

PNCC REPORT Council



NORTHWEST POWER AND CONSERVATION COUNCIL March 9, 2010

Meeting for a quick afternoon session in Portland, the Council decided to postpone approval of the remaining Sixth Power Plan items to April. Members kicked around ideas for the future of the Independent Economic Analysis Board and scuffled over funding for a Yakama Nation fish restoration project. Next Meeting: April 13-15 in Boise, Idaho.

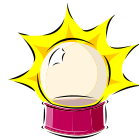
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FOR OPENERS

The parts of the Sixth Power Plan that still need Council approval include appendices I and J, the "statement of basis and purpose," and the response to comments on the draft plan, said staffer Terry Morlan. The Power Committee agreed today there was no point in trying to push for a decision on these items at this point, he noted. Appendix I, Generating Resources, is not yet done, Morlan added. He said all the outstanding items would be brought to the Council for a decision at the April meeting.

THE AGENDA



Crystal-Balling the IEAB

Council chair Bruce Measure said it's time for the Council to have a discussion about the future of the Independent Economic Analysis Board (IEAB). Tom Karier said that he and Bill Booth had drafted a revised charter for the IEAB. The charter had been fairly narrow in the past and so we tried to expand it, he explained.

This is another process issue that distresses me, said Melinda Eden. Council members are now talking about expanding the IEAB charter, but we haven't resolved discussions about the value,

usefulness, and performance of the IEAB, she stated.

We recently gave the IEAB a new task, over some objections, to look at the impacts of a mussel infestation, Eden noted. We haven't had a result from that yet, she said. I thought we were going to assess how the IEAB does with that task, and that would give us more information on the IEAB's utility and value, Eden stated. The new charter is premature – let's see the results of the latest task and then discuss the IEAB's role, she recommended.

One proposal on the table is to use ad hoc groups of economists to address particular issues, according to Eden. There has also been discussion about giving the IEAB some work on conservation issues, she continued. In my view, we have plenty of groups, including the Regional Technical Forum, addressing conservation issues, and anointing another one would be a concern to me, Eden said.

In deciding what to do about the IEAB, we need to consider our fundamental charges under the Power Act, Dick Wallace said. I'm intrigued by the idea of an ad hoc group of economists to interact with our scientists on the fish and wildlife (F&W) side, he added. We are not ready to decide this issue yet – let's see the results of the mussel project, Wallace recommended.

When was the IEAB created? Joan Dukes asked, and Morlan said 1997. In those days, groups weren't working together, and they may have wanted to put the brakes on spending, and maybe it worked then, Dukes stated. We don't get many competing projects today so we don't need someone to say "these two look the same, but which costs less?" she said.

I'm a proponent of having strong economic analysis, Booth stated. The Act envisioned the

Council would take economics into account – it talks about ensuring an affordable power supply, and we are dealing with ratepayer dollars, he said. To disband the IEAB would send the wrong signal to the region, Booth added. My desire is to maintain a strong team at the IEAB, and for the Council to do a better job of using and managing the IEAB – they can provide more value to us than they have, he said.

In the past year, we've been aware of a disconnect with the Council, said Roger Mann, chair of the IEAB. We've been trying to determine how to be more helpful to the Council, and we think there's more we can and should do, he stated. But we have to interact more with the Council and perhaps change our mix of expertise over time to match what the Council needs, Mann said.

In the "12 or more glorious months" I just spent working on the power plan, I could have used more help on economics, said Jim Yost. It would have been useful to have a group of folks who understand finance to help us, he noted.

Measure asked for comment from the audience. As customers, we support the IEAB, said Scott Corwin of the Public Power Council. The key is properly framing the questions to get quality output, and stakeholders can help you with that, he stated. The IEAB is a relatively small investment if you compare it to the Council's overall budget, Corwin said. In fact, it is perhaps too small, and you won't hear me say that often, he added. I support the IEAB and hope you can come to a resolution to move this forward, Corwin concluded.



Big Fish Returns, Knock on Wood

Bill Tweit of the Washington Dept. of Fish and Wildlife gave a presentation on 2009 Columbia River salmon and steelhead returns and 2010

forecasts. He said nearly 2.2 million adult salmonids entered the Columbia River in 2009. There were strong returns overall, plus record-setting jack returns for some stocks, Tweit noted. Given that we have enjoyed several years of good conditions, we are expecting to get some above-average returns this year, "knock on wood," he added.

We think upriver spring chinook could set a record, with returns of 470,000 predicted, compared to last year's return of 169,300 fish, Tweit reported. Other stocks also look strong, he said. For sockeye, last year's returns were "sublime," according to Tweit. This year's forecast is 125,200 total returns, including 600 wild fish, but the runs are starting to trend downward, he noted.

For fall chinook, the 2010 forecast is for 652,700 fish, compared to an actual of 418,300 in 2009, Tweit said. The prediction for Upriver Bright fall chinook is 310,800, compared to last year's 212,000, and he noted a very strong jack return. For the Bonneville Pool Hatchery fall chinook, which Tweit called "the backbone of the Washington sport fishery," the 2010 forecast is 169,000, compared to last year's 49,000.

We expect a decrease in coho returns in 2010, he said. The forecast is almost 390,000, compared to just over 1 million last year, Tweit pointed out.

In an overview of last year's non-treaty fisheries, he reported 21,000 upriver spring chinook hatchery fish were kept. There were 371 Endangered Species Act (ESA) mortalities, a 1.7 percent impact, compared to the 2 percent ESA limit, Tweit said. For sockeye, the ESA impact was 0.6 percent versus a 1 percent limit, and for upriver summer steelhead, impacts have been preliminarily estimated at 1.23 percent compared to a 2 percent ESA limit, he noted. All the 2009 treaty fisheries stayed within their limits, and

there was no commercial gillnet season for spring chinook, Tweit said.

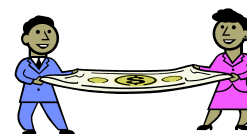
In 2010, we plan to use a 40 percent buffer for non-treaty spring chinook, according to Tweit. We are going to manage very conservatively, he added.

Ed Schriever of the Idaho Dept. of Fish and Game (IDFG) provided an update on Snake River salmon and steelhead. We saw a tremendous run of fall chinook in 2009, and the jack count was an all-time record of 41,000 at Lower Granite, he reported. We expect this year's returns to exceed those of 2009, Schriever said.

We had success with sockeye returns last year, and IDFG is forecasting between 700 and 1,100 returns this year, he noted. IDFG's 2010 forecast for Snake River spring/summer chinook, both wild and hatchery, is 179,000, according to Schriever. That would be a new record and create tremendous fishing opportunities, but "we are holding our breath," he said. If we see the kind of numbers that we are estimating, "you should come to Idaho and fish for spring chinook," Schriever told the Council.

He said if you compare the fish numbers from the decade of the 1990s to the decade that just ended, there were big jumps in the numbers for all species. So we think all the stocks are moving in the right direction, Schriever added.

Coho Get Dollars on a Split Vote



Staffer Mark Fritsch presented a request for funding for the Yakama Nation's Mid-Columbia Coho Restoration project. This project, aimed at re-establishing naturally spawning coho populations in mid-Columbia tributaries, has been in our program since 1996, he noted. Program costs to date are about \$24.1 million,

according to a handout. The project has been funded by BPA, tribes, and other federal agencies, with cost-sharing from Grant, Chelan, and Douglas PUDs, as well as NOAA through the Mitchell Act.

Tom Scribner, representing the Yakamas, said the project hopes to achieve a locally adapted naturally spawning population by 2028 and to provide harvest opportunities in most years. Once we achieve that, we would discontinue the program, he said.

We have a staff recommendation to approve this project even though it did not receive a positive review from the Independent Scientific Review Panel (ISRP), Booth said. The F&W Committee approved it, but not unanimously, he stated. Funding for this phase would be about \$1.4 million, Booth added. The F&W Committee felt the issues raised by the ISRP could be handled during the work on the project's master plan, he said. Two issues are straightforward, and the third involves a scientific debate over fish genetics, Wallace noted.

I was the no vote on the F&W Committee, Dukes said. Issue 3 is a serious scientific issue, and if we approve this and still have a scientific dispute with the ISRP after it is done, we'd have spent all this money and not resolved it, she stated. We need to resolve this issue before we spend the money, agreed Eden. The Council approved the project on a 6-2 vote. Eden and Dukes voted no.



Drilling Down to Every F&W Penny

Ben Zelinsky of BPA updated the Council on the agency's customized software system, known as Taurus, and its Web site, www.cbfish.org, which

is available to the public. He said cbfish.org provides "unprecedented views" into the F&W program's activities and accomplishments. You can look at portfolios of projects arranged around different themes, such as artificial production, and "you can see any penny moving in or out for any project or for any portfolio," Zelinsky said.

END NOTES

Annual Report and MERR Released. Staffer John Harrison said language about unbundled renewable energy credits and how they would be addressed in the future has been added to the Annual Report to Congress, in response to comments from Northwest Requirements Utilities. The Council approved release of the final version of the document. The Council also sent out its draft Monitoring, Evaluation, Research and Reporting (MERR) Plan for public review.

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Council 2010 Calendar

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