



Board of Directors January 8, 2010 Meeting Minutes

The PNUCC Board of Directors met on January 8, 2010 from 8:30 a.m. to noon at the Portland Airport Sheraton. The list of attendees is attached.

**Next Board Meeting February 5, 2010
Portland Airport Sheraton**

Corporate Business

After acknowledging the antitrust compliance statement the Board approved the October and November meeting minutes.

Dick Adams was honored to receive acknowledgement and heartfelt thanks for his 30 year anniversary with PNUCC and his commitment to the electric power industry. He reached this landmark anniversary in December, Steve Elderige, Umatilla Electric Co-op noted. Jim Sanders, Benton County PUD remarked on Dick's ability to bring good ideas together and thanked him for his creative energy and critical thinking skills.

After a round of introductions, a slate of candidates for the 2010 - 2011 Board of Directors' officers were nominated and unanimously elected. Congratulations to Jim Lobdell, Portland General Electric, Chairman; Jack Speer, Alcoa, 1st Vice Chairman; John Prescott, PNGC Power, 2nd Vice Chairman; Ric Gale, Idaho Power, Treasurer; and Dick Adams, PNUCC, Secretary.

The Budget Committee was likewise nominated and elected. The Committee for 2010-2011 includes Ric Gale, Steve Klein, Kelly Norwood, Jim Lobdell, Jim Sanders, Jack Speer and John Prescott.

PNUCC Member News

The background materials for this meeting were sent to Board members in an email Dick Adams noted. He asked the Board for feedback on electronically providing information as compared to sending material via the US Postal Service. The Board responded positively to the change and Dick agreed to continue sending the packets electronically.

In other member news, it was pointed out that the internet giant Google is venturing into the electric power trading business. They are requesting FERC's approval to buy and sell wholesale power, said Jim Lobdell. It was noted that smart meter integration may be opening niches in energy trading.

System Planning Committee Update

Steve Kern first thanked everyone who has participated in the Committee over the past year. He offered special thanks to Steve Oliver and other Bonneville Power Administration staff who have done a great job educating the group on the challenges BPA faces. He also thanked Phillip Popoff, Puget Sound Energy for spearheading a subgroup to better understand regional operating reserves and Clint Kalich, Avista who brought the group a wealth of information and knowledge. Steve thanked Anna Miles, Snohomish PUD for bringing the group up to speed on California's evolving renewables policy. He noted that this would be an ongoing effort and the Committee was looking to the Board for direction on this topic.

Snohomish PUD Tidal Power Exploration

Craig Collar, Snohomish PUD presented an overview of their pilot tidal power undertaking. Snohomish PUD has extensively researched different tidal power technologies around the world and has selected what they believe to be the best fit for the Puget Sound area.

Craig touted the benefits of tidal power including its predictable nature and zero emission status and meets Washington's I-937 renewables requirement. Although tidal power is in its infancy, Craig noted, the Electric Power Research Institute found that potentially 10% of our nation's power demand could be provided by new tidal and water current energy resources.

After researching several generator types, Snohomish has selected a small scale plant from OpenHydro, an Irish company. This was the preferred technology based on its simplicity and ease of installation and maintenance. The OpenHydro turbine does not have exposed blade tips and doesn't require sea floor stabilization, said Craig. The generator would produce approximately 0.5 MW and would be dropped into place on the sea floor. The team expects the plant to be lifted to the surface for maintenance every 5 years. The plant is planned for a location in Admiralty Inlet due to its relatively consistent currents, low ship traffic, and proximity to Whidbey Island for system integration.

Environmental, economic and logistical concerns are forefront as the project moves forward, said Craig. Snohomish PUD is engaged in continuing public outreach to include all interested parties in the process. The Snohomish PUD staff is working with numerous stakeholder groups to gather their input and investigate concerns.

The Board flooded Craig with detailed questions about the project and how Snohomish PUD will determine whether to go forward with this project. Craig

reinforced multiple times that the PUD is committed to proceeding with this project and expanding it only if it proves to be environmentally and economically feasible.

PNUCC Member Survey - Draft Results

Shauna McReynolds provided the Board with a sneak peek at PNUCC's December member survey results and an update on the Communication Committee's plans for the information they glean from the utility responses. Shauna recapped the Communication Initiative's progress in 2009 including the extensive customer survey which formed the foundation of the communication platform. From that effort and the Communicator's collaboration came the three key messages: Our energy needs are growing. New resources and technologies are the solution. And it's going to cost *all* of us more.

Shauna explained that the member survey will enhance the solid foundation established last year and provide insight about how to build on the key messages. The survey was sent to 140 people in PNUCC membership. She was pleased to report that one third of the people responded and the responses cover a broad utility cross-section. She thanked all who participated for their thoughtful responses.

The results thus far have confirmed that our messages are on track and timely, Shauna said. Many of the responses were intriguing, she said, and they would be used to flavor future products. She noted that power supply and costs top the list of concerns and the rate payer satisfaction is also at the forefront. The topic of the changing workforce and availability of skilled workers was also a concern.

The next step at the Communication Committee meeting January 21st is to pull out and summarize the results of the member survey. The group will also develop an action plan for 2010 and explore ways to refresh the key messages for the coming year.

Impacts of California's Renewables Standard on the Northwest

On behalf of the System Planning Committee Anna Miles, Snohomish PUD provided the Board with the latest information on California's changing renewable portfolio standard. Last year California's governor issued an executive order requiring that by 2020, 33% of all electricity sales in California be met with renewable power. This mandate creates an estimated increase from 3,000 MWa to 8,500 MWa of renewable power, according to Anna.

She recapped the evolution of this mandate as it transitioned from physical power deliveries, to partially unbundled where power delivery would take place within the year of purchase. In December, she stated, the California Public Utility Commission issued a revised proposal that allows unbundled renewable energy credits to fulfill up to 40% of the requirement. The Board peppered Anna with

questions, and they discussed their concerns and potential impacts this decision could have on our region.

The System Planning Committee is committed to keeping apprised of the changes in California's renewable policy and looked to the Board for input as to depth of interest and investigation required in this matter. The Board concluded that this is an important topic and time is of the essence. The Board charged the System Planning Committee with scoping out the key issues and returning to the Board with suggestions for next steps.

Preparing for the 2010 Northwest Regional Forecast

Utilities' load and resource information for PNUCC's *2010 Northwest Regional Forecast* is being compiled and will, in part, be presented to the System Planning Committee this month, according to Shauna McReynolds.

While the System Planning Committee will provide guidance on the technical issues and the Communication Committee will advise staff on the written word, Shauna told the Board she wanted their input on what topics to emphasize in the next executive summary of the *Forecast*.

Staff is proposing to include in the executive summary any noteworthy changes in load projections and new resources, an update of the regional need to acquire resources (both energy and capacity), and to highlight the resources utilities are planning to acquire to meet that need. In addition to these components that have traditionally been a part of the *Northwest Regional Forecast*, staff is suggesting a summary of planned energy efficiency savings be emphasized, as well as, offering a comparison of the *Forecast* information to other regional pictures such as the Council's 6th Power Plan, the Council/BPA's Resource Adequacy Assessment and possibly BPA's Resource Program.

The Board agreed that a comparison of utilities' expectation for energy efficiency to the Council's Power Plan targets would be helpful.

Parting Thought

Jim Lobdell, as the newly elected Board Chairman, thanked Jim Sanders, outgoing Chairman and Kelly Norwood, outgoing Treasurer for their dedication and strong leadership over the past several years.

And again, the next PNUCC Board meeting will be February 5th at the Portland Airport Sheraton.



Attendance List

January 8, 2010 Board of Director's Meeting

Ken Sugden	Flathead Electric Cooperative
Jim Sanders	Benton PUD
Jack Speer	Alcoa
Jim Lobdell	Portland General Electric
Dick Adams	PNUCC
Phil Obenchain	Pacific Power
Patrick Ashby	Tillamook PUD
Bob Huber	Alcoa
Steve Eldrige	Umatilla Electric Cooperative
Kelly Norwood	Avista
Steve Klein	Snohomish PUD
John Prescott	PNGC Power
Rick Gale	Idaho Power
Steve Kern	Seattle City Light
Anita Decker	Bonneville Power Administration
Mark Gendron	Bonneville Power Administration
Craig Collar	Snohomish PUD
Anna Miles	Snohomish PUD
Harry Hewitt	Tillamook PUD
Jeff Hall	Benton PUD
Barbara Trout	Tillamook PUD
Doug Olson	Tillamook PUD
Peter Brooks	Corps of Engineers
Brian Altman	Bonneville Power Administration-Transmission
Doug Grob	Flathead Electric Cooperative
Chris H. Byrd	Flathead Electric Cooperative
Frank Lambe	Emerald PUD
Ken Phillips	Tillamook PUD
Terri Peschka	Portland General Electric
Scott Brattebo	Public Generating Pool
Jerry Rust	Northwest Power Pool
Loren Baker	Pend Oreille PUD
Ken Canon	Consultant
Dan Peterson	Pend Oreille PUD
Toni Olson	Snohomish PUD
Stefan Brown	Portland General Electric
Janelle Schmidt	Bonneville Power Administration
Mark Ohrenshall	Newsdata
Anne Spangler	Snohomish PUD
Craig Smith	Snohomish PUD
Pat Egan	Pacific Power
Dan James	PNGC Power
Bo Downen	Public Power Council
Robert Cromwell	Seattle City Light
Shauna McReynolds	PNUCC
Trisha Jackson	PNUCC
Kathi VanderZanden	PNGC Power