



Board of Directors June 5, 2020 Meeting Minutes

The PNUCC Board of Directors met virtually on June 5, 2020 via webinar. The majority of the Board, several members and PNUCC staff joined the webinar.

*The next PNUCC Board meeting will be for Member General Managers and the Board to meet via Virtual Webinar on **July 10, 2020**.*

Corporate Business

Vice-Chair **Frank Lawson**, Eugene Water & Electric Board, opened by welcoming everyone. He asked the Board to acknowledge the PNUCC Antitrust Compliance Statement. Lawson entertained a motion to approve the May meeting minutes. They were unanimously approved.

Member News

- **Greg Cullen** noted Brent Ridge has left Energy Northwest and **Cristina Reyff** will replace him. Restructuring will also find Cullen reporting directly to CEO **Brad Sawatzke**.
- **Suzanne Cooper**, Bonneville Power Administration (BPA), shared that BPA initiated an expedited rate case to suspend the financial surcharge for the balance of the 2020 and 2021 rate period in response to customers' request to provide a tool to help alleviate rate pressures resulting from the COVID costs. Language in the 2020-21 rate case required the Agency "Must Do" if the trigger was hit. It will require FERC approval and will result in \$40,000,000 of relief to customers in the current rate period.
- PacifiCorp's **Scott Bolton**, sent word that he regretted missing the meeting. He is testifying on wildfire planning at the Oregon Senate.
- **Roger Gray**, PNGC Power, announced **Alex Swerzbin** – formerly with Avangrid and EWEB, has been hired as PNGC Director of Transmission and Markets.
- Lawson extended congratulations on behalf of PNUCC to former Chair, **Lisa Grow**, who assumed the role of President and Chief Executive Officer of IDACORP, Inc. and Idaho Power on June 1, 2020.

A Fast-Paced Focus on “Emerging Issues”

Focus returned to COVID-19 discussion and the implications on the industry. Lawson asked how everyone was doing – had they started reintegrating employees, what did consumption and loads look like and what are the early economic impacts looking like as the region begins to open? And following an emotional week filled with social unrest, the conversation of social issues was front and center with the Board and others engaged in a thoughtful discussion on their role inside the utility and out in the community.

REINTEGRATION OF UTILITY WORKFORCE AFTER COVID-19

Lawson noted EWEB’s loads declined 5-7% over 2019 – outside heat-ups (high temperature days). Regarding plans to reintegrate the workforce safely, they began three weeks ago with a goal of having the majority of employees back between June 15th and July 15th, subject to multiple conditions.

The final phase of reintegration at EWEB will include plans to facilitate more telecommuting. Lawson envisioned new operating scenarios as COVID forced utilities to make fast decisions and set up processes to ensure they remained operational and available to customers. “Many of the decisions have achieved a level of effectiveness that will allow leadership to rethink operations going forward,” he said.

Gray indicated PNGC Power has been preparing the building with new air filtering – adding 100% fresh air into the system. Several offered they had updated or upgraded HVAC systems as well for improved filtering and fresh air. Others indicated a slower return to normal operations plan as glass and/or plexiglass installations were underway. Some added they were even entertaining the idea of not reopening lobbies.

Roger Kline, Northern Wasco County PUD, said they continue to work on solutions for receiving cash payments – which represent a large portion of their commercial payments. Others offered that relationships with credit unions and local banks have allowed them to use financial institutions for payments, easing the burden for accepting large amounts of cash. In eastern Washington, Benton PUD’s, **Rick Dunn**, said they are promoting kiosk, drop box and on-line payment methods and even some auto-pay meters that can be controlled from the office to allow customers to “fill up the tank” as needed.

Do we really need to return to an office structure in the long term, Gray asked? Most agreed that discussion is occurring across the region in light of successful telecommuting and increased productivity. There is interest in sharing learnings from successful telecommuting programs, agreements, and best practices for proper ergonomic equipment and support for telecommuters as utilities reintegrate their workforce.

Energy Northwest has its own set of unique factors for returning to the physical location. The recent outbreak of COVID in the area has required daily calls to ensure they are operating and planning under the most current information, according to Cullen. Ultimately it will be about keeping employees and their families safe.

Brad Bouillon said that CAISO has completed their plan to return with options for employees to consider under a phased in plan that has all employees returning by mid-September given current conditions. Employees were allowed to sign for CAISO assets for home use – and under the plan, return the assets once they return to working at the facility. Those wanting to continue work from home part-time will be

responsible for providing their own set up to ensure they can fully function. All face-to-face meetings remain banned, with temperature checks, masks and specific requirements for anyone entering the building. And employees can be turned away at any point in the process.

OPERATIONAL CHALLENGES

Shifting gears, Lawson inquired about normal operational issues – like storms. A severe storm system, with system wide damage, hit Flathead Electric Co-op, according to **Mark Johnson**. He extended his appreciation to their neighbors who were able to provide mutual aid, adding it is the sixth major storm in the past six months. PGE's **Stefan Brown**, said that system caused significant damage to their transmission system in central Oregon over the weekend as well, with tops of poles breaking and lines going down in some areas.

Kevin Nordt, Grant PUD, said drier conditions are adding pressure to think about planning to N-1-1 for fire conditions – which are stressful under the best of times. He said the added challenge is to think about operating in wildfire conditions under a pandemic environment. Others agreed, noting they are thinking about it as well.

GETTING COMFORTABLE BEING UNCOMFORTABLE, AS SOCIAL ISSUES CONFRONT ALL OF US

Acknowledging the ongoing protests for racial justice, **Roger Gray** offered rather than ignoring what is happening in cities across the nation and around the world, PNUCC leaders should step up and address the difficult conversation head on. We have an opportunity to make a difference, added **Frank Lawson**. “Utilities are one of the few areas that touch every consumer and it is difficult to talk about, yet that makes it all the more reason for us to talk about it.”

Gray shared a story about his dad who was a progressive police officer and his belief that at its core, one bad apple police problems represent a leadership issue. And he said that as leaders of organizations, we have to deal with this, as uncomfortable as it is.

Frank Afranji said it is an extremely important discussion, and he was glad PNUCC was willing to have it. A lot of work has been done to address social issues around race at the highest level in many companies with every employee, yet it isn't enough, he said. Morally and economically it is time to address it with the seriousness it deserves. It is the basic fabric of the country – what do we want to be, who are we in the 21st century, he asked?

Many executives were out front communicating directly with employees as these events unfolded. **Nidhi Thakar**, said Portland General Electric's CEO, **Maria Pope**, sent a letter to employees, and Thakar agreed it is about leadership. Internally, we can all lead by example. And externally, as an essential service provider, we can make a difference by providing opportunities for customers and communities to have access to essential services, taking it to the next level by providing opportunities for underserved groups, she added.

A question was asked regarding recent vandalism. Lawson responded that some areas of the utility had risk for exposure, but there was no direct vandalism at EWEB – they took steps to move system operators and

post security at substations. Others in more urban areas experienced vandalism with broken windows, graffiti and dumpster fires. And some expressed concern over the unknown as to who was provoking trouble. Seattle City Light's **Emeka Anyanwu** said operationally they were monitoring facilities, not dissimilar to what they are doing for the pandemic. "When systems are compromised, people with bad intentions have opportunities, monitoring and daily inspections are a good way to make sure nothing is compromised that would impact their ability to provide safe delivery of electricity to their customers," he continued.

And with regard to the topic at hand – leadership from the top – Anyanwu said CEO **Debra Smith** sent a letter to employees that addressed the issue head-on. It is not a partisan issue and no side of the issue claims that police brutality is a good thing. There should be a willingness for leaders to call out bad things and it be non-controversial. She encouraged employees to think about how to facilitate discussions that provide the ability to exercise rights in a productive way. "Now is the time to lean in and normalize our ability to talk about these things," he said.

Lawson pointed out that most companies have "Value Statements" on paper and yet they don't mean a lot if they are not engrained in everything a utility does – to the point of being willing to give something up – to ensure they are a core value. In his personal reflection, he admitted there is a lot of work left to do and it is important for all of us to think about what we can work on and strive for.

Managers on the webinar expressed their own concerns – not knowing what to say – or saying the wrong thing.

BPA's **Suzanne Cooper** weighed in noting that as a woman of color in a predominantly Caucasian male industry, she experiences the same trepidation over what to say and the added anxiety of not being understood or offending someone on these issues. She thanked Gray and expressed appreciation for the candid discussion. "There is a lot of room to bring others into the conversation," she said, "and we will all need to give each other grace" because it will be uncomfortable at times.

Through the virtual chat, others agreed and expressed their appreciation to be part of the discussion. It is important for leaders to recognize there is a difference in how people are impacted by what is happening, while recognizing the discussion has to go beyond the bad behavior of law enforcement and address the systemic issue around equity and justice. And there are policy decisions that enable and encourage positive engagement for employees another commented. Eugene Water and Electric Board's **Jason Heuser** observed, "There are many great people on this call that can make a big difference...our efforts to speak out and take action don't have to be perfect to bring positive change."

Gray asked how many think about social justice from a human safety perspective? He suggested a different LOLP – a loss-of-life probability as a safety metric. Adding if that is our metric, we can and should do something about it. Lawson acknowledged that engineers are used to problem solving and less comfortable talking about feelings and emotions, and yet he welcomed the journey and the challenge to leaders adding he would suggest to the Chair to continue the conversation at future meetings.

ENGAGING CUSTOMERS IN THE COVID ENVIRONMENT

The forum hosted by PNUCC on May 21st was well attended, McReynolds said. Overall, everyone was eager to listen in as they started thinking beyond the initial crisis to re-engage customers. A lot of sharing and great ideas were exchanged for customers in financial crisis. As many discovered, most utilities have been engaging their customers to help them lessen the financial burden using policies already in place and being creative around new tools to assist customers at this critical time.

The unanswered question remains “what will be the indicator that consumers have the ability to pay” and everyone is paying close attention to that, McReynolds said. The discussion provided thoughtful insight to all the factors in play around this difficult question.

Thakar provided a current update on federal and state policy around the moratorium on debt collection and disconnects. With 35 voluntary and involuntary policies in states across the nation, questions surrounding the impact of a prolonged moratorium on debt collection continue. PUC’s are holding sessions, asking about policies in place to help customers and working to understand the impact on how utilities will manage their own financial impact if the moratorium is kept in place too long.

Thakar pointed to a letter from Senators Murkowski and Crapo asking Congress to reject proposals that would unintentionally restrict how utilities manage their business. It highlights how an overly broad federal moratorium on debt collection and disconnects, with a one-size fits all approach, does not work. State PUC’s provide oversight on these issues, it said.

Heuser reported that Oregon is expected to provide \$25,000,000 in emergency assistance to small businesses and non-profits in crisis. It was unknown if this money would be utility bill eligible at the time of the meeting. He added, categorical eligibility is a tool a lot of utilities are using to reduce overhead and get assistance processed quickly. LIEAP continues to be a resource for customers as long as the funds hold out.

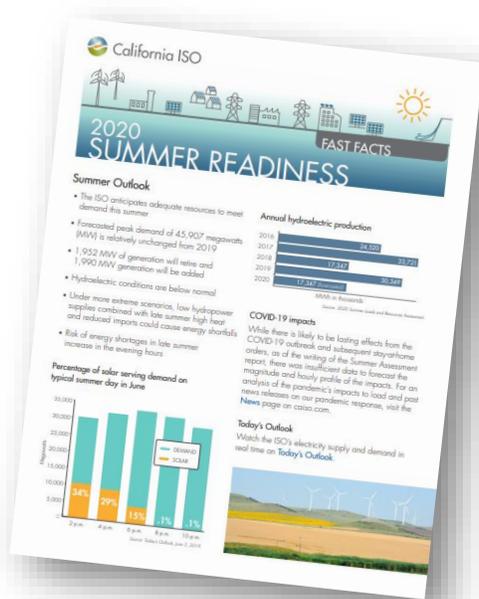
Lawson was appreciative of the open and direct discussion around unintended consequences relative to timing of resumption of disconnect policies and said he will use it to guide his decision making. Some of the uptick in 60-day aging of accounts receivable may have been pre-COVID related – primarily around the winter peak season. Overall, collections tend to go down because usage goes down. Lawson said he will be watching this closely because of no backstop for non-pay.

CAISO Summer Resource Adequacy Assessment

McReynolds welcomed **Brad Bouillon**, Director of Regional Operations, Policy and Analytics for the California ISO, to the PNUCC Board table to share details from the *CAISO 2020 Summer Readiness Report*. With a forecasted summer peak almost the same as 2019, he reported the ISO expects adequate resources to meet demand for summer 2020.

The report found only a 1% chance of an actual “stage 3” load shedding event related to resources, even with dryer summer conditions expected to continue in 2020. The CAISO will rely on renewables and imports as part of the solution. And with regard to COVID-19 impacts, he said it remains difficult to determine impacts due to insufficient data. Overall, they saw a nominal, single digit decrease in load, yet when the heat rose the data looked similar to last year.

Mark Holman, Powerex, complimented CAISO on a thorough and fascinating report. He inquired about the evaluation of risk, specifically about the assumptions on imports and exports. Bouillon said he didn’t know the specifics, and he agreed that imports vary dramatically. Yet, he speculated that the assumptions are likely based on the knowledge gained from previous events – where under certain load conditions, this is what we see and this is what we did. Bouillon continued, southern California peaks late in the year and the northern part of the state tends to not have prolonged heat waves – so it is likely there are more imports available on a seasonal basis – rather than the July/August timeframe.



The discussion continued, they agreed that a heat wave that isn't California centric may end up competing for the same megawatts which is the challenge of relying on high imports in critical load events. California ISO predicts a low probability of system power outages this summer, however low hydro supplies, widespread heat and reduced imports could all combine to challenge the system later in the summer season. It all speaks to reliability, he said.

NWPP Resource Adequacy Program Development Update

Continuing 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 memorandum of understanding for an interim plan is in the final days of review and the conceptual design for the Resource Adequacy Program is nearly complete.

In the short term – next two years, the interim plan provides an outline for actions when a signor is unable to meet load. At the highest level, it is simple and will meet the immediate need in the event of a slim probability scenario, Afranji said.

Longer term, following completion of the Resource Adequacy Program conceptual design, a program developer will be hired, he continued, with preference given to someone who has experience standing up a Resource Adequacy Program. The design of the program and development of a governance structure will

follow. He was careful to note that nothing has been decided. Modeling continues, and everything remains on the table as they move in phase 2B, design and governance.

Within the Power Pool, a Director of Technical Operations was created and it has now been reclassified as a Chief Operating Officer. Afranji intends to fill it with an eye on using this person to focus on resource adequacy work in the near term, eventually moving to direct all technical operations of the Power Pool.

Afranji has also been in contact with **Carl Monroe**, former Chief Operating Officer of the SPP to serve in an advisory capacity on a limited basis to serve as a resource to the Senior Executives and Steering Committee members as the Resource Adequacy Program moves from phase 2A to 2B – and a more detailed design. And finally, he reported that the next public meeting on the Resource Adequacy Program will be July 1st.

Executive Director’s Report

McReynolds pointed to the Executive Director’s Report – attached. She said staff remains focused on providing support to the regional efforts underway and continue to look for content that is meaningful to members and contributes to the regional conversation. She added, the July meeting will be similar to the past few years – a retreat (virtual) for member General Managers and the Board. With that, the meeting was adjourned.

Participants

PNUCC BOARD MEETING – JUNE 5, 2020

Anthony Bailey	Oregon Trail Electric Cooperative	Kevin Wells	Vera Power & Light
Barbara Miller	Corps of Engineers	Lena Wittler	Clark Public Utilities
Bear Prairie	Idaho Falls Power	Mark Johnson	Flathead Electric Cooperative
Becca Yates	NEEA	Mark Ohrenschall	NewsData
Bill Saporito	Umatilla Electric Cooperative	Megan Capper	Eugene Water & Electric Board
Brad Bouillon	CAISO	Melinda James- Saffron	Grays Harbor PUD
Brent Bischoff	Coos-Curry Electric	Mike Goodenough	Powerex
Cindy Wright	Seattle City Light	Nidhi Thakar	Portland General Electric
Clay Norris	Tacoma Power	Rebecca Wolfe	Snohomish PUD
Dan Bedbury	Clark Public Utilities	Rick Dunn	Benton PUD
Dave Ward	Grays Harbor PUD	Randy Hardy	Hardy Consulting
Debra Smith	Seattle City Light	Roger Gray	PNGC Power
Doug Olson	Tillamook PUD	Roger Kline	Northern Wasco PUD
Emeka Anyanwu	Seattle City Light	Scott Coe	Emerald PUD
Frank Afranji	NW Power Pool	Scott Kinney	Avista
Frank Lawson	Eugene Water & Electric Board	Stefan Brown	Portland General Electric
Greg Cullen	Energy Northwest	Shauna McReynolds	PNUCC
James Gall	Avista	Sid Logan	Snohomish PUD
Jane Van Dyke	Clark Public Utilities	Stefan Brown	Portland General Electric
Jason Heuser	Eugene Water & Electric Board	Suzanne Cooper	Bonneville Power Administration
Jason Thackston	Avista	Todd Simmons	Tillamook PUD
Jason Zyskowski	Snohomish PUD	Tom Haymaker	Clark Public Utilities
Jennifer Light	NW Power & Conservation Council	Tomás Morrissey	PNUCC
Jim Litchfield	Consultant	Valarie Koss	PNUCC
John Haarlow	Snohomish PUD		
Kent Lopez	WRECA		

* 18 others joined by phone and were not identified.



Executive Director Report

June 5, 2020

BUSINESS

It is with sincere gratitude we continue to recognize the extent of all you are doing to keep the power flowing, everyone safe, and support your local communities during this health emergency. We will continue to host our meetings via webinar until it is safe to travel and gather in person again. Please reach out to us via e-mail or cell with any questions.

Board Members and General Managers Retreat – July 10th

Next Board Meeting – August 7th

SYSTEM PLANNING

Next System Planning Committee Meeting – June 19th

The System Planning Committee will meet on June 19. Agenda items include presentation on a forthcoming electric vehicle power system load impact report by PNNL and discussion on various PNUCC System Planning Committee projects (likely the utility IRP department survey project and the Northwest load/temperature relationships analysis).

TALKING LOADS AND RESOURCES

I will be sharing the results and key messages from this year's *Northwest Regional Forecast* with the Northwest Power and Conservation Council at their June meeting. In late June Tomás will be participating in a virtual version of the NW Wholesale Power Markets Conference discussing what we see, through the *Northwest Regional Forecast*, for resource retirements and additions over the next decade.

COLUMBIA RIVER TREATY

The CRT PG is moving forward with updating the modeling of alternative hydropower management outcomes. This modeling will simulate the Northwest and broader western markets under alternative policy and technology futures (used to develop the Regional Recommendation) in support of the efforts to modernize the Treaty.

COVID travel restrictions have delayed in-person meetings, yet work continues. The Power Group Technology team has been asked to provide another briefing to State in June.

COVID-19 CUSTOMER REENGAGEMENT FORUM

Our May 21st forum was a great opportunity to share ideas and strategies on how utilities will be moving forward since they hit pause on customer polices and business practices early on. This conversation will continue as companies reintegrate staff and reengage with customers. Please reach out if you would like to participate in this ad-hoc effort. Notes are attached.

ENGAGING ON THE POWER COUNCIL'S 2021 POWER PLAN

Council staff continues to press on with meetings on the inputs and modeling for the *2021 Power Plan*. They are aiming to have the draft *Plan* out for review by February 2021. PNUCC staff remain engaged in a number of NWPCCA Advisory Committees and will keep members apprised of developments as specific elements of the *Power Plan* unfold.

One item that PNUCC is paying especially close attention to is the load forecast that will be used in the *2021 Power Plan* and corresponding *Resource Adequacy Assessment*. A PNUCC staff review found some peculiarities in the Council's draft forecast. We are digging into what is driving the changing shapes and magnitudes as compared to both historical and previous forecasts. There are implications for the energy efficiency and demand response supply curves relative to the load forecasts. Working with the PNUCC System Planning Committee we will determine if/when more formal engagement is warranted.

NORTHWEST POWER POOL – RESOURCE ADEQUACY AND RELIABILITY

PNUCC continues to work closely with Frank Afranji and are engaging through the RA Stakeholder Advisory Committee and modeling groups. The next Resource Adequacy Program Public Webinar is schedule for July 1. Be sure to check out the latest Resource Adequacy update video on the Power Pool's website is at: www.nwpp.org/news/resource-adequacy-update-may-2020



Board and Member Forum

May 21, 2020

Chair **Scott Bolton**, PacifiCorp, opened by welcoming everyone and asked them to review and acknowledge the PNUCC Antitrust Compliance Statement. Under the umbrella of a worldwide COVID-19 pandemic, Bolton paused to applaud utilities for swiftly adapting to their changed environment. With business continuity plans in place, they swiftly executed them to ensure power continued to flow. Heads down, ready to work on the task of the day, utilities were focused on keeping critical services in place – while providing a safe environment for staff and customers. Policies were voluntarily suspended as customers lives were upended.

“Utilities remain an important pillar in Northwest communities. They hit pause on customer policies and business practices for all the right reasons,” Bolton said, “as they quickly and compassionately focused on providing crucial services for their customers and communities.”

Today’s conversation will take PNUCC members past this first stage, into a discussion around what really matters post-COVID and what the new normal is as utilities begin to discuss when and how to reimplement customer policies and business practices. Are there changes that can be made? And how will utilities make sure what we are doing is understood by our customers, stakeholders, policy makers and regulators?

Re-engaging customers in a COVID environment

CHANGING BUSINESS PRACTICES AROUND NON-PAYMENT AS WE BEGIN TO REBOUND

The discussion from the May Board meeting regarding uncertainties of non-payment post-COVID and their impact to customers, employees and the community continued as participants leaned in to listen and learn from each other. Patience around collection of debt, early interaction with customers who are experiencing difficulty paying, and accounting measures necessary to identify non-pay quickly were top-of-mind. Yet, most felt it is too early to put a defined structure around “when” some policies, especially those related to disconnecting service, will be reimplemented.

The value of the utility as a trusted partner was prevalent in the discussion as new customers face serious financial decisions. Some utilities quickly developed a community assistance program for residential and commercial customers to provide an immediate credit on the bill, while others applied or refunded deposits a few months early to help their customers.

Ensuring customers know and have access to programs that can help is important. Utilities are reviewing policies to ensure front-line employees working with non-pay or delinquent accounts have the tools they need to help customers. And there was recognition that policies for non-payment, including shut-off or disconnection, are additional tools – of last resort – to help customers understand the importance of paying.

In the long run, a shut-off moratorium isn't helpful to customers because of the financial position it can put a utility in. The implications of non-disconnect policy were shared by Seattle City Light where under a self-imposed disconnect moratorium since 2016, they had bad debt reserves grow from \$3.4 million in 2016 to \$20.8 million in 2018 when shut-off notices were no longer sent.

Nidhi Thakar, Portland General Electric, highlighted the status of federal moratorium legislation. She said there had been push back from state Public Utility Commissioners, stakeholders and utilities that legislation should not be "one size fits all." And as 35 states have formalized orders on moratoriums through Executive Orders, many utilities took voluntary steps to ease the burden for customers through suspension of policies during the COVID emergency prior to them being issued. She said efforts are underway to create room for discussion on Capitol Hill around balancing customer needs with the accumulation of bad debt and the unintended consequences that may result from an extended moratorium.

Economic reopening isn't an indicator of customer's ability to pay so what will be the metrics, Bolton asked? There was some discussion, but no clear answer. Discussion also centered around how to ensure policy makers understand the importance of having options, like a shut-off notice, that are key to customers making payments.

In the meantime, utilities are developing strategies for coming out of the moratorium with credit and collection policies that are customer focused. Some utilities are setting up strike teams or customer advocacy teams that can make quick decisions. Additional highlights include:

- Proactive outreach to customers – programs, payment options
- Review and update of policies and existing programs
 - Stand up experienced team – use utility Values to drive decisions
 - Determine "need" quickly and assist with enrollment
 - Self-certification for programs/mobile enrollment
 - Low/fixed income discount
 - Flexible payment options
 - Ensure Customer Service Reps are equipped with authority to tailor payment plans
 - Waiver of late fees on delinquent balances if paid as agreed for 6 months
 - Use of deposit toward account
 - COVID payment deferral – hold as loan, keep bill current and pay x against loan

All agreed, discussions of business practices as we come out from under COVID-19 are informative. Bolton expressed appreciation that a lot of expertise and diverse viewpoints came together quickly to share their thinking. The conversation will be continued at the June 5th PNUCC Board meeting.