

PNWCC REPORT Council



NORTHWEST POWER AND CONSERVATION COUNCIL July 14-16, 2009

The Council is aiming to approve a draft Sixth Power Plan in August. Meeting in Portland this month, Council members favored redefining the 1,200 MWa conservation target as a range (from 1,000 or 1,100 MWa up to 1,400 MWa) and including a mid-term progress check. Federal scientists warned a mussel invasion threatens water and power systems across the West, and environmental representatives urged the end to coal generation as we know it. Next Meeting: August 11-13 in Spokane, Washington.

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FOR OPENERS

Paul Lumley, who took over as executive director of the Columbia River Inter-Tribal Fish Commission on July 1, told the Council he is happy to be back in the Northwest after working in Washington, D.C. for the past several years. He said the region had made some progress while he was away, noting work on supplementation issues and the Council's contribution in coordinating the subbasin planning effort. Lumley added that he is looking forward to working more on power generation issues.

THE AGENDA



Work Session Centers on Conservation and Carbon

Our modeling shows that conservation is consistently cost-effective, no matter what assumption you make about carbon costs, said staffer Terry Morlan at the outset of a three-day Council work session on the Sixth Power Plan. The Council's plan is not a plan for

individual utilities, but it does contain important information on resource strategies and priorities, he added.

Morlan summed up the guidance the plan provides the region as:

- Conservation is cost-effective and protects against risk in all kinds of futures and scenarios.
- Renewable energy is required by Renewable Portfolio Standards (RPS), but will also be valuable in high-carbon futures.
- If utilities need energy, capacity, or flexibility, natural gas offers the best generating option in current conditions.
- Small-scale, local renewable resources should be pursued if they are competitive.

Staffer Tom Eckman described issues raised in meetings of the Conservation Resources Advisory Committee (CRAC), including the achievability of the proposed 1,200 average megawatt (MWa) conservation target over the 2010-2014 period. Another issue involves whether the near-term potential for savings from compact fluorescent light bulbs (CFLs) introduced into the "niche markets" of low-income, rental, and rural households should be included in the plan's conservation targets, he said. There is between 160 and 180 MW of savings from those markets, Eckman noted.

The Energy Independence and Security Act of 2007 (EISA) will set new federal energy-efficiency lighting standards that go into effect January 1, 2012, he said. Utilities are saying they need to get the savings from the low-income, rental, and rural niche markets in advance of the EISA standards kicking in and add them to the targets, Eckman reported. Staff agrees that getting the CFL savings in

those markets in the next two years is a good idea, he stated.

A New Conservation Proposal

To address the issue of conservation "achievability," staff is proposing to set a range of conservation targets, with an "expected value" of 1,200 MWa, but also a low case of 1,100 MWa and a high case of 1,400 MWa, Eckman told the Council. We propose counting EISA-covered CFLs, delivered by utility programs, toward the first two years of conservation targets, he said.

We also propose convening a mid-term "check-in," in the middle of 2012, to review progress and consider adjusting the conservation targets up or down for the remaining period, Eckman stated.

I think you have done a good job of listening to the utilities, and the mid-term check-in makes a lot of sense, said Tom Karier. How much of the 1,200 MWa target would come from CFLs over the five-year period? asked Council chair Bill Booth. About 80 MW, if we can penetrate the niche markets, replied Eckman. The Council can encourage utilities to introduce CFLs to the niche-market customers, said Jim Yost.

Watching Out for Small Utilities

It's difficult for small utilities to identify conservation opportunities, said Bruce Measure. For example, Glacier Electric only builds three new homes in its service territory annually, he noted. Measure said he had asked staff to add language to the draft plan that addresses the needs of small and rural utilities.

The draft says BPA should take into account the "unique circumstances and special barriers" faced by small or rural utilities in the allocation of conservation targets and the

development and implementation of conservation programs, and that BPA should consult with those utilities to assist them in identifying measures applicable to their service territories.

Melinda Eden reported BPA's Mike Weedall had attended the Power Committee meeting and acknowledged he had heard new information about the problems small utilities can face if they are required to do the same conservation measures as large utilities. Eden said, "I appreciated BPA coming to the table and saying 'I hear you, and I'll work with you.'" It's good for us to be firm in asking BPA to address these issues, she added.

Council members said they wanted to hear more from BPA on its plans for allocation of conservation targets. Some customers want to develop their own straw proposal on how the allocation would be done and present it to BPA for discussion, Yost noted.

Booth asked if Council members agreed with the new staff proposal for conservation. I think having a range for the target is good, and I'd like to have 1,000 MWa as the low end, said Yost. I like the mid-term check-in, and with some refinement of language, "we can get there from here," he added.

Joan Dukes asked Yost why he wants to change the low boundary to 1,000 MWa. I'm concerned there may be uncertainties that have not been covered adequately, he replied. I can't see a downside to having a low case of 1,000 MWa, instead of 1,100 MWa, Yost said.

The more important question involves BPA's budget and its allocation of conservation targets, he stated. If BPA doesn't get to 1,200 MWa, do they raise rates so higher-cost conservation can be acquired to meet the target, or does BPA shift dollars from smaller

utilities to larger ones in order to reach the target? Yost asked.

At the last CRAC meeting, utilities said the 1,200 MWa target was achievable, except for BPA and Idaho Power, which were neutral, said Eden. Where did the 1,100 MWa number come from? she asked. It was the lowest level picked by the portfolio model, replied Eckman. Where did the 1,400 MWa number come from? Do you know what percentage of utilities think that's achievable? Booth asked. Not really, but most of the concern is about the lower threshold, Eckman said.

At the CRAC meeting, utilities said they could meet the 1,200 MWa target and maybe even 1,400 MWa, but they also said because of the uncertainties, they recommend using 1,000 MWa as the low end, Yost stated. If everyone thinks they can meet or exceed 1,200, why not have 1,000 as the low case, he added. I didn't hear utilities recommend 1,000 MWa at that CRAC meeting, said Eden. We have different memories of the same conversation, she stated.

Let's recognize there is still some debate about the numbers, but have staff write up its new conservation proposal and bring it back to us for another look, said Booth.

Demand Response

There is a significant amount of demand response going on, said Yost. Are there any additions about demand response that could go into the plan? he inquired.

We have a fair amount of demand response developing in the region, said staffer Ken Corum. Idaho Power and Pacific Power are pretty active, and we've made note of that in the plan, along with PGE's demand-buyback program, he stated. Utilities are looking more seriously at demand response than they have before, according to Corum.

Yost suggested looking at demand response as it relates to integrating wind. There is an action item in the plan that calls for the assessment of flexibility in wind integration, and demand response is specifically mentioned, noted staffer Jeff King.

Regional vs. Utility Perspective

Staffer John Fazio made a presentation on how the Council's regional adequacy assessment differs from utility resource planning. He said there have been questions about the Council's conclusion that the region's power supply is surplus, yet the plan calls for aggressive acquisition of conservation and renewable resources.

The adequacy assessment is an early warning system to alert the region if resource development falls dangerously short and is not intended to be a resource planning target, Fazio explained. The plan is to provide guidance to utilities in the region about the types and amounts of resources to acquire, he stated.

Fazio explained that utilities' resource forecasts only count firm resources, while the Council's adequacy assessment includes additional resources, such as independent power producer-owned facilities in the region, resources utilities own but don't declare as firm, non-firm hydro, and out-of-region market supply. If you add them all up, it looks like we have a huge surplus, he said. If you subtract the non-firm contributions, our numbers are "very consistent" with PNUCC's Northwest Regional Forecast or BPA's White Book, although the NRF numbers are slightly lower, Fazio stated

The region is roughly in load/resource balance today, but going forward, there will be a need for new resources, he said. So our plan, with this explanation, couldn't be used to argue

against any utility adding new generation? Yost asked. Not at all, replied Fazio. This shows we should be adding resources, he said.

Carbon Scenarios

Morlan said the analysis for the power plan looks at a variety of climate change scenarios and assumes carbon prices could range from \$0 to \$100 per ton, but on average are assumed to grow over time and reach \$47 per ton by 2030. The analysis found that a \$100 carbon cost would reduce emissions to two-thirds of 1990 levels by 2030, and that retiring existing regional coal plants would reduce carbon emissions to 35 percent of 1990 levels by 2030, at a higher cost to the power system than carbon penalties, he reported.

Dick Wallace asked about the treatment of carbon and coal plants in the first five years of the plan. We haven't looked at it on a five-year horizon, but my guess is there wouldn't be a lot of reductions, Morlan said. We'll know more in five years about what's happening at the national level, Wallace stated. The plan is well positioned – we'll focus on conservation in the next five years, which is a low-risk, low-cost strategy while the national policies are being sorted out, he said.

There will be several gas turbines built in the next five years, but I don't see any coal being built, said Yost. We don't see coal added over 30 years unless we come up with carbon sequestration, stated Morlan. We aren't adding any generating resources to supply within-hour balancing for wind – we think there are things that can be done to reduce those reserve requirements, and the plan will address that, he added.

The plan could say we support a strong position on conservation and adding RPS wind, Yost suggested. As for carbon, we could say there won't be any impact in the first

five years, and after that, here are some potential carbon impacts, he said.

If you want to do the politically correct thing, you would put forth a cost for carbon impacts, and I don't agree with doing that, Yost said. It's not just the politically correct thing to do – it's the mathematically correct thing to do, Eden responded. The model helps us quantify uncertainty, and there isn't a utility in the region that is not using some measure of risk that there will be a carbon penalty in the next five to 10 years, she stated. In this day and age, it's an appropriate risk to include in our look at the future, Eden added. The public needs to know we looked at all these climate change scenarios, Wallace stated.

We still need more discussion of how the plan will address carbon, Yost said. Three of the carbon scenarios increase the cost of the power system, and if you retire coal plants, the replacement costs fall on utilities, he stated. There is also a question about whether you assume the costs of a cap-and-trade system would go into rates or not, Yost added.

Federal Legislation

Yost said the Waxman-Markey bill, passed by the House of Representatives, is "probably as much as Congress is willing to do," and yet the Council is recommending "quite a bit more" in the draft plan. The Waxman-Markey bill will create a cap-and-trade system, which is a market for carbon allowances, said Morlan. To estimate costs associated with that, you have to make a lot of assumptions about, for example, the disposition of allowances and the nature of a volatile market, he noted.

We've tried to reflect that kind of uncertainty, Morlan said. We think carbon prices need to be over \$40 per ton to start displacing coal, he added.

As staff, are you recommending we displace coal? Yost asked. No, we recommend that you use a range of carbon prices, and one result is that coal becomes displaced part of the time, Morlan replied.

I think what staff did is reasonable, said Karier. The Congressional Budget Office and the Environmental Protection Agency modeled the impact of the Waxman-Markey bill to start at \$28 per ton in 2020 and go up from there, Yost stated. The feds have indicated their intentions, and it is a significantly lower price than what we have modeled, he said. I wanted to point out the difference between their results and our modeling, Yost added.

Our modeling wasn't connected to the Waxman-Markey bill, Eden said. I don't agree that \$47 per ton price is likely, Yost stated.

The Power Act doesn't require us to endorse any particular state's carbon policy, said Booth. We should take an independent look at the issue from a Council perspective, not a political look, he stated. There is no mandate that says we must insert a carbon number that is the policy of two of the four states, Booth added.

I don't think we should base our modeling on the Waxman-Markey legislation until it becomes law, said Karier. In our analyses, we were independent and "took an agnostic view of the future," he stated. We allowed scenarios with low-carbon costs and high-carbon costs, Karier said. We have to incorporate some potential carbon cost because every utility in the region is factoring in some kind of carbon cost, he added.

I haven't seen a better plan than what we have come up with, Karier continued. The plan relies on lots of conservation up front, meets the RPS with renewables, and keeps open the options for new gas plants, he said.

We are getting close on this, agreed Booth. I hear broad agreement on having conservation as the base of the plan, he said. On the other hand, I agree with Jim on the question of whether the Council should support a carbon scenario that could be construed by others as guidance when we are only speculating about what may happen at the federal level, Booth stated. But my concern could be handled in the drafting of the language, he added.

Transmission and Reliability

Staffer Wally Gibson explained what's in the transmission section of the draft plan, which Yost had asked to be beefed up. Gibson said it describes constrained transmission paths in the West and why it's difficult to expand the transmission system. Yost recommended adding an explanation of the new federal policy on national interest electric transmission corridors.

Yost said the plan needs to place more emphasis on the responsibility of the Council for reliability. He suggested that reliability issues be discussed in the introduction and highlighted elsewhere in the plan and the action items.

Reserve requirements are critical for keeping the lights on, and as a function of capacity versus energy, Yost continued. As you integrate more wind, there's a need for reserves and other operational balances, but the plan doesn't talk much about capacity resources that may be needed to ensure reliability, he said.

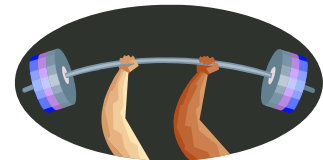
Karier agreed and recommended the plan's executive summary address the issue. A lot of the reliability in the plan comes from the optioning of gas plants, and we should say that, he stated. I'm looking to have a few places in the plan where you get "a glimpse of reality" so the folks who operate the system will see we know how the system is operated

and that there may be a need for a utility to have a resource that isn't required for energy, but is required for capacity, Yost said.

What's Next

Eden said staff would finish writing draft chapters of the plan by July 24 and circulate them to Council members for review. The Power Committee plans to meet by teleconference the first week of August to resolve remaining issues, she stated. We will bring a full set of recommendations for the draft plan to our August meeting, Eden said.

Stop the Mussels



Curt Brown and Fred Nibling, Jr. of the Bureau of Reclamation gave a presentation on their agency's experiences in trying to control zebra and quagga mussels throughout the West. Brown said Reclamation has received stimulus funding to test 60 of its reservoirs for the presence of mussels, including reservoirs in the Northwest. In 18 months, we'll know a lot more about where these organisms are so we can try to deal with them, he said.

Zebra and quagga mussels, first found in the Great Lakes in 1988, have no natural predators, are good at reproducing, and have broad environmental tolerances and good dispersal mechanisms, according to Nibling. They attach to the solid surfaces of boats, anchors, and aquatic plants – "they glue themselves on like Velcro," he said.

They can clog structures like cooling units at power plants, cause flow restrictions and blockages, ruin generators, and result in chemical degradation of waters, Nibling stated. He showed a picture of pipes at the Hoover Dam power plant covered with mussels and said "It's a nightmare."

Because mussels feed on plankton, they are in direct competition with our fisheries for food, Nibling stated. They also damage fish habitat and block fish passage structures, he said. Mussels can ruin fish protection facilities like screens, Nibling reported, adding "you couldn't design a better system to grow mussels than fish screens."

They grow on just about every surface, except copper, and concrete is one of their favorite surfaces, he noted. Western water systems have long, continuously managed reaches of flowing water so mussels can easily spread, and our systems were not designed with mussel control in mind, Nibling stated.

To control the problem, we can try to prevent their settlement in the first place, shut down and clean out systems where they have settled, or redesign our systems, he said. Redesign might include retrofitting water intakes or putting in new filters at power plants that can keep out mussel larvae, Nibling explained.

We are also looking at ways to coat surfaces to prevent mussel attachment, and other strategies such as irradiation with ultraviolet light, and using bacteria that kill only these kinds of mussels, he reported. The bacteria seem to be "a very promising method," which we are testing at a dam south of Las Vegas, Nibling said.

We are encouraging people to work to prevent the spread of mussels, but "expect them to be in your systems in less than five years," Brown warned. Early detection will give you several years to get your budgets and plans lined up, added Nibling.

"That was a fascinating and horrifying presentation," said Eden. Has anyone done turbine efficiency tests to see the effects mussels are having on hydro production? she asked. We are starting to see some head loss,

and plugging of generators is a big problem, replied Brown.

What kind of accuracy do you have with reservoir sampling? Karier asked. The likelihood of detection is remarkably high, replied Brown. If there's any level of infestation, we'll discover it, but we test every month because mussels go through cycles, he added.

This is a disaster coming, and we've got a lot of work to do, said Wallace. He asked about methods of containment and control. Brown said Reclamation is doing exit inspections and cleaning of boats at its reservoirs and reiterated that the bacteria control method looks promising.

Is there adequate funding to develop that technology? Booth asked. It is our highest R&D priority, and we are looking for partners to work on this, replied Brown.



NEET: The Sequel

Ken Canon, facilitator for the Northwest Energy Efficiency Taskforce (NEET), said after approving a final report May 21, NEET has identified 10 action items to advance energy efficiency in the region. We have appointed "liaisons" from NEET's Executive Committee to lead each of those efforts and decided to hold a follow-on meeting "in the January-February time frame" to gauge progress on the 10 action items, he reported.

Canon said NEET has issued RFPs for two of its action items, an independent evaluation of the Regional Technical Forum, and secondary research on behavior-change initiatives related to consumer energy efficiency. We expect those projects to be up and running in a month, he added.

Canon described other action items, including one "to create a forum within an existing regional entity to increase collaboration and help move forward on new and expanded energy efficiency efforts," led by John Savage of the Oregon PUC. Canon noted as particularly challenging the two action items related to energy-efficiency jobs, training, and skill standards.

The Council is the host entity for action item #8, the creation of a manual, funded by BPA, to increase understanding of how cost-effectiveness rules and regulations are applied, he said. Council member Eden is the liaison for action item #9, aimed at increasing regional collaboration on programs that address Smart Grid, load management, distribution efficiency, and conservation voltage regulation, Canon added.

BPA is working with utilities on a proposal to the U.S. Department of Energy for Smart Grid demonstration funds, he pointed out. BPA will meet with utilities later in July on distribution system efficiency improvements, an area with the potential to save 450 to 470 MWa, according to Canon.

My responsibility is to push this all forward, he stated. NEET has discussed setting up a task force, Canon said, to focus on implementation in four areas: utility programs, building codes, appliance standards, and local jurisdictions. The task force could pull together concepts that would become an implementation plan for the region, and you'll be hearing more about that soon, he told the Council.

Moving to the implementation work is very positive, said Karier. We've been talking about the need for a more regionally coordinated strategy, one that involves more than the utilities, BPA, and the states, he added.

When is this going to be finished? Yost asked. I don't know, replied Canon. The meeting early next year will be "cracking-the-whip" time when the liaisons will be asked to report on how they are doing, he said.

Environmentalists Want to Retire Coal



Dan Ritzman of the Sierra Club said the organization's "Beyond Coal" campaign is focused on: no new coal plants, ending destructive mining practices, and putting existing coal plants on the path to retirement. In the Pacific Northwest, our goals are to retire coal plants and replace imported coal electricity, he noted.

These are not just pie-in-the-sky ideas, Ritzman stated, pointing out that the city of Los Angeles has said it will move off coal, even though it supplies 40 percent of the city's needs. The province of Ontario has committed to retiring five coal plants by 2014, and "we've just celebrated the cancellation of the 100th new coal plant," he told the Council.

The Sierra Club thinks the Sixth Power Plan should set a path to a new energy future that moves the region away from coal and toward clean energy, according to Ritzman. We support the draft plan's vision statement that seeks to "reduce the use of coal," and we want to see full accounting for carbon in the plan, he said. We support having a cost for carbon and think \$47 per ton by 2030 is too low, Ritzman stated.

The plan should set a goal of 1,400 MWa of energy efficiency in the first five years and 5,800 MWa of efficiency over its 20-year life, he said. The plan is a real opportunity to set a bright and bold future, Ritzman summed up.

Lisa Adatto of Climate Solutions said her organization is a hybrid between an advocate and an economic development promoter. We are a non-profit in all four states and have 400 business leaders working with us, she noted.

The reason to maximize energy efficiency is to create new jobs and maintain jobs by improving current industry's competitiveness, according to Adatto. She listed the top green jobs as solar photovoltaics, green building design and retrofits, and wind development.

It is a great time for the Council to be doing a new plan because a lot of forces are aligning, Adatto said. They include climate regulation, energy efficiency stimulus dollars, and state policies promoting energy efficiency, she added.

More Bugs

Catherine Thomasson from Physicians for Social Responsibility talked about the health impacts from the use of coal and climate change. A changing climate will lead to more infectious diseases like malaria and West Nile virus; fires, floods, and droughts; and less snowpack, she said. We expect a 50 to 70 percent loss in the snowpack in the Northwest by 2050, Thomasson noted. She said coal plants are a leading cause of global warming and urged the Council to approve a plan that phases out coal.

Mark Buckley of ECONorthwest reported on recent studies on the costs to Oregon and Washington of "a business-as-usual approach to climate change." The studies show negative impacts on jobs and the economy for the next several decades, he said. Costs include higher energy prices, salmon population losses, and lost recreation opportunities, Buckley stated.

Wallace asked about activities at the national level and whether things are "starting to

coalesce." These types of coalitions are happening at the national scale and at regional and local scales, replied Ritzman. That's what gives me the greatest amount of hope moving forward, he said. Adatto pointed out that a national group is working to pass a national energy efficiency standard.

There is a lot of coal in our country, and it's an inexpensive fuel, said Eden. What's your position on using coal if carbon sequestration becomes economically viable? she asked. The Sierra Club doesn't oppose a true demonstration project to show how much that technology would cost, replied Ritzman. But we are opposed to the idea of "clean coal technology" because there aren't any clean coal plants operating now, he said.



Ouch! We've Got a Festering 20-Year-Old Boil

Staffer Peter Paquet presented a proposal for initiating the Wildlife Crediting Forum called for in the Council's 2009 Fish and Wildlife (F&W) Program. The forum, he said, would do three things: recommend a commonly accepted ledger of habitat units acquired; recommend ways to resolve issues about accounting for habitat units; and develop a common data base for tracking, assigning, and recording habitat units. It would also empower the Council to work with BPA and F&W managers to develop a comprehensive agreement on the proper crediting method for construction and inundation losses or strategies that will allow parties to reach long-term settlement agreements, Paquet said.

We've discussed this issue for 20 years, and we suggest the forum have an independent facilitator to help us move through the process, he told the Council. We are asking for up to \$30,000 to pay for the facilitation, Paquet said.

The forum's first priority will be to develop an agreed-upon crediting ledger that provides the current status of wildlife mitigation (habitat units credited by BPA) by facility and defines the remaining BPA mitigation obligation, he explained. The Council will not ask the forum to decide whether the 2:1 crediting ratio for the remaining habitat units is appropriate, Paquet said. Instead, the Council will ask it to explore mechanisms that can resolve habitat unit accounting and wildlife crediting issues, given BPA's concern with a blanket application of a regional 2:1 crediting ratio, he noted.

How will the facilitator be chosen? Eden asked. I prefer we make the selection in an open, competitive process, said staffer Tony Grover. We will come up with a recommendation for a facilitator and bring it to the Council for discussion, he said.

With this forum, we are trying "to lance a 20-plus-year-old boil in as sterile, clean, and straight-up fashion as possible," Grover stated. "Don't tell the facilitator that," quipped Booth, before the Council passed a motion approving the proposal.



Can M&E Workshops Cut A-Fish Costs?

Grover introduced a panel to talk about the upcoming anadromous subbasins monitoring and evaluation (M&E) workshops, aimed at developing a coordinated basinwide strategy for population status and trend monitoring. Elmer Ward of the Warm Springs Tribes told the Council the Columbia Basin Fish and Wildlife Authority (CBFWA) has put in a lot of time on this effort. We are committed to the success of these workshops, he stated.

Scott Rumsey of NOAA Fisheries and Bill Maslen of BPA said their agencies support the

process and are pleased with the progress that has been made. BPA has contracted for facilitators at a cost of \$73,843 between now and the end of the year, and we have added \$501,601 to CBFWA's contract to assist us, Maslen said. This is "the most traction" and the most participation we've achieved for this kind of process in 25-plus years, he added.

The ultimate outcome of this will derive from a five-day workshop to be held near the end of September or early October, said Grover. The results of that will go to the Independent Scientific Review Panel (ISRP), and the outcome of the ISRP review will be brought to the Council, he noted.

For the record, my expectation and objective in this process is to seek significant cost savings in the \$100 million a year we spend on salmon and steelhead monitoring in the basin, Grover stated. We don't want a cookie-cutter, one-size-fits-all approach, but we do hope, working with the ISRP, we can come up with some cost savings, Rhonda Whiting added. CBFWA's *Status of the Resource* report has been very useful, and this is a natural progression from that, she said.

You should have said you are seeking to get significant savings "while achieving scientific integrity and moving forward on mitigation," Dukes told Grover. I'd hate to think significant savings would be the big motivator – saying that concerns me, she added.

It's easy to identify information gaps, but it's hard to identify cost savings, stated Wallace. We are on the verge of achieving great potential, but it's important to do the hard work and also determine how this will relate to the Council's F&W program, he said.

I'm encouraged by this, stated Booth. The major challenge will be to keep things from growing – scientists love to do RM&E, he

said. Fifty to sixty percent of our entire program budget relates to RM&E, Booth stated. That's a lot of money, and the challenge is to find a way to make a shift and devote more dollars to projects on the ground, he said.

I'm not as optimistic about this project, said Eden. The public needs to understand there is not agreement among Council members that RM&E amounts to 50 to 60 percent of our budget – that's not an agreed-upon number, she stated. We need a framework, but there's a different way to do it, Eden added.

Wildlife Projects Score Millions



Staffer Lynn Palensky asked the Council to approve funding for 34 wildlife projects as a result of the Council's wildlife categorical review. Staff is recommending a five-year expense planning budget for FY 2010 to FY 2014, she said, adding that a five-year budget allows BPA and project sponsors flexibility in contracting and spending fluctuations, much like the flexibility of a Columbia Basin Accord project.

The recommended expense budget is not to exceed \$70,882,855 for five years, and the recommended capital budget is not to exceed \$67,597,752 over three years, Palensky stated. BPA can adjust budgets for projects as long as it doesn't exceed these caps, she said.

There's a lot of good work here, and the science review was very helpful, but my sense is there's more work that could be done, said Karier. We could have given BPA more guidance on issues like what to do with the Habitat Evaluation Procedures (HEP) tool and on coordination funding for projects, he stated. I'll abstain on this vote because I think this

stops short of what we should be doing, Karier said.

The categorical review represented a tremendous change in the type of review we've been doing, and it provided a good opportunity to look at cost savings, said Whiting. We've talked with BPA and decided we need to be more specific on what coordination is – we've done things that go beyond what's on paper here, she added.

The process worked for the ISRP, BPA, and Council staff, and it's a more efficient way to do business, said Wallace. The Council approved the funding, with Karier abstaining.

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Council 2009 Calendar

August 11-13	Spokane, WA
September 9-10	Oregon
October 7-9	Ketchum, ID
November 12-13	Teleconference
December 8-10	Portland, OR