

PNWCC Council **REPORT**



NORTHWEST POWER AND CONSERVATION COUNCIL December 8-9, 2009

The Council shook off Portland’s Arctic temperatures to attend to some hot topics, including revisions to the draft Sixth Power Plan, rapid-response capability for any sign of zebra or quagga mussels in the region, and a future charter for the Independent Economic Analysis Board. Staff has considerable work left on rewriting and analyses for the power plan, and while some Council members still hope for a January vote, it now appears unlikely. Next meeting: January 12-14 in Portland, OR.

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FOR OPENERS

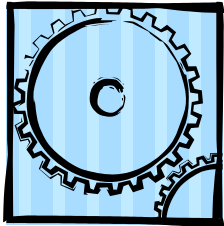
Dick Wallace introduced Phil Anderson, new director of the Washington Department of Fish and Wildlife (WDFW). Anderson noted that the department has many common interests with the Council’s fish and wildlife (F&W) program. He pointed out the agency has a statutory mandate to preserve, protect, and perpetuate F&W resources and is also charged with maintaining the well-being of the fishing community. WDFW’s “broad set of mandates” also cover hunting

regulation and recreational activities, such as wildlife viewing, Anderson explained.

He reported that the state of Washington’s budget crisis has resulted in a significant reduction in WDFW staff. There are more reductions to come, Anderson said, noting that the state’s revenue forecasts show a shortfall, and agencies will be expected to cut expenditures even further. The agency is spending time now talking about its priorities – preservation of F&W resources is a top priority, he stated.

Anderson stressed the need for healthy partnerships with entities like the Council. He noted the need to be successful in hatchery reform and the importance of working with the fishing industry to advance selective fisheries.

THE AGENDA



Power Plan Analyses Crank On

Staffer Terry Morlan briefed the Council on changes being made to the draft Sixth Power Plan, many in consideration of the public comments received. While staff is making numerous updates to data and conducting several new analyses, there is no reason to think the overall resource strategy will change, he said.

The revised document will highlight the resource strategy and its key components much more clearly, Morlan continued. This includes an emphasis on the following: aggressive and consistent energy efficiency; state renewable portfolio standards (RPS) and diversity of renewable resources; operational solutions to expand flexibility, capacity, and wind integration; natural gas generation for energy and capacity needs; and exploration and development of longer-term options for efficiency, low-carbon generation, and system operations, including Smart Grid and demand response.

He described the changes under way in each chapter of the plan. There will be changes to the Action Plan, but those will

not be completed until the results of additional analyses are available, Morlan said. Staff expects to expand the discussion of how RPS in California will affect the Northwest power system and add actions items related to the direct use of natural gas, he explained.

Morlan said staff will beef up the discussion of carbon reduction targets in the document's introduction and add the following language to the vision statement: "The regional power system will do its part through the above actions to achieve the carbon reduction goals that have been adopted by three of the four states in the Pacific Northwest."

Tom Karier agreed it would be a good idea to mention that the power plan "puts us on the road to achieve" those reduction goals.

Morlan said the final plan will reflect changes to the assumptions about economic growth, and fuel and electricity prices, as well as modest changes to all of the forecasts that incorporate impacts of the recession and current conditions. The chapter on the demand forecast will include additional discussion of plug-in hybrid electric vehicles, he pointed out.

There are changes anticipated in the chapter on conservation, including language that recognizes compact fluorescent light bulbs (CFLs) as an available conservation measure in the near term, Morlan went on. There has not been much change in the conservation supply curve as a result of changed assumptions about demand and electricity prices, he added.

RPS Effects Flow North

The chapter on generating resources will include an expanded discussion of the potential impacts of the export of wind energy outside the region, Morlan explained. Karier pointed out that there is a lot of interest in the impact of California's RPS policy on the Northwest. Since the issue isn't settled, Morlan said staff may have to make assumptions about how that will work out. This is a complex issue, he stated.

Morlan noted changes that will be made to a chapter on the direct use of natural gas, explaining there will be an action item added to do further analysis of the issue. He also said staff will provide an enhanced explanation of how the Resource Portfolio Model (RPM) is used to develop a resource strategy. And the chapter on the strategy will reflect new scenarios with specific carbon goals, as well as an expanded discussion on the role of nuclear power, Morlan explained.

Staff will expand and clarify its discussion of capacity and flexibility in the power system, making clearer the region's options for wind integration, he stated. There is an action item aimed at exploring ways to use the existing system more efficiently to deal with variable resources like wind, Morlan added.

He said the chapter on BPA's obligations will contain additional language to recognize that the agency's resource program and the Council's power plan seem well aligned. And the chapter on resource adequacy now has a new section on the utility perspective on loads and resources, including how the power plan

addresses the need for additional resources to meet growing loads, Morlan noted.

Council chair Bill Booth said he is particularly interested in this issue and is glad to see further attention being devoted to it. Bruce Measure asked if staff could add additional discussion about how rate design can affect energy efficiency.

Morlan outlined changes in the appendices and recapped the parts of the plan that are dependent on new analyses to be completed. With regard to Appendix M, which addresses integrating the F&W program and power plan, staffer John Shurts said that while there has been a redraft of the language on how much F&W operations cost the power system, more drafting will improve the section further. He suggested the Council give staff more time for redrafting and "sharpening up" the language before having a debate on the appendix, and the Council agreed.

Melinda Eden reported that the Power Committee will meet in a conference call January 8 and possibly again on January 11. While there is considerable work left to do on the plan, we would still like to have a vote on the January agenda, she stated.

Mussel Scare in Idaho Puts Region on Alert



Staffer Jim Ruff introduced Eileen Ryce, chair of the Western Regional Panel on Aquatic Nuisance Species (ANS), by reading from the executive summary of the recently completed quagga-zebra mussel

action plan: “Without increased action, quagga and zebra mussels will cause irreparable ecological damage and long-term mitigation costs will be in the billions.” The summary calls the mussels “among the most devastating aquatic nuisance species to invade North American fresh waters.”

Ryce noted that the action plan, which lays out strategies to address the invasion, was tentatively approved by the Western Regional Panel in November. It covers 19 states and a diversity of conditions, and was developed at the request of the panel’s ANS Task Force, she said. Developing the plan has forced evaluation and identification of gaps in detection systems and response preparedness, according to Ryce.

The plan covers coordination, prevention, early-detection monitoring, rapid response, containment and control of existing populations, and outreach and education, she said. Early detection is key, as is rapid response, Ryce added. But there are currently no funds for rapid response, and “we will have to have funds to be effective,” she said.

The Western Regional Panel will establish a group to work on implementing the plan, Ryce continued, noting that it could be implemented in pieces. The actions bear a \$76 million price tag, and while no one expects to get “a bucket of money” for implementation, we’re asking all of the affected agencies and others to assist in getting the plan under way, she indicated.

Amy Feritter, Idaho’s invasive species coordinator, described a recent incident in which water samples near Bell Rapids and Milner Dam appeared to test positive for

zebra/quagga mussels. After more testing, the samples proved to be negative, but it caused us to ask “what would we have done?” And we realized that was “a million dollar question,” she said.

The area where the samples were taken would be “the perfect storm” in terms of a bad place to find the mussels, Feritter added. In Idaho, we need to increase our monitoring, and we need to develop control techniques for moving water, she stated.

Rapid response depends on money, Stephen Phillips of the Pacific States Marine Fisheries Commission stated. He outlined attempts to get funding through Congress and indicated that Senator Harry Reid may introduce a bill to fund rapid-response actions. After our experience in the Snake, “we need a rapid-response fund,” Phillips stated. We can’t depend on Congress to provide it, he said, adding that the task force needs help to set it up.

Wallace noted that the Council is “a friendly audience” for the presentation and would be willing to help. The “silver lining” to the incident in Idaho is the realization that “this really can happen and we are woefully unprepared,” he said. The price tag for the action plan is big, but “if it happens, you ain’t seen nothin’ yet,” Wallace added.

Idaho state representative Eric Anderson encouraged the Council, with the help of utilities, to educate the public about the issue. In the Southwest, everyone knows about quagga mussels, he said.

Information about the threat the mussels pose to fisheries, wildlife, and power rates should be in power bill inserts and other

media, Anderson said. We need to continue to lobby for funds, he urged. There is too much to lose not to address this “gorilla in the room,” Anderson stated.

Jim Yost commented that the West has made important progress on defending against the mussels. Everyone is strapped for funds, but “if we keep plugging away,” we’ll find them, he said. Yost noted that several things need to be done, including giving authorities an easier and more streamlined way to inspect boats and trailers coming across state lines.

We also need to coordinate on reciprocity agreements among states to provide uniform inspections and on ways to indicate that an incoming boat has passed inspection, he said. The scare we had in Idaho will encourage utilities to refocus their operations and maintenance toward prevention, Yost added.

Ryce said states vary considerably in terms of their monitoring and early-detection capabilities. Montana, for example, has a good system and is covering the water bodies in the state that fall within the Columbia River Basin, she said. But we fall down in terms of the speed of getting samples processed, Ryce stated. We need to work with the labs, she added.

Booth pointed out that the response to zebra/quagga mussels has developed quickly in the last year and a-half. One area of focus ought to be on the ability to treat an area quickly if the mussels are detected, he said. We need to find a way “to cut through the red tape,” and we need state and federal cooperation to be able to treat quickly, Booth stated.



An IEAB in the Balance

Morlan and Independent Economic Analysis Board (IEAB) chair Roger Mann, reported to the Council on potential new tasks for the board. Morlan said the IEAB’s future is “in limbo” since its charter expired earlier this year, but the group has been scoping new analyses that could be carried out for the Council.

We do need a broader discussion about the future of the IEAB, Booth acknowledged, but he said he would like to postpone to a later date. In the meantime, Booth asked Mann to describe the projects the IEAB has been considering.

Mann listed potential economic impacts to the region of a zebra/quagga mussel infestation; implications of improved irrigation efficiency; and the expected power and fish survival benefits of additional turbine modifications at dams. We like these three projects, he stated, adding that the IEAB has prepared scoping documents for the analyses.

Yost asked whether the IEAB has looked at conditions in Idaho’s Salmon Basin, where the relationship of irrigation efficiencies to groundwater and aquifer recharge is of great interest. Mann said that wasn’t mentioned specifically in the scoping material, but could be addressed.

Karier asked about the cost of the zebra/quagga analysis, and Mann said it would be \$19,500, including compensation for scientific experts. That study is needed and it would be very cost-effective, Karier responded. These are all good projects that

would provide helpful information, and I'd like to see them move ahead, he stated.

Morlan noted that the IEAB charter has expired and that it currently encompasses only F&W-related studies.

Wallace said he looked forward to a broader conversation about the IEAB's future since the Council is charged with bringing economics into play when it makes policy choices. With regard to the mussel analysis, it is "the most ripe" of the three projects to go forward, and the Council is very interested in this topic, he stated. We should probably not move ahead with all three before we have that broader conversation, Wallace added.

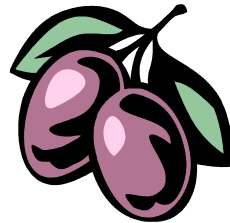
I'm concerned that we need to have the broader conversation and contemplate the IEAB charter before we go forward with any of these, Eden stated.

A good next step would be to get the scoping documents out for our review, Booth said. It sounds like there is consensus on getting the zebra/quagga analysis scoped in more detail, he indicated. An appropriate time to talk about the charter would be February, when we have completed the power plan, Booth added.

It seems unusual to ask the group to take on this analysis without a charter in place, and particularly, with a charter that focused on cost-effectiveness of F&W projects, Joan Dukes said. Let's put our emphasis on the charter so we all know the expectations, she urged.

Morlan offered to send out the scoping documents for the proposed projects and the expired charter language, with a list of

issues related to the charter. He pointed out that one of the issues with the IEAB has been its "weak link" with the Council. Having a more regular relationship with the Council would help with that, Morlan said.



Plum of a Plume with FVES

Dr. Charles Coutant, a past member of both the Independent Scientific Advisory Board and the Independent Scientific Review Panel, briefed the Council on results of testing for an innovative flow-velocity enhancement system (FVES) that is being developed to aid salmon migration. He explained that the project aims "to work smart" with salmon biology to aid downstream migration.

Natural Solutions, LLC, received BPA funding in 2008 for the FVES under the Innovative Projects program, Coutant said. The researchers, Gordon Burns and Jean Johnson, developed a system that uses pumps to create additional flow velocity and aims to provide a safe and effective means to guide migrating fish in areas such as the forebay at dams, he explained.

Coutant described the design for a test that took place in the Cowlitz River upstream from Riffe Lake; the study used 90 acoustic-tagged smolts tracked by a detection array positioned across the river. The analysis of data concluded with "a highly significant finding" that fish were being guided into the current when the pump system was operating, he said.

The smolts liked the plume and were attracted to the pump area, Coutant explained. More fish occupied the center of the plume when the system was on, and more fish lingered upstream when the system was off, he added.

Coutant noted that the researchers have been frugal with their funds and spread the \$318,310 award across a two-year study. The system will be deployed again in 2010, he said.

In summary, Coutant stated, the FVES created the plume we expected and the smolts oriented toward the plume. The FVES has great potential for fish guidance, he said, adding that there has been a lot of interest in the system, including an inquiry from the Netherlands to test its ability to guide eels. We're very encouraged by the positive biological results and the interest that other agencies are showing, Coutant said.

Council 2009 Calendar

January 12-14	Portland
February 9-11	Portland
March 9-11	Portland
April 13-15	Boise
May 11-13	Portland
June 8-10	Missoula
July 13-15	Portland
August 18-19	Spokane
September 21-23	Bend
October 13-14	Portland
November 17-18	Portland
December 14-16	Portland

END NOTES

Another Accord Project Gets Nod. The Council voted unanimously to approve a \$2.2 million project sponsored by the Colville Tribe to conduct a research, monitoring, and evaluation project related to rainbow trout. The multiyear project has annual expense budgets between \$283,039 and \$304,601 and was submitted in July 2009 as part of the Columbia Basin Accord between BPA and the tribe.

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