



Board of Directors June 8, 2007 Meeting Minutes

The PNUCC Board of Directors met on June 8, 2007 from 9:00 a.m. to noon at the Portland Airport Sheraton. The list of attendees is attached.

Next Board Meeting July 13, 2007

Corporate Business

After acknowledging the PNUCC Antitrust Compliance statement the Board unanimously approved the May meeting minutes.

Chairman, Jack Speer acknowledged and welcomed Chuck Berrie, new assistant general manager at Grant PUD during a round of introductions.

PNUCC Member News

PacifiCorp is partnering with Idaho Power to build two new 500 kV transmission lines according to Scott Brattebo. In an announcement last week these companies said that this is a \$4 billion investment that will connect Wyoming to Utah, Idaho, Oregon and the desert southwest allowing much of the expected wind power development to be utilized in high-growth areas of the west. Scott said that construction will take almost 10 years to complete.

In Oregon news, Dick Helgeson noted that Governor Kulongoski had just signed Senate Bill 838 into law, creating a renewable energy standard in Oregon that requires the state's largest utilities to meet 25 percent of their electric load with new renewable energy sources by 2025. Dick said that this impacts three utilities; EWEB, PGE and Pacific Power.

Gerry Miller, Cowlitz PUD reported that the wind turbines for their White Creek project had just left the Port of Longview and are heading to the project site.

Also, Paul Norman noted that Ruth Bennett has announced her retirement after 34 years of service with the Bonneville Power Administration and that they would miss her. He said that she was currently on vacation but would be back to attend at least one more PNUCC Board meeting.

Climate Change Activities

Dick Adams provided the Board with a refresher on the goals of the PNUCC Climate Change Taskforce and highlighted the list of issues they have yet to discuss in detail. He told the Board that the group has not met since the May Board meeting but that they will be moving forward soon. Dick said that a priority for the group will be to respond to Congressman Inslee's request for input on climate change legislation from PNUCC. The Board discussed the importance of continuing to work on influencing climate change legislation. Scott Corwin reported that the PPC voted the previous day to adopt the PNUCC climate change principles. Scott Brattebo and Dick Adams said that they would work together to draft a response to Congressman Inslee.

Load Management - An Emerging Approach

Mike McCoy joined the Board to discuss an evolving strategy for energy conservation and load management. He had a presentation about a company called Site Controls that has developed a system/infrastructure to help customers among other things manage their electric load. A copy of the presentation can be found at www.pnucc.org/documents/JuneMcCoy.pdf. Mike is not an employee of Site Controls, but learned about the company when they presented to the Gridwise Architecture Council, of which Mike is a member. He explained to the Board that Site Controls starts by installing sensors into electrical appliances in businesses. The sensors are able to monitor the operations of the appliances and are able to respond to fluctuations in the power grid. Mike gave an example of Site Controls' demand response from an April power crisis in Texas when the system was implemented through the HVAC systems of 88 businesses and managed to decrease demand an average of 6.3MW, which included a rapid 39 percent drop, during the power emergency. They were able to make these changes with little inconvenience to their customers. Mike pointed out that of those 88 businesses there was only 1 complaint that the store was too warm.

Aside from the demand response benefits illustrated in the Texas example, Mike told the Board that Site Controls' systems also can increase efficiency, provide performance metrics and increase the "greenness" of the business. Implementation of the system results in savings from peak and average energy costs as well as lower maintenance costs. Mike told the Board that he was impressed by the results he heard from Site Controls, the flexibility of their business plan, and by the potential for implementation of their strategies.

Regional Resource Adequacy

The Board was reminded that the Regional Resource Adequacy Forum co-sponsored by BPA and the NW Power & Conservation Council was established to create a consensus-based resource adequacy framework for the Pacific Northwest. With input from this Forum the Council has adopted a resource adequacy energy standard, resource adequacy warning implementation plan and a pilot capacity adequacy standard. Dick Adams reported that the steering and technical committees for this forum are both scheduled to convene in June as Council staff prepares to present an adequacy assessment to the Council for their approval in the next few months.

Dick acknowledged the personal commitment Paul Norman has made to this effort and asked him to summarize what he has heard from Board members in recent one-on-one conversations he initiated. Paul said that individuals expressed a range of concerns that provided him bookends on the Resource Adequacy Forum effort. At one end he heard, why are we doing this when it is the utilities' fundamental mandate to keep the lights on? We don't need a regional push to do so. At the other end he heard that a regional report (provided there are no mandates) could be helpful to utilities as they benchmark their own utility plans. Others feared that a regional standard could be used against a utility, questioned how the Regional Adequacy Standard relates to the Renewable Portfolio Standard, and everyone was clear that BPA contracts should not be used as a "policing" tool.

Although several utility staff have been involved in the Forum committees Paul believes that more input from the utilities would be extremely helpful. He said that he will be encouraging the Council staff to share the draft of their regional adequacy assessment with the PNUCC Board in July.

Several Board members echoed earlier concerns and want to work with the Council to ensure that their conclusions and messages to the public don't undermine utility efforts to meet future power needs.

Green Dams, Blue Skies Campaign Update

Northwest RiverPartners Executive Director, Terry Flores provided an update on her organization's activities including the launching of the Green Dams, Blue Skies Campaign.

Terry reported that RiverPartners' efforts in Washington D.C. are having an impact. The most recent McDermott legislation that would authorize a study of removing the Lower Snake River dams is not taking hold. As in the past, the Congressman is seeking signatures from his peers to indicate their support. They have gathered few signatures and Terry believes that RiverPartners' early efforts to provide information to delegation members was helpful.

Another work effort for RiverPartners is the Biological Opinion remand process. Terry said that they are working with others in a group referred to as the Regional Coalition. The group of states, tribes and customers are planning to file joint comments regarding the federal operating agencies' Proposed Actions for a new biological opinion. Terry said that in recent conversations there are several common thoughts and concerns that she hopes is more influential with the judge than all of them filing separate comments.

To wrap things up, Terry told the Board about the significant response she is getting to the Green Dams/Blue Skies Campaign launched a month ago. She specifically asked all her member organizations, their staffs and their customers to go to the Northwest RiverPartners' website to sign up as a supporter of this campaign. This campaign is a proactive effort to demonstrate to Northwest decisionmakers how much the people in the region value the hydropower system and all the benefits it provides.

May 3rd Ninth Circuit Court Rulings

The Board discussion began with an acknowledgement of the recent meetings where parties have discussed the repercussions of the Ninth Circuit Court of Appeals' May 3rd rulings. These conversations have mostly focused on the process and schedule for finding an acceptable way to modify the Residential Exchange Program to address the Court's concerns. The group emphasized the importance of resolving the issues identified in these rulings at the regional level.

There was also recognition that the challenges that lay ahead to address these issues will not be small. Yet, the Board members were optimistic that a sustainable solution could be crafted.

Concern was expressed about how a solution on the Residential Exchange Program would integrate and/or interfere with resolution of the other Regional Dialogue issues. Paul Norman said that BPA does not intend to sign any long term contracts until everyone is ready to sign and the full spectrum of issues are addressed.

Board members encouraged everyone participating in the resolution of these issues to put all there cards on the table. Kelly Norwood, Avista said that suspending the residential exchange payments from BPA creates a major incentive to quickly get to a solution.

Paul said that the next step for the groups that have been meeting is to reconvene as soon as possible. In the meantime, BPA has asked the court for a rehearing, knowing that this action creates an issue for some customers.



Attendance List

June 8, 2007 Board of Director's Meeting

Ken Sugden	Flathead Electric Cooperative
Jack Speer	Alcoa
Kelly Norwood	Avista Corp.
Jim Sanders	Benton PUD
Dick Adams	PNUCC
Steve Klein	Snohomish PUD
Jim Miller	Idaho Power
Bill Gaines	Tacoma Power
Gerry Miller	Cowlitz PUD
Scott Corwin	Public Power Council
Chuck Berrie	Grant PUD
Jack Mayson	Seattle City Light
Phil Obenchain	Idaho Power
Paul Norman	Bonneville Power Admin.
John Prescott	PNGC Power
Scott Brattebo	PacifiCorp
Jean Ryckman	Franklin PUD
Steve Eldrige	Umatilla Electric Cooperative
Dick Helgeson	EWEB
Ken Phillips	Tillamook PUD
Edwin Jenkins	Tillamook PUD
Cyrus Noë	Newsdata
Mark Ohrenschall	Newsdata
Jim Litchfield	Litchfield Consulting Group
Dana Toulson	Snohomish PUD
Jack Janda	Mason Co. PUD #1
Steve Johnson	WPUDA
Doug Grob	Flathead Electric Cooperative
Larry La Bolle	Avista
Jim Luce	Washington EFSEC
Jim Sanders	Clark PUD
Frank Brawner	Tillamook PUD
Matt Michel	Canby Utility
Richard M. Jackson-Gistelli	Emerald PUD
Harry E. Hewitt	Tillamook PUD
Joe Piedmont	Consultant for Alcoa
Mark Johnson	Flathead Electric Cooperative
Jay Fintz	Chelan PUD
Roman Gillen	Consumers Power, Inc.
Dan Peterson	Pend Oreille PUD

Ken Canon
Loren Baker
Shane Scott
Steve Fisher
Jerry Rust
Jessica Eldrige
Rob Sirvaitis
Lee Corum
Shauna McReynolds
Mike McCoy
Terry Flores

ICNU
Consultant
S. Scott and Associates
Fisher NW Consulting
Northwest Power Pool
Guest
The Energy Authority
PNUCC
PNUCC
Gridwise Architecture Council
Northwest RiverPartners