



## **Northwest Power and Conservation Council Meeting Notes October 15 & 16, 2019 Seattle, Washington**

Managing growth, nurturing innovation and addressing environmental challenges were the key themes of the Council’s visit to the Emerald City. The Council Members were welcomed by a freewheeling presentation by Seattle City Light’s Debra Smith, who has spent her first year on the job deftly juggling the many demands of a growing city. Tacoma Power expressed their excitement in working to electrify transportation and there’s a full-speed effort underway in the region’s waters to help boost the numbers of orca whales.

All Council Members were in attendance. The next Council Meeting is Nov. 12 & 13 in Portland, OR.

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### **The Agenda**

#### **Seattle City Light works on rate design, affordability & new markets**

As the general manager of the tenth largest public utility in the nation, Seattle City Light’s (SCL) Debra Smith oversees a cornucopia of issues surrounding growth, affordability, capacity, new markets and environmental sustainability. While she’s only been in her position a year, she is a 24-year veteran in the energy business. She spent 17 years at the Eugene Water and Electric Board and then she ran Central Lincoln PUD for five years before coming to Seattle.

She explained that while Central Lincoln is a rural utility, it shares similarities with SCL in terms of customers struggling with the cost of living. Therefore, rate redesign is a big issue and they're close to rolling out the first, equity program targeted at customers in the \$25k range who are having trouble making their payments. "We're working to help customers manage their energy in whatever way they choose," she said. "That's kind of the same message we've been giving to BPA — it has to be around customer choice. We're Bonneville's customers and there has to be that same sense of responsiveness."

Other SCL initiatives include joining the EIM in April 2020, developing a time-of-use rate that is scheduled to launch in January 2021, and the electrification of public transportation. They just stood up a new division to focus on transportation electrification and innovation.



Despite Seattle's rapid growth, SCL has experienced declining load for a long time. "We've been raising rates faster than inflation," she said. "More energy-efficiency buildings are replacing older ones. So, we're spending the money to support the growth, but we're selling less and less. With rate redesign, we need a rate structure that doesn't hinder electrification. Despite increases in electric vehicles (EVs), it will be 2030 before things start to turn around."

Turning things around will require some rightsizing and doing many of the things BPA is doing, she said. We're highly leveraged, but we're fortunate that the City of Seattle has liquidity that we can fall back on.

She equates her utility's situation to Bonneville's in terms of living within their means. "If Bonneville is passing on costs to us it is not okay, so it's not okay for us to do it either," she said. "We need to focus on our core purpose, which is to provide affordable, reliable products to our customers in a way that is environmentally sustainable and consistent with our values."

Council Member Ted Ferrioli asked Smith if the emphasis on energy efficiency and declining load is going to require us to find a different way of monetizing the value of energy. Smith said energy efficiency is still the most cost-effective resource, but we're under-resourced in this region. She said she's encouraged that PacifiCorp said they're going to invest in new resources, instead of just going to market.

"It's all around markets and capacity," Smith observed. "How do we effectively communicate to customers the value of baseload energy? When I look at the future, I think about providing batteries, maintenance and backup power. How do I provide new revenue streams as people use less?"

## Tacoma Power seeks a jolt in EV adoption

Tacoma Power is spreading the gospel of transportation electrification by supporting legislation, rate redesign, chargers and commercial partnerships. Tacoma Power, which serves around 175,000 customers, was an early adopter of EV fleet vehicles in 2002.



According to Chris Robinson, power superintendent, much of their work around EVs starts with customer education and outreach. “With transportation electrification, everyone wins,” Robinson told Council Members. “EVs perform well, they’re fuel-efficient, maintenance is low-cost and they’re better for the environment. As a utility, we don’t see a lot of load growth, so added load is good for us.”

Last spring, Washington’s Governor Jay Inslee signed legislation authorizing a municipal electric utility or public utility district to adopt an electrification of transportation plan. Also, Washington now provides a sales and use tax exemption on sales or leases of certain electric passenger cars, light-duty trucks and medium-duty passenger vehicles.

Robinson listed activities underway including chasing after grants, hosting EV “Ride and Drive” events, and launching the first EV discount program with auto dealers in the state. In addition, Tacoma Power is working with Pierce County Transit, which has three battery-powered electric buses in their fleet with three more on the way. It’s also working with the Port of Tacoma to bring shore power infrastructure to Husky Terminal.

Another effort is a new rate that encourages companies to invest in public DC fast-charging stations in Tacoma. Also, the utility plans to launch an EV charger program in 2020, and help establish a low-income EV carshare program with the help of state grants.

## Regional Technical Forum’s work plan now includes natural gas

The Council approved the 2020 Regional Technical Forum (RTF) work plan, business plan and \$1.8 million budget at the Seattle meeting. For the first time, the five-year funding agreement includes estimating energy savings for natural gas efficiency measures.

“There has been interest from dual-fuel utilities to include natural gas in our evaluations,” said Jennifer Light, RTF manager. “There are a lot of synergies around the work we’re already doing.”

### RTF measures with both electric and gas savings

- Clothes washers
- Commercial cooking equipment
- Showerheads
- Aerators
- Advanced rooftop controls
- Connected thermostats
- Weatherization
- Duct sealing
- New construction

In addition, the Council approved adding representatives to the RTF's Policy Advisory Committee's from Cascade Natural Gas, Chelan PUD, NW Natural and PacifiCorp (Rocky Mountain Power).

The RTF is an advisory committee to the Council that develop consistent standards and protocols to verify and evaluate energy savings. RTF's services are available to all Northwest utilities.

## **Council supports BPA & SCE conservation transfer agreement**

The Council voted to approve a letter of support to the California Public Utility Commission on a pilot test of a conservation transfer agreement between Bonneville and Southern California Edison. This agreement would take power saved by energy efficiency in one utility area and transfer it to another at an agreed-upon price.

Council Member Jim Yost remarked that while he supports the motion, he finds it strange that "we're going to require utilities to budget more for energy efficiency and allow them to peddle it somewhere else." We need to look at requirements we put on utilities in the Power Plan, he said.



Ben Kujala, Power Division director, said this is supporting a concept. We're not putting ourselves as an arbiter, we're supporting the exploration without being a party to the contract.

Council Member Pat Oshie said it's treating conservation as a resource. It's put into the market to get a market price. This is a better deal for BPA, otherwise they wouldn't do it. Maybe other utilities will do it as well.

## **Invenergy sees a role for independent power producers**

Orijit Ghoshal, Invenergy's senior manager of regulatory affairs, provided an independent power producer (IPP) perspective of the region's energy future. Invenergy operates worldwide, but are primarily in North America, owning half of their 23-GW capacity.

Unlike utilities, IPPs are not a monopoly and they don't have eminent domain rights, so we have to come to voluntary agreements, Ghoshal said. Over the past 15 years, Invenergy has established 16,000 voluntary agreements with landowners. Invenergy is North America's largest, privately held clean energy developer working in wind, natural gas, solar and lithium-ion batteries.

They're currently installing batteries for Arizona Public Service to shift some of their solar capacity to an after dark program. "We're seeing new uses for the deployment of storage beyond frequency response," Ghoshal said. "I think we'll see that more in the Northwest. IRPs for Puget Sound, PacifiCorp, Avista and Idaho Power all include some level of storage in the near future."

They have built 13 projects with 650 MW of storage, and its development pipeline has 5,000+ MWhs of storage. Batteries can be used for renewable integration, flexible capacity and grid support.

Inverenergy also is expanding its transmission business, something that's needed in the Northwest to meet all the clean-energy targets. Therefore, it makes sense to consider all the options from BPA to independent power producers. Siting is going to remain a formidable challenge, however.

## **Washington task force reports on efforts to save the whales**

In 2017, alarm bells went off when it was determined that the southern resident killer whale population declined to a 30-year low of 74 animals. Washington's Governor Inslee issued an executive order in 2018 requiring state agencies to take immediate action to protect the remaining orca population, and a task force was formed to make recommendations. Dr. Les Purce and Stephanie Solien, Orca Task Force co-chairs, briefed the Council on their group's efforts.

Purce said the problems facing orcas are not enough food, too much noise, runoff waste and the effects of farming. He said orcas prefer Chinook salmon for eating. The task force's recommendations relating to hydro impacts on prey include reestablishing Chinook runs above dams on the Columbia (Chief Joseph and Grand Coulee) and on the Green and Puyallup in Puget Sound. It also calls for increasing spill and exploring the social impacts of Lower Snake River Dam removal.

Not only did the Washington Legislature approve \$1.1 billion for orca recovery this past year, it passed legislation related to oil transportation safety, increasing chinook and other prey abundance, reducing vessel noise and toxic pollution prevention.

Looking forward, Solien said they still need to fully fund salmon recovery plans and address pinniped predation in Puget Sound. Other measures include the need to continue to reduce vessel noise and funding programs to help with toxic cleanup. They said stormwater infrastructure improvements are needed and they need to prevent the expansion of northern pike. On November 8, a final report and recommendations will be delivered to the Governor.



## Climatologist forecasts wetter winters and drier summers

Climatologist Dr. Nick Bond told Council members that natural variability in the climate system (such as El Niño) will continue to dominate overall trends for some time. He whipped through a smattering of charts, graphs and illustrations depicting all the weather phenomena that has impacted the region and the ocean in recent years. As for climate change, Bond said if we go along a path of no halt in greenhouse gas emissions, we're looking at a 2.5-to-3-degree Fahrenheit temperature increase by mid-century.

Bond said that scientists are getting better at forecasting temperatures out six-to-nine months, but forecasting snowpack is more difficult. He concluded that in the coming decades, the Pacific Northwest will feature warmer temperatures, as well as wetter winters and slightly drier summers. The region's stream flows are expected to be greater in the winter and lower in the summer as well.

## EPA reports on its Cold Water Refuges Project

The EPA recently released its draft Cold Water Refuges Project plan. Water temperature is a key ecosystem indicator for salmon and steelhead recovery. Chris Hladick, regional administrator for U.S. EPA Region 10, told the Council that the Project plan is in response to the 2015 NOAA Bi-Op, which concluded that Oregon's Lower Columbia River temperature standards are likely to jeopardize the survival and recovery of ESA listed salmon and steelhead, because the cold water refugia narrative standard was not being implemented.

EPA identified 12 tributaries as the primary cold-water refuges to migrating adult salmon and steelhead when the Columbia River rises above 20°C. A key recommendation in the plan is to maintain the cool river temperatures and flows through protection and restoration measures.

During an average year, EPA estimates that 65,000 steelhead and 5,000 fall Chinook salmon are in the eight refuges between Bonneville Dam and The Dalles Dam in August. But in warm years with high runs, it could be as many as 155,000 steelhead and 40,000 fall Chinook. EPA concludes that there appears to be a sufficient amount of cold-water refuges to aid these fish, but there may not be in the future. This is because more fish will likely be using the refuges due to climate change and a warmer Columbia River, Hladick said.



EPA is accepting feedback on its draft plan until December 3, 2019. EPA expects to issue the final plan in 2020.