anders said those are topics we heard about when we initially sought recommendations and we're apt to hear about them again. Shurts said that trying to deal with them in the draft would be just to note that they're issues. He just wants those on the Council's radar screen.

Northwest Power and Conservation Council Motion to Approve the Release of Draft Fish and Wildlife Program Amendments for Public Review and Comment

Member Devlin moved that the Council approve the release of the Draft Fish and Wildlife Program amendments for public review and comment though October 18, 2019, as presented by staff.

Member Norman second.

The motion carried unanimously. The Council needs comments back by October 18, 2019.

O'Toole said staff will post it on the website and a mailing will go out. Several hearings have been scheduled. The Council will accept written and oral comments. Shurts reminded Members that as they get comments from individuals, they will need to capture those. About a month before the deadline, they will shut off communication about the Program.

O'Toole said that December or January is in the ballpark. We have through summer and fall to communicate.

Member Anders recessed the meeting at 3:24 p.m.

Wednesday, July 17

Member Anders called the meeting to order at 9:00 a.m.

4. Presentation of the Regional Technical Forum Annual Report

Jennifer Light, Regional Technical Forum manager, announced the 20th anniversary of the RTF. She outlined the history of the RTF and talked about what it does:

- The RTF is composed of individuals with technical expertise in planning, implementation, and evaluation;
- It creates estimates used in program planning and evaluation through nonbiased expertise, public processes, and transparent methods;
- It is data-driven and develops work products in response to regional interest and need; and
- It conducts an annual survey of regional conservation progress from regional efficiency efforts.

The RTF has 70 measures. They are look at when there are changes in the market or factors requiring an update. Its regional conservation progress survey shows that lighting is a large factor.

In 2018, the RTF expanded to new measures. It had the most added in a single year: ductless heat pumps, multifamily applications, commercial office secondary glazing systems, small/rural measures.

They started looking into whole building analysis. What is the whole building energy use and how do we reduce that? They are looking at that approach and have promising ideas. They also are working on capacity benefits. RTF looking at how well do we know when an efficiency measure saves energy? This work is tied to an item in the Seventh Power Plan.

Looking at the 2018 year-end financials, the RTF had \$97,000 remaining — all credited back to its funders in 2019.

In 2019, the measure emphasis is HVAC — a large, untapped resource. Light said it's an area we need to spend more time on in the region. BPA finds the emphasis beneficial as well. It's a nice alignment with regional interests.

Member Ferrioli observed that when local utilities offer an incentive, there's a lot of interest. But when the incentives go away, the utilities stop marketing them, and the sellers and installers lose that incentive. There seems to be a direct correlation to getting HVAC upgrades. Light said there are a lot of pieces baked into HVAC's potential. In looking at our ramping ability, we don't want to limit ourselves to what's been done in the past. What you see with BPA is greater emphasis on HVAC incentives and less on lighting, where that incentive isn't as needed. We can't get it all at once and there's some natural ramping.

Looking at demand response, Light said six technologies being examined that provide both energy efficiency and demand response. We're exploring the technical potential on a per-unit basis — irrigation pump controls are an example. This work was completed to see if it's a good role for the RTF. We're exploring this for our 2020-2024 business plan development with our funders. We'll be bringing this to the October Council meeting.

Looking at the year-to-date financials, they're not fully allocated to contracts and have some projects in mind. The spending is on track and the demand response funds are about fully spent. Any unspent funds will be credited in 2020.

Member Oshie said it's a tough job to herd all the cats and get them to pay for the services they receive from the RTF. He understands that most have agreed to pay. A couple of companies have not paid. He complimented Light on her work and the funding package.

Member Devlin echoes the comments of Member Oshie. He said the percentages in a slide are incorrect. Jennifer said she will provide corrected numbers to the Council.

5. Briefing on Power Plan 101 and introduction on modeling and analytics

John Shurts presented on the substantive requirements of the Power Plan and then Ben Kujala, Power Division director, talked about the modeling and analytics.

Shurts provided Members with the outline of the Power Plan provisions. We're trying to assure the Northwest with an adequate, efficient, economical, and reliable power supply (also known as AEERPS), he said. That doesn't show up in the Power Plan, but it does in the Fish and Wildlife Program, and it still is an overriding purpose of the Act. It's considered an ultimate target.

Member Anders remarked that since the Council approved the Addendum to the Fish and Wildlife Program, the AEERPS provision is still in there.

Shurts said the basic directive to the Council can be found in Section 4(d)(1): Council is to adopt and transmit to Bonneville a “regional conservation and electric power plan.” In 1980, regional and Bonneville weren’t looked upon as separate.

Shurts walked through the structure of the Plan, which has a set of priorities, considerations and plan elements. He said that after 40 years, conservation is a resource just like generation can be. We’re not just doing power, he said.

Shurts said the Plan gives priority to resources the Council determines to be cost-effective. Next comes renewables, then cogeneration and then large thermal generation. It could be conservation that comes first, but it has to be cost-effective conservation, he said. The Plan includes a resource scheme to reduce or meet BPA’s obligations, and the Council sets forth a scheme for implementing conservation measures.

The set of considerations used to develop the resource scheme are: 1) environmental quality, 2) compatibility with the existing regional power system, 3) the protection, mitigation and enhancement of fish and wildlife, and 4) other criteria the Council might set forth in the Plan.

Then there is a list of seven elements the Council needs to include in the plan to accomplish the priorities. These are:

1. An energy conservation program;
2. Recommendations for research and development;
3. A methodology for determining quantifiable environmental costs and benefits;
4. A demand forecast of at least 20 years — including a forecast of power resources required for Bonneville to meet its obligations;
5. An analysis of electricity reserves and requirements;
6. Adapting the program to the fish and wildlife program; and
7. A methodology for calculating surcharges for the fish and wildlife program.

The Plan will be a combination of technical information and policy decisions the Council needs to make, Shurts said.

Shurts said there are a few definitions that Council Members need to be aware of:

Cost effective: to be cost effective, a resource must be reliable and available; and must meet or reduce demand of the “consumers of the customers” at “an estimated incremental system cost no greater than that of the least-cost similarly reliable and available alternative measure or resource.”

The Plan also gives the edge to conservation measures. Other definitions Shurts mentioned were system cost, resource, electric power, conservation, renewable resource and reserves.

Kujala said we have had a lot of conversation on energy use and the efficiency of energy use is — especially this time when we're going to look at the use of electricity, and natural gas and gasoline. The energy use is what we need to look at. It is not seen as a gain in efficiency to switch to a different type of fuel.

Member Ferrioli thanked Shurts for the education. If conservation incentives that raise the cost to consumers are proposed, such as if we get to \$5 per gallon gasoline, it's punitive. If we're to do our job, the conservation measures need to be at or below the least cost available alternative resources. That's the least cost to consumers. Council does a lot of "deeming." It's a situation where we have to determine that these conservation acts that are consistent with the Plan don't gouge the consumer. Do we send sharply worded letters? Register moral outrage? Or tell proposers if it gouges the consumer it doesn't meet least-cost option, do we deem it inconsistent with the Power Plan?

Shurts said that's what the RTF does — it decides what's cost-effective compared to the alternate resource.

Jennifer Light said that when we're looking at the cost, it's the full cost of the technology. That would include anything that can be put upon the consumer or that Bonneville hopes to share with the utilities.

Ferrioli interested in the compass points. Our attention should be paid to what the cost is to the consumer and proposals that don't fall at or below the least-cost alternatives that are inconsistent with the Plan.

Kujala said we look at entirety of the Plan. The cost to consumers is not just the cost today. It also looks at the 20-year cycle.

Member Devlin it's cost effective. It's not least-cost power, it's the least-cost long term.

Yost: therein lies the anticipation I have for this Plan. The last two Plans have created vigorous discussions on how this works. What do you do if we think it's not conservation? Do you write a nasty note to BPA or make suggestions to other utilities? There's always a debate on how you put this together.

Shurts said it circles back to how much conservation you want Bonneville to do and how much is coming from other places.

Kujala discussed the Plan's draft table of contents. They haven't written the material yet. start hitting things that relates to the act. We're calling it an energy conservation program, he said. A Resource Development Plan will be the longest section: our version of an IRP.

The intent is to be clear that these are the elements to put in the plan. We have a checklist, he said. We have expectations of what we'll see and then we have a lot of questions. It's similar to sausage-making. We have to consider data and information from advisory committees, from industry experts and how it's consistent and different than our expectations.

Kujala said they look at a lot of different scenarios: High-level questions help build a future landscape, which we examine and compare to alternative outlooks to learn and create a narrative that informs the audience for the Power Plan.

It's a flow you can take from getting the initial data to our recommendations. There are a lot of steps and detail, but it paints a picture and helps us understand. It's about communication and making the Power Plan something that meets definitions and communicates a view of the future. We're trying to get a bunch of detail in each view.

Member Anders said she remembers that while doing the Seventh Power Plan, there was analysis for 800 different variables. I was new and engaged with fish and wildlife. I recall the complicated exercise. Are the analytics the same?

Kujala said the analytics are similar and have the same structures. We needed more detail on how the hydrosystem interacts and the flexibility of the system. There are elements that are improved, but the approach of looking at risks and looking at a wide range of futures is still very similar.

6. Presentation by the Confederated Salish & Kootenai Tribes and Montana Fish, Wildlife & Parks regarding aquatic invasive species

Kerry Berg, policy analyst, introduced the panel: Tom McDonald, Confederated Salish & Kootenai Tribes (CSKT) fish, wildlife, recreation and conservation division manager; Erik Hanson, CSKT aquatic invasive species (AIS) program coordinator; and Thomas Woolf, Montana Fish, Wildlife & Parks aquatic invasive species bureau chief.

McDonald said they are at the headwaters of the Columbia at the Continental divide. We have an obligation to keep that water clean and free of invasive species, he said, When the threat of zebra and quagga mussels arose, people wondered what to do. The Columbia River system is still mussel free. The mussels move on peoples' boats. How do we help stop that threat? Through partnerships. Flathead Lake is the jewel of our basin and we can't

allow mussels to infest it. Funding was obtained in Montana this last session. We need more partnerships and watershed leadership. Once the mussels get a foothold, there's no stopping them. It can have hundreds of millions of dollars in impacts. These are human costs that we can fix. We can stop them on the highway.

Woolf talked about where mussels were first detected. They have a prevention program with watercraft inspection, outreach and education. They are actively expanding partner participation with watercraft inspections. He described the parameters of the program.

Hanson said they are looking at the program as layers of protection. The goal is to ensure all watercraft that enter the Flathead Basin from mussel-infested waters are inspected. He talked about opportunities for program improvement and additional funding which allowed for expanded inspection station hours and law enforcement to catch drive-bys. Obtaining \$5 million in Corps of Engineer funding helped expand inspection stations as well. There was Montana legislation mandating decontamination of wakeboard boats, which carry many gallons of water.

Hanson said Montana is interested in having BPA funding to help Montana's efforts. States like Washington also should help pay since we're protecting them. They still get 10 to 25 percent drive-bys of inspection stations. Hanson said they routinely get people from mussel-infested water in the Midwest who don't stop. Also, limited hours of operation hurt the effort.

Hanson said all the states have skin in the game on this. BPA's facilities are the habitats mussels would colonize. He looped this effort back to the Council's Fish and Wildlife Program, which calls out preventing the spread of non-native species.

Hanson discussed the biology of mussels and how they spread. He listed opportunities for BPA to assist the effort. Prevention is the only option; there's no effective treatment for dealing with quagga mussels.

Member Norman said he appreciates the effort Montana has made to increase inspections and reduce the risk to western states. What do you mean by more infrastructure? Hanson said he's referring to permanent inspection stations and signage on the highway. McDonald said the sites are all impromptu, they are not always easy to see and they are not always in ideal locations. Our employees are deeply invested in this effort, he said. In eastern Montana, workers are harder to recruit and are less invested.

Member Norman asked if they have been able to measure the differences in watercraft inspected now compared to before funding? Woolf said they have more than doubled statewide. They are improving protocols too.

Member Devlin asked if at the stations, do they have technologies to identify those driving by? Woolf replied no, it's a privacy issue. They do have a poacher hotline. There's an \$85 fine.

McDonald said some people are just willing to pay the fine. But if they catch them before they get to Flathead, they make them go all the way back to the check station. They could impound the boat and levy extra penalties if they have an invasive species on the boat. We don't pop their tires or anything like that, he said.

Anders said we are pumping a lot of money into the northern pike problem. Does anyone know what BPA is pumping into the mussel problem? Tony Grover said there used to be a research fund at Bonneville that includes quagga and zebra mussels, but that research effort has ceased.

Grover also said that he passed through six invasive species inspections in the previous couple of weeks while carrying two kayaks, including the Salish Kootenai station, which was a very thorough inspection.

BPA's Mark Reller said the agency does significant funding and have been doing it for decades. It's more of an umbrella approach to cover the entire region instead of single stations. They have helped develop protocols to train inspectors. They are funding it through their power division. He said he will come back to Member Anders with a funding figure.

Member Anders said we've got to keep this on our radar screen. It is a priority for the Council.

McDonald said that to get funding from legislature, he made promises that he would shake trees to get more funding for aquatic invasive species. They were concerned about getting more stakeholders to help fund it.

7. Council Business

Northwest Power and Conservation Council Motion to Approve the Minutes of the June 11-12, 2019, Council Meeting

Member Devlin moved that the Council approve for the signature of the Vice-Chair the minutes of the June 11-12, 2019, Council Meeting held in Portland, Oregon.

Member Yost second.

The motion was approved unanimously.

Northwest Power and Conservation Council Motion to Adopt the Council Draft Fiscal Year 2021 Budget and the Revised Fiscal Year 2020 Budget

Sandra Hirotsu, Administrative Division director, said the proposed Fiscal Year 2020 Revised budget is \$11,722,000 and the proposed Fiscal Year 2021 budget is \$11,893,000. She said these budgets are both below the calculation of the budget cap, based on the forecast of firm power sales that Bonneville provided to the Council. The Council identified cost savings to reduce the proposed budget for the next two fiscal years by \$114,000.

The Council received two comments from Charles Pace and Scott Levy, who wanted to reduce funds for public affairs. Levy wants to redirect that money to the Columbia Basin Bulletin. Hirotsu said monies for the Bulletin are being considered in a separate budget. The Council's consensus is that its public affairs efforts are essential in engaging stakeholders on the Council's work and that its public affairs budget is reasonable.

Hirotsu said the recommendation from staff is that the Council adopt the proposed budget as is.

Member Devlin moved that the Council adopt the Draft Fiscal Year 2021 budget and the revised Fiscal year 2020 budget, and that the Council authorize reprogramming of available Fiscal Year 2019 funds for unanticipated Fiscal Year 2019 costs, as presented by staff.

Member Yost second.

The motion passed unanimously.

Northwest Power and Conservation Council Motion to Approve a Letter to the Independent Scientific Advisory Board Regarding the Review of Upper Columbia United Tribes Fish Passage and Reintroduction Investigation Report

Laura Robinson, program analyst and tribal relations advisor, recommends that UCUT have a science review when completed. Council received a presentation last month on their report. This letter has questions and it has received edits. The letter was approved yesterday.

Member Devlin moved that the Council approve the letter to the Independent Scientific Advisory Board requesting the ISAB review the Upper Columbia United Tribes' Fish Passage and Reintroduction Investigation Report, as presented by staff.

Member Norman second.

The motions passed unanimously.

Report on Washington, D.C., trip

Mark Walker and Tony Grover summarized the July trip to Washington, D.C.. Joining were Members Pat Oshie, Richard Devlin, Jeffrey Allen and Idaho staffer Todd Ungerecht. They talked to lawmakers and staff to educate them on what the Council has done on the draft Fish and Wildlife Program, and the hot-button issue on litigation on salmon and steelhead above Chief Joseph and Grand Coulee dams. They stressed that it's a phased approach. Having two members of power committee on the trip was helpful as well. They talked about the Power Plan. About half our meetings were with Senators and Congressmembers, Walker said, a record.

Member Oshie said it's clear that with the turnover of staff members in elected officials' offices, they need to understand the function of the Council and its relationship with BPA. Mark was good about coaching us, he said.

Member Devlin said they met with all five House congressional offices, including two congressional members and both senators. He appreciates the work the staff did to get the tour set up.

Public comment

BJ Kieffer from the Spokane Tribe

Kieffer said it's been a long process. He's been away from the table awhile and appreciates the support from the Council in moving some of their issues forward. He's looking forward to the ISAB looking at the report. Might be some misinterpretation on expectations. His tribal council has already adopted this report. We're moving forward with some of these issues. We're expecting them to look at this report and get on board with us. Everybody gets their power, and everyone gets their irrigation. There's a way we can make this work where everybody gets theirs and we get something.

Yesterday, he heard about avian predators. He asked the Council to look at the river as a system and not to stop at Chief Joe. Downriver you have to take care of some of those problems too. You have the pikeminnow fishermen harvesting more fish than what my wildlife program gets for operations and maintenance. There's \$5 million a year associated with that and \$2 million for avian. Every time we come to the table with an issue, such as pike, we struggle to get \$280,000. Yes, pike is an issue.

In 2015, when the Spokane and UCUT talked about reintroduction, people said don't look up there, there's no habitat. Then the cost was too much. In the meantime, we started working with our federal partners. We received 1,000 eggs, raised in an offsite facility without BPA funding. In April 2017, we released 750 fish. We detected 81 below Chief Joe.

We had one fish ping at Bonneville Dam. Then at Wells. Can it be done? The fish are letting me know it can be done.

We'll continue to be partners, but we will be moving some things forward. Thanks for your help.

Charles Pace

Pace commented by phone on the Council's decision to release the Amendments to the Fish and Wildlife for public comment, and the decision to adopt the budget. He said he believes the fundamental problem is the 2019 program amends the 2014 program. The 2014 program carries forth the 2009 program. The 2009 program is the poison fruit from the poison tree from the 2000 Accords. He said the 2009, 2014 and 2019 programs are a way to launder money, extorted from ratepayers, and silence tribes in litigation before the District Court. The Council and BPA have agreed to violate statutory limits on the Council's funding. The forecast I go on is BPA's white paper. I advise you not to go down this road. It's time for people to walk away.

Chair Anders adjourned the meeting at 11:27 a.m.

Approved August____, 2019

Vice-chair