



Board of Directors September 8, 2017 Meeting Minutes

The PNUCC Board of Directors met September 8, 2017 at the Portland Airport Sheraton. The list of attendees is attached. The next PNUCC Board Meeting will be **October 6, 2017 at the Sheraton Hotel.**

SAVE THE DATE FOR THE PNUCC ANNUAL MEETING: November 3, 2017

Corporate Business

Chair **Roger Gray**, Northwest Requirements Utilities, opened by welcoming everyone. Following introductions, the Board acknowledging the PNUCC Antitrust Compliance Statement Gray entertained a motion to approve the August 4, 2017 meeting minutes. They were unanimously approved.

The Board turned their attention to the proposed bylaws change to add an additional Board member and alternate for both the consumer-owned and investor-owned utility membership groups. Shauna McReynolds reminded the Board that the bylaw changes in 2015 shrunk the size of the Board and the intent of this change to bring it back to the full 15 members (Six IOUs, Six COUs and potentially 3 industry partners) and 15 alternates to ensure full representation of the PNUCC membership.

McReynolds reported that the Budget Committee will be circulating to members their recommendation for 2018. They are proposing to keep the budget flat, increase revenues 4% to mitigate drawing down reserves and recalculate members' assessments with updated utility sales, revenues, and customer counts.

PNUCC Member News

Newest Board member, **Terri Peschka**, Portland General Electric, reported that they are successfully moving forward with preparations to enter the EIM next month. They most recently were given a pass for meeting FERC's readiness criteria.

In an update on Idaho Power's progress to establish a net metering customer class, **Tess Park**, reported that most comments are from independent power producers who recognize the potential for their rates to increase, although there is no change in cost proposed for these customers. **Scott Bolton** added, Rocky

Mountain Power’s settlement establishes a calculation for exported energy – buy all, sell all – with a grandfather provision for current export customers.

Scott Coe, Emerald PUD noted a noticeable change in solar generation for their service territory during the eclipse while at 99.3% totality. Adding, traffic proved to be more of a challenge for their crews while **Debra Smith**, Central Lincoln PUD, said the eclipse turned out to be a non-event in their service territory.

Paul Wetherbee, Puget Sound Energy, shared that their recent request for proposals, found 120 MW of potential demand response in the commercial and industrial sectors. He said they learned a great deal from this process and found with the same methodology used for power plants this DR was not cost effective. He offered to share their learnings at a future meeting.

According to **Beth Looney**, PNGC Power is now on-boarding their newest member’s (Orcas Power & Light’s) load. She also noted that three large server farms within her members’ territory are exceeding the load level for Bonneville’s preference rate and will move into the new resource rate as new large single loads in 2018.

Bonneville’s **Suzanne Cooper** updated the members on the Eagle Creek fire, emphasizing Bonneville was working closely with the US Forest Service and first responders to take lines out of service as needed to ensure the area was safe for fire fighters. Tess Park added the smoke from the fires in the Northwest had changed the shape of their 300 MW of solar with as much as 100 MW drop from the haze.

Streamflow Modeling and Climate Change

Modeling yields wetter winters & springs, dryer summers, likely more precip annually

Following an engaging dialogue with the PNUCC System Planning Committee the month before, **Erik Pytlak**, BPA Meteorologist and Climate Change Technical Lead, brought the most current findings of the River Management Joint Operating Committee’s climate change research to the Board. Working with experts from Oregon State University and University of Washington, the Operating Committee embarked on a second study in 2013 to understand the implications of climate change on streamflows used in the hydrologic modeling for long-term planning and other work. Pytlak was clear about the role of this study group, noting that these scientists are the honest brokers feeding policy decisions. They are not the policy makers.

“Scientists are the honest brokers feeding policy decisions.”

For context Pytlak explained how and why the climate changes. “We actually want a greenhouse effect,” he noted, “just not too much.” He presented centuries of carbon dioxide levels with the huge spike seen since 1950, pointing out that 2016 was the warmest year ever recorded, and probably the warmest since the Thirteenth Century. Regardless of one’s personal beliefs about climate change, there is no denying the data. And with this data in hand, they examined the realistic range of possible streamflows for long range planning.

To study what this means for the Columbia River Basin the analysis starts at the highest level with global climate change models to provide a range of temperatures and precipitation that could be expected. Then

zooming in for a closer look, historical observations of temperature and precipitation for the region are folded into the analysis. After turning the crank on the various models with huge amounts of data, changes in temperatures and precipitation for 2030-2059 are compared to 1970-1999. Pytlak also shared estimates of likely change in snowpack averaged across the models for the Basin.

Their preliminary findings indicated that warming is likely to be greatest in the interior, with less warming near the coast. There is a general upward trend in precipitation particularly in the winter months and already dry summer months could become drier. By the 2030s, higher average winter river flows, earlier peak spring runoff, and lower average flows are very likely. With the greatest streamflow changes, likely to be in the Snake River Basin, although it is the basin with the greatest modeling and forecasting uncertainty.

The Board asked several clarifying questions. Pytlak reiterated that science is used to inform policy and it is up to the decision makers to find the right balance when setting policy.

Legislative Update

Looking back provides insights on what to expect in 2018

A lot of Bills were proposed, few passed and all will have a second chance at life when the Washington legislature reconvenes in January for its 2018 “short” legislative session according to **George Caan**, Executive Director of Washington PUD Association. Bills like HB 1344 calling for the elimination of Bonneville’s clean hydro by 2028, are a reminder that educating legislators and policy makers is important to ensure they understand the good, the bad and the unintended consequences of legislation.

Collaborative efforts to pass legislation that gives PUD’s authority to offer electric vehicle incentives did not make any headway at a time when carbon mitigation remains a statewide goal. And support from environmental groups, along with agreement from utilities to invest in low income energy programs in lieu of paying taxes on energy efficiency payments from Bonneville, wasn’t enough to move legislation forward to continue the exemption as the state struggled with meeting revenue requirements to fund schools.

Oregon legislators were weary from the big “Clean to Coal” legislation that passed in the 2016, said **Ted Case**, Oregon Rural Electric Cooperative, and most weren’t in the mood for giant energy legislation in 2017. On the federal front, Case was invited to join a roundtable with Secretary of Energy—Rick Perry, Maria Pope, Stefan Bird, and other stakeholders at McNary Dam. Among other topics of interest, the value of the hydro system and the Administration’s proposed sale of BPA assets were discussed. Case said Secretary Perry seemed to understand and he urged the stakeholders to defend their position and not sit on the sidelines.

Looking ahead, continued efforts are underway with the broader utility coalition that includes investor-owned utilities and consumer-owned utilities, to push for fundamental reforms of the Oregon Department of Energy to control costs. And while the joint coalition continues to push for downsizing of ODOE, there is still a notion they should be expanded and climate oversight should be added to their mission. “The coalition is committed to finding the value proposition for the agency,” he reiterated, especially in light of the successful judicial ruling that the “energy supplier assessment” used to fund various programs outside of the budget, is a tax.

As 2018 draws near, the political wind seems to be blowing toward cap and trade legislation in Oregon where some think a possible marriage to California may happen in the process, said **Sania Radcliffe**, Portland General Electric. Meanwhile, the legislation that established a process for investigating how industry trends, technologies and policy drivers in the electricity sector might impact existing practices used by the Oregon Public Utility Commission (OPUC) in their work moved, from an expected one-year process to a much longer three or four-year process according to OPUC staff.

She added, the Residential Energy Tax Credit (RETC), one of the largest incentives across the country, is scheduled to sunset on December 31, 2017. And electric vehicle incentives of \$1,500 to \$2,000, similar to the cash for clunkers program, will be implemented with the 2017 transportation package. As Radcliffe noted, carbon-carbon-carbon will be the focus in 2018.

According to **Doug Marker**, Bonneville Power Administration, the intricacies of how legislative action in California impacts the Northwest energy sector was once again highlighted when legislation calling for 100 percent Clean Electricity by 2045 was introduced. As written, it foreclosed access to clean, renewable Northwest hydro. Without the action by a coalition of Northwest generating utilities and Bonneville Power to call attention to the value Northwest hydro brings to California, this legislation may not have been amended. This and other legislation continue to have Northwest utilities paying close attention to California as the 2017 session is drawing to a close.

Governor Brown's legislation extending cap-and-trade beyond 2020 passed. With this action, Marker said California will resume appeals to other states and Canada to join the California market even though the question of market design, carbon regulation and governance remain topics of discussion. There was considerable discussion around utilities' challenges with state legislation impacting operations and influence markets, as well as issues that involve transmission, PURPA, direct access and community choice aggregators.

PNUCC IRP Data Dashboard Preview

Dynamic, interactive database valuable to members

A project idea that originated in discussions with the System Planning Committee in early 2017 has become a reality in its final draft form. It is an interactive database of assumptions used in Northwest utilities' integrated resource plans. The uniqueness of the project is having all the information, easily accessible in one place.



Tomás Morrissey, the project lead, said that the goal of this effort is to provide a resource for PNUCC members where electric planning assumptions can be easily referenced and compared. He also noted that an added benefit is that over time, this database will give us a historical look at how assumptions have changed.

Morrissey acknowledged that many utilities have done some of this work individually. However, this collective effort, that will be updated by PNUCC as new integrated resource plans are published, will be an efficient way to have the most current information at our fingertips.

The Board members provided lots of positive feedback as Morrissey brought up the Excel driven dashboard and toggled through the data items. They immediately saw the value of this effort and advised staff to keep the convenient dashboard for the use of PNUCC members. While the information is all publicly available, they thought the accessibility to the information via this tool is a good example of the benefits PNUCC membership.

Next steps according to Morrissey, are to incorporate any additional feedback and share it with members once we determine the best means for doing so.

With that, the meeting was adjourned.

Attendees September 8, 2017 PNUCC Board Meeting

Roger Gray	NW Requirements Utilities	Bear Prairie	Idaho Falls Power
Scott Bolton	Pacific Power	Holli Krebs	Chelan PUD
Shauna McReynolds	PNUCC	Megan Capper	Eugene Water & Electric Board
Tim Nies	Franklin PUD	Roger Kline	Northern Wasco PUD
Tess Park	Idaho Power	Megan Stratman	NW Requirements Utilities
Paul Wetherbee	Puget Sound Energy	Danielle Romain	Oregon PUD Association
Suzanne Cooper	Bonneville Power Administration	Dan Bedbury	Clark Public Utilities
Chris Robinson	Tacoma Power	Todd Simmons	Tillamook PUD
Tom DeBoer	Snohomish PUD	Ron Sporseen	Cowlitz PUD
Chad Bartram	Benton PUD	Jim Litchfield	Litchfield Consulting
Beth Looney	PNGC Power	William Proctor	Corps of Engineers
Terri Peschka	Portland General Electric	Mark Ohrenschall	Energy NewsData
Scott Coe	Emerald PUD	Melinda James-Saffron	Grays Harbor PUD
Mariah Kennedy	Puget Sound Energy	Robert Hanny	Grays Harbor PUD
George Caan	Washington PUD Association	Marc Farmer	Clatskanie PUD
Ted Case	Oregon Rural Electric Coop. Assoc.	Kevin Nordt	Grant PUD
Sunny Radcliffe	Portland General Electric	Doug Grob	Flathead Electric Co-op
Doug Marker	Bonneville Power Administration	Harry Hewitt	Tillamook PUD
Erik Pytlak	Bonneville Power Administration	Patrick Damiano	ColumbiaGrid
Valarie Koss	PNUCC	Doug Olson	Tillamook PUD
Tomás Morrissey	PNUCC	Susan Stratton	NW Energy Efficiency Alliance
Kathi VanderZanden	Ruralite Services	Kevin Sullivan	Western Energy Institute
Leon Espinoza	Ruralite Services	Bo Downen	Public Power Council
Rick Dunn	Benton PUD	Ken Nichols	EQL Energy
Debra Smith	Central Lincoln		