



Board of Directors August 7, 2020 Meeting Minutes

The PNUCC Board of Directors met virtually on August 7, 2020 via video conference with 58 Board, other members and guests in attendance. The attendance list is attached.

*The next PNUCC Board meeting for Member General Managers and the Board to meet via Virtual Webinar will be on **September 4, 2020.***

Corporate Business

Chair **Scott Bolton**, PacifiCorp, opened by welcoming everyone. He asked the Board to acknowledge the PNUCC Antitrust Compliance Statement and entertained a motion to approve the July Special Session Notes. They were unanimously approved.

2021 BUDGET

The Budget Committee had a kick-off meeting to begin their work on the 2021 Budget. **Shauna McReynolds** on behalf of Treasurer **Jason Thackston**, Avista, conveyed to members that based on what is known today, the Budget Committee's intention is to hold the line on revenue requirements in 2021. Any changes to membership assessments for 2021 will be minor with adjustments reflecting the latest EIA data as per PNUCC's financial policy and practices. She added, the Committee will have a draft Budget out to the membership in October for review, prior to a request for action at the November 6th Annual Meeting. She also extended a warm welcome to **Roger Kline**, Northern Wasco County PUD, as the newest member of the Committee.

UNPACKING THE BOARD/EXECUTIVE MEMBER RETREAT AND THE BIG ISSUES ROUNDTABLE

Reflecting on the highlights from the retreat, McReynolds said that new issues emerged when PNUCC leaders leaned in to discuss their top of mind issues as life and priorities continue to change and 2020 unfolds. From standing up new systems in unprecedented conditions while ensuring employee safety and support, to navigating a fractured society on top of a worldwide pandemic where the unknown impacts from COVID-19 remain elusive, members appreciated the opportunity to be together where they could think out loud and hear from others.

In a time where politics and its influence are overlaid on so many things, McReynolds remains impressed at how PNUCC leaders are handling the magnitude of the issues facing utilities today –while remaining clear about their mission in these unprecedented times. Regional collaboration continues and support for initiatives that are critical

to the future of the industry move forward. She closed by saying, “there is a lot on your minds, and PNUCC will continue to bring the issues you raised to the table for discussion.”

Resource Adequacy Program Update

Toward the goal to ensure members are regularly updated on the efforts underway to develop a Resource Adequacy Program for the Northwest, **Frank Afranji**, Northwest Power Pool, shared another milestone as the Interim Resource Adequacy Program was launched July 31, 2020. At the highest-level participants will work together to ensure their loads will be met and have agreed to meet the immediate need in the event of a slim probability scenario, he said.

The Power Pool’s **Greg Park** described the elements of the voluntary program that currently has 12 Power Pool members actively participating. “It is a true backstop and designed to plug the hole if a shortage occurs,” said Park who is administering the program.

Member News

- Bolton shared the latest regarding the agreement for removing the Klamath River dams – negotiated between 40 parties for the largest dam removal in US history – has hit a snag following a recent FERC ruling. Key to the agreement was the ability to transfer assets and liability to a third party for the removal. With only a partial license issued, PacifiCorp and the other parties are evaluating their options in light of the ruling.
- **Suzanne Cooper**, Bonneville Power Administration (BPA), shared that BPA has selected **John Lahti** as VP for Transmission Field Services.
- Northern Wasco County PUD’s **Roger Kline**, said they had experienced a new historic peak for July.
- **John Francisco**, NW Requirement Utilities, announced they have added **Jared Oliver**, formerly with BPA, as a senior analyst to their team.

A Conversation with Elliot Mainzer – Unplugged

Fresh off the announcement that he has been appointed to lead the California ISO as its new president and Chief Executive Officer, **Elliot Mainzer** joined the Board to reflect on his 18 years with the Bonneville Power Administration. “We’ve done some great work in my time as Administrator,” he said, “and it’s been an incredible honor to serve and work with so many of you.”

Over the past several months Mainzer put a transition plan in place with a recommendation that **John Hairston**, Chief Operating Office, serve as Acting. He expressed confidence in the executive team who has been working alongside him to prepare and encouraged PNUCC members to support the transition plan to ensure momentum continues on all initiatives. Mainzer said the details around the solicitation process and a timeline for the permanent Administrator will be forthcoming from the Department of Energy soon.

The boom and bust cycle that exists in the energy sector has led to Bonneville focusing on providing stable, cost effective rates while remaining environmentally conscientious, particularly around bending the cost curve. Providing a clear path with respect to liquidity, asset management and managing risk to ensure there is a stable cost trajectory remains important, he continued.

Reflecting on his 18-year career, Mainzer expressed sincere appreciation for the relationships and partnerships that were formed with public power, environmental stakeholders, tribes and investor owned utilities. Transmission relationships, market evolution, optimizing systems, partnering for wildfire and transactions for surplus power reflect the lens of how to work together, he said.

Diving into environmental issues has consumed him over the past couple years, he said. A shared interest in thinking long term provided an opportunity for collaboration with the parties and he is hopeful the long-term recovery strategy is one that will have some longevity.

Reflecting on the *Columbia River Treaty*, Mainzer said the crafters of the *Treaty* envisioned the economic value proposition was going to change over time, and it has. Shipping 1,100 MW of energy to Canada every day after the trading window closes and buying it back at super peak pricing was not, and should not, continue to be the deal. Similarly, as the region's population has grown and development continues, there is a higher value for flood risk management than in the 60's when the *Treaty* was negotiated and that should be handled through a separate process. There continues to be value in having a *Treaty* between the two countries, but "the value proposition has changed", he said. And while he wasn't able to get it done under his watch, Mainzer remains hopeful that efforts to push *Treaty* negotiations forward will continue toward a resolution.

Looking ahead, Mainzer is excited about the progress being made toward a regional Resource Adequacy Program and market expansion discussions in the West with governance, cost allocation and transmission questions being addressed. He remains passionate about energy policy that is as simple as possible, and no simpler – a principle that he will take into his new position with CAISO as he continues to build on the revolutionary work led by Steve Berberich.

Mainzer expressed his fondness for the Northwest and said many of you are stepping forward to make sure the facts enter these difficult discussions. He encouraged PNUCC members to continue to be part of the solution as work continues on so many fronts.

McReynolds invited Mainzer to return for a Power Party in 2021 – and he quickly agreed.

Emerging Issues

Eugene Water and Electric Board's **Frank Lawson**, shared that a normal August typically has around 300 delinquent accounts – and presently they find themselves with around 2,000. He added that the utility has been communicating regularly – as many as 7-10 times – with customers who are in arrears to offer an array of life lines. EWEB will resume disconnect policies for customers who do not want to work with the utility on payment options.

Looking at loads, **Debra Smith**, Seattle City Light, shared that residential customers were tracking back at normal levels by early evening, while commercial and industrial loads were down over 20% between March and May of this year. Adding, City Light's bad debt is pretty significant in light of discontinuing policies.

Being a Champion for Change – What Does Anti-racism Really Mean?

We were happy to have **Deena Pierott** return to continue the dialogue with members on equity, diversity and inclusion. "Anti-racism is the active dismantling of systems, privileges, and everyday practices that reinforce and normalize the contemporary dimensions of white dominance," Deena Pierott. All the ism's that have brought us to where we are today were around before we were alive and for some, before our parents were alive.

You are all here today because you want to do the work, and you are willing to let your employees do the work alongside you, she began. The inequities that have been created and accepted by people, can be broken. You have to understand yourself first, then you can be an ambassador for change, Pierott continued. She shared a video found at: https://www.youtube.com/watch?v=YrHIQIO_bdQ that highlights how years of laws and practices have severely disadvantaged racial minorities.

How do you have your voice heard if you are an employee who has experienced racism? Do you stay or do you quit? These are some of the question's executives are asking as they recognize the lasting impacts on human capital when employees don't feel valued or promotable.

When you hear a joke that is demeaning – what do you do, she continued. It isn't uncommon for people to freeze because they don't know what to do or say, and staying silent perpetuates racism.

Pierott asked, "In the past, how did you show up?"

Several members shared life experiences growing up – with parents/grandparents that were disparaging to others and used racial slurs. Growing up they knew in their heart; it was not right. Another offered, they were able bodied, young and white, didn't come from a wealthy family but had access to scholarships which provided the opportunity of college.

There was recognition that while the Pacific Northwest seems liberal and open, there is a smaller percentage of black people in the region. It is time to openly recognize "we" have been given opportunities based on the color of our skin, one member said. To change that thinking, another offered that making sure children are raised to recognize that everyone deserves the same opportunity, regardless of the color of their skin.



Pierott agreed. Bringing children along is important, they are the future. She shared her story about founding iUrban Teen. It was an intentional outreach to young men of color to provide STEM opportunities, yet no one was excluded and there remains a broad, diverse mix of students in the program.

McReynolds added, the iEngineer program that Pierott is working on will be a great resource for PNUCC members. Pierott offered to share the information with interested members and said that kids in the foundation's programs are brilliant. A reminder that we all need to be aware of our words, because they can define how we see others and how others see themselves.

With camera's on, Pierott could see that many in attendance were white male. She asked, why are you here? One member responded, I want to be part of solution, not the problem. She asked, how have you been present? Opening up, they said that growing up in a diverse community created a sense of understanding of what it was like for black people – and yet thinking about it now, they feel different and didn't show up when there were opportunities.

The discussions at PNUCC have changed thinking and views on many things. Several voiced similar commitments to change and being a champion in the future. To create a safe place for their employees to discuss ways to improve, to become a place of diversity – where everyone has a voice, provides input, learns from each other and wants to do their best. And supporting employees to do their best, also creates opportunities for community initiatives that help others and by being intentional can reverse historical racism.

CORE PRINCIPLES

- **Commitment** to anti-racism as a lifetime practice.
- **Compassion** which we define as empathy + action.
- **Open-mindedness** to welcome new viewpoints and ideas.
- **Vulnerability** to show up and let yourself be seen.
- **Generosity** to support others on their journey.

Pierott applauded the PNUCC leadership for taking this journey to learn more about equity – to understand and challenge their actions and beliefs, and expand their knowledge. She challenged them to be **a-leaders** who **areis** constantly learning. “Leaders should focus on educating themselves further in the systemic racism that occurs every day,” Pierott said, “then you can affect true change.”

A few suggested books include:

- *White Fragility* - by Robert Diangelo
- *So You Want to Talk About Race* – by Ijeoma Oluo
- *How to be an Antiracist* – by Dr. Ibram X Kendi
- *Just Mercy* – by Bryan Stevenson
- *The Thirteenth Amendment* – Movie by Ava DuVernay

Creating initiatives, engaging employees by valuing their voices and listening to what they want to see happen is like an IV drip, she said. It needs to be a constant conversation to keep the momentum going until it is fully embedded in the organization.

Work on self, then work on the organization, Pierott said. Once you define that, then you can create an action plan. McReynolds reminded members that Pierott will be returning to PNUCC on September 4th to continue the discussion and review the elements of the Accountability Roadmap.

Executive Director's Report

McReynolds pointed to the Executive Director's Report – attached for review. She said staff remains focused on providing support to the regional efforts underway. She added, PNUCC will be hosting a Load Forecasting Workshop for forecasters on September 15, 2020, open to new and seasoned employees. She added, PNUCC meetings will be held virtually through the end of 2020. With that, the meeting was adjourned.

Participants

PNUCC BOARD MEETING – AUGUST 7, 2020

Adam Richins	Idaho Power	Kevin Sullivan	Western Energy Institute
Ann Fisher	Consultant	Kevin Wells	Vera Water & Power
Anthony Bailey	Oregon Trail Electric Coop	Kevin White	Benton PUD
Barbara Miller	US Army Corps of Engineers	Lena Wittler	Clark Public Utilities
Barry Bush	Benton PUD	Marc Farmer	Clatskanie PUD
Bob Rowe	Northwestern Energy	Mark Johnson	Flathead Electric Coop
Brad Bouillon	CAISO	Mark Ohrenschaal	Energy News Data
Becca Yates	NEEA	Melinda James	Grays Harbor PUD
Bill Saporito	Umatilla Electrical Cooperative	Mike Gardner	Tillamook PUD
Brent Bischoff	Coos-Curry Electric	Nidhi Thakar	Portland General Electric
Charles Kimball	Emerald PUD	Patti Chappel	Emerald PUD
Chris Robinson	Tacoma Power	Paul Wetherbee	Puget Sound Energy
Cindy Wright	Seattle City Light	Randy Hardy	Consultant
Dave Ward	Grays Harbor PUD	Rebecca Wolfe	Snohomish PUD
Debra Smith	Seattle City Light	Roger Gray	PNGC Power
Deena Pierott	iUrban Teens	Roger Kline	Northern Wasco PUD
Doug Grob	Flathead Coop	Ron Davis	Emerald PUD
Elliot Mainzer	Bonneville Power Administration	Sarah McCue	Chelan PUD
Emeka Anyanwu	Seattle City Light	Scott Bolton	PacificCorp
Eric Christenson	Beveridge & Diamond, Attys	Scott Coe	Emerald PUD
Frank Afranji	NW Power Pool	Scott Kinney	Avista
Frank Lawson	Eugene Water & Electric Board	Shauna McReynolds	PNUCC
Greg Cullen	Energy Northwest	Shauna Tran	Puget Sound Energy
Greg Gardner	Blachly-Lane Electric Coop	Stacey Schnebel	Flathead Electric Coop
Greg Park (NWPP)	NW Power Pool	Suzanne Cooper	Bonneville Power Administration
James Gall	Avista	Todd Simmons	Tillamook PUD
Jane Van Dyke	Clark Public Utilities	Tom Haymaker	Clark Public Utilities
Jason Zyskowski	Snohomish PUD	Tom McBartlett	City of Ashland
Jennifer Joly	OR Municipal Utility Assn	Tomás Morrissey	PNUCC
Jennifer Light	NW Power Council	Valarie Koss	PNUCC
Jim Litchfield	Litchfield Consulting		
John Francisco	NW Requirement Utilities		
John Hines	Northwestern Energy		

* Others may have joined by phone and were not identified.



Executive Director Report

August 7, 2020

BUSINESS

During the July Retreat, it was confirmed that all PNUCC meetings through the end of the year will be held via webinar or video conference. The next **Board Meeting** will be a video conference on **September 4th**.

From where I sit, the July Retreat with Board members and Member executives was a great success. The discussion brought to light some significant challenges facing utility leaders. The notes for that session are posted on the PNUCC website. Take a look if you have not yet had a chance.

The Budget Committee kicked off the budget setting effort for 2021. They are committed to continuing to hold assessments at the same level as in 2019. This continues to maintain **membership dues at the current level** – updated with current EIA data for load, sales and number of customers per the financial policy.

SYSTEM PLANNING

System Planning Committee Meeting – July 24th

The July PNUCC System Planning Committee focused on generating resources that are new/emerging in the Northwest. Thomas Dempsey, Avista, dove into the ins and outs of air storage technology. He detailed the mechanics of both compressed and liquid air storage. The advantage of the latter is that it does not require underground geological formations for storage – the liquid air is stored in tanks similar to LNG projects. Jason Klotz, PGE, overviewed their Smart Grid Test Bed Project. This project focuses on customer-side solutions, like demand response, to save customers money and provide the utility a resource. PGE is learning what projects work best in the Test Bed to inform what larger projects they can successfully roll-out in the coming years.

Load Forecasters Workshop – September 15th

We have just locked down September 15th for another Load Forecasters Workshop (via webinar only). The primary topics for the day include COVID related impacts to loads, other factors challenging load forecasters work such as climate change and electrification, and a discussion on economic trends, among other items. Please have your load forecasting staff reach out to tomas@pnucc.org to get the meeting details.

ENGAGING ON THE POWER COUNCIL'S 2021 POWER PLAN

The Council continues to work toward a draft *2021 Power Plan* out for review by February 2021. And PNUCC staff remain engaged in a number of NWPPCC Advisory Committees and are weighing in when warranted.

Most recently, Council staff have revised their load forecast methodology, primarily due to observations and questions PNUCC staff and others had raised. The revised load shapes look more reasonable in regarding to magnitude and temperature sensitivity. These loads will be input for the upcoming needs assessment and scenario analysis which guide the need for resources in the *2021 Power Plan*.

On the generating resources side, the Council recently expanded their definition for which resources fall into the Northwest footprint. PNUCC staff are looking into these assumptions to ensure that the footprint expansion makes sense. We will keep members apprised of any new developments as specific elements of the *Power Plan* continue to unfold.

NORTHWEST POWER POOL – RESOURCE ADEQUACY AND RELIABILITY

The NWPP Resource Adequacy Group announced operation of the NWPP Interim Resource Adequacy Program on July 31, 2020. It will be administered by the NWPP and operate in the day ahead planning arena, allowing participating members to assist each other when specific system conditions are met. And will help ensure reliable operation of the NWPP Member systems in service of their customers during these increasingly challenging times. This program is voluntary and the first functional step in the development and implementation of a regional Resource Adequacy Program.

Information from the Resource Adequacy Program Public Webinar on July 1 is at:

www.nwpp.org/private-media/documents/2020.07.01_Final_Public_Webinar_Slides.pdf.