

Melinda S. Eden
Chair
Oregon

Joan M. Dukes
Oregon

Frank L. Cassidy Jr.
"Larry"
Washington

Tom Karier
Washington



Jim Kempton
Vice-Chair
Idaho

Judi Danielson
Idaho

Bruce A. Measure
Montana

Rhonda Whiting
Montana

Council Meeting Spokane, Washington

September 13-15 Minutes

Melinda Eden called the meeting to order at 2:45 pm on 9/13 and adjourned at 3 pm on 9/15.

Jim Kempton moved that the Council meet in executive session on September 15 to discuss civil litigation matters. Larry Cassidy seconded, and the motion passed unanimously on a roll-call vote.

1. Council decision on proposal for project performance audits:

Doug Marker, director, fish and wildlife division.

Marker said at the last Council meeting, he was asked to propose a pilot effort for conducting performance audits on projects funded through the Council's fish and wildlife program. Staff looked at various approaches and thinks the Council's audit project should "start small" and be aimed at reviewing contract compliance, he said. Marker explained that Council member Karier had suggested an approach in which a few simple questions would be asked: Does a project have clear goals, objectives, milestones, and time schedules? Is the project meeting them efficiently and cost effectively? What steps should be considered to improve the performance, efficiency, or cost-effectiveness of the project?

I think the audits are a good idea, said Cassidy. Let's try this for a year, recommended Danielson. Eden asked staff to cost out this approach to performance audits and report back.

2. Status report on the installation of Removable Spillway Weirs:

Kevin Crum, Walla Walla District of Corps of Engineers; Eric Braun, Northwest Division of Corps of Engineers; and Randy Chong, Walla Walla District of Corps of Engineers.

In an update on the Corps of Engineers' progress on installing and testing Removable Spillway Weirs (RSWs), Kevin Crum of the Corps said the advantages of RSWs include safe fish passage with less flow, reduced fish residence time, increased potential power generation, and reduced gas supersaturation.

Eric Braun of the Corps described the agency's Draft Snake and Columbia River Surface Passage Strategy that indicates what the Corps plans to do at the dams.

3. Briefing on the All-H-Analyzer Workshop:

Bruce Suzumoto, manager, special projects.

Staffer Bruce Suzumoto gave an update on the All-H Analyzer work in progress, noting that staff had constructed a database and data management system and put it on a website that the public can access. We have conducted four workshops, have almost completed another one, and will do two more this week, he said. "We're making progress," Suzumoto reported. "AHA is going to be a great tool," said Danielson.

4. Council decision to adopt findings and responses to comments to conclude the subbasin plan amendment process:

John Shurts, general counsel.

Shurts presented a set of draft findings and responses to comments for the subbasin plan amendments to the Council's fish and wildlife Program. This is required under the Northwest Power Act and is the last official act related to your amending the fish and wildlife program, he told the Council.

Danielson moved that the Council adopt the findings and responses to comments for the subbasin plan amendments to the fish and wildlife Program and direct staff to give appropriate notice of the decision. Cassidy seconded, and the motion passed unanimously on a roll-call vote. Kempton was excused.

5. Update on Montana Energy Symposium:

John Bushnell, Montana Council staff member.

Whiting invited the Council to Montana's Energy Future Symposium to be held October 18-19 in Bozeman. She said six governors and 27 speakers have confirmed their attendance at the conference, which will lay the groundwork for a new energy policy for the state.

6. Reports from Fish and Wildlife, Power and Public Affairs committee chairs:

Rhonda Whiting, chair, fish and wildlife committee; Tom Karier, chair, power committee; and Larry Cassidy, chair, public affairs committee.

Tom Karier reported that the Power Committee talked about Grid West and BPA's upcoming Regional Dialogue. The committee received an update on BPA's conservation efforts and a presentation from staff on the Olivia model, he said.

Rhonda Whiting reported that the Fish and Wildlife (fish and wildlife) Committee discussed the FY 2007-2009 project selection guidance document and decided that the committee would meet again on September 27 in Portland.

7. Presentation on fish and wildlife conservation easements:

Andrew Purkey, National Fish and Wildlife Foundation; and Katherine Bill, Methow River Conservancy.

Andrew Purkey of the National Fish and Wildlife Foundation, and Katherine Bill and John Sunderland of the Methow Valley Conservancy gave a presentation on salmon habitat protection using fish and wildlife easements in the Methow Valley. Purkey described how the program developed

8. Council decision on response to Bonneville and recommendation on Grid West - decision point 2:

Wally Gibson, manager, system analysis and generation.

Staffer Wally Gibson presented a draft letter to be sent to Steve Wright in response to BPA's request for comment on whether BPA should provide additional funding to Grid West to further develop the Grid West proposal, or alternatively, support further development of the Transmission Improvements Group (TIG) proposal. The letter says the Council has not committed to support the governance model in either proposal at this time and transmits a package of "Council answers to BPA questions on Grid West and TIG."

Council chair Melinda Eden recommended that the Council's letter express more urgency for the region to move expeditiously to solve the problem. Our letter should be focused toward the one-utility vision, not a split vision, said Kempton.

Divergence Exceeds Convergence

I take issue with the idea that the one-utility vision precludes addressing TIG and only addressing Grid West, stated Measure. I didn't say that, responded Kempton. I have heard of a proposal that suggests we put TIG in the forefront and combine aspects of Grid West that fit TIG, he added. Kempton said he had problems with new language in the Council's comment document that deals with TIG, such as the suggestion that one option for convergence is "to move immediately to implement those TIG proposals that are operational through agreement of transmission owners while continuing to develop Grid West."

Measure moved that the Council abstain from the September 29 RRG vote on Grid West. There is enough divisiveness in my state and the region to support abstention – let's see if Grid West moves forward on its own, he said. Karier seconded the motion, saying there are enough troubling issues to warrant the Council waiting to act, citing as one the option Grid West has to increase its own authorities and scope.

I oppose the motion, said Dukes. Asking Grid West to slow down doesn't make a lot of sense to me, she stated. While we encourage TIG to flesh its proposals out more, we should be doing the same with Grid West, according to Dukes.

Measure's motion failed on a 4-4 tie vote, with Measure, Rhonda Whiting, Karier, and Cassidy voting aye.

Kempton moved that the Council direct its representative to inform the RRG at its September 29 meeting that the Council recommends the filing utilities sign the funding agreement to enable continued development of Grid West, and Dukes seconded. The motion failed on a 4-4 tie vote, with Kempton, Judi Danielson, Dukes, and Eden voting aye.

Since both motions failed, do we tell Wally not to go to the meeting? Dukes asked. I'll say that the Council couldn't reach a decision, Gibson said.

9. Presentation by ISRP on fish and wildlife retrospective report:

Dr. Rick Williams, ISRP, and Dr. Nancy Huntly.

"We're here to tell you what we've learned since the Independent Scientific Review Panel's (ISRP) inception," said Rick Williams, as he and two other ISRP members presented the findings from the ISRP's "Retrospective Report." He called the ISRP "one of the shining examples of adaptive management working."

The report, Williams said, presents an overview of ISRP activities and evaluates the cumulative effect of our project reviews on program accountability, project effectiveness, and scientific soundness. He described the ISRP's origin and evolution, stating "now what we've come to is a review process that is transparent and effective."

The ISRP recommends research projects be funded to better understand the effects of ocean, estuary, and nearshore conditions on anadromous fish, according to Williams. The ISRP thinks the Council should encourage innovative ecosystem-based research and monitoring in the estuary, with emphasis on the effects of the hydro system, he said. Williams noted that a revised version of the publication "Return to the River" will be out in mid-November.

10. Tribal presentation on Upper Columbia projects:

Mary Verner, executive director, Upper Columbia United Tribes.

Deanne Pavlik of the Spokane Tribes described the Lake Roosevelt Fisheries Evaluation Program in which the Spokanes, Colvilles, the Washington Dept. of Fish and Wildlife (WDFW), Eastern Washington University, and consultants work together to make fisheries management decisions. Fishing at Lake Roosevelt, she said, is "fabulous," with rainbow trout being the most captured fish in the lake. Other species of note are the kokanee, walleye, and smallmouth bass, Pavlik said.

Ray Entz of the Kalispel Tribe spoke about cost sharing and O&M costs for fish and wildlife projects. O&M costs vary across the region and depend on many factors, including habitat types

and size of the acreage being managed, he said. O&M isn't quite the bow wave everyone perceives it to be, Entz stated. O&M costs levelize quickly and actually go down over time, he noted.

11.Presentation on Avista's integrated resource plan:

Clint Kalich, Avista Utilities.

Clint Kalich of Avista Utilities briefed the Council on the company's 2005 Integrated Resource Plan (IRP), pointing out that since its 2003 IRP, Avista has acquired 8 MW of conservation, 140 MW of gas-fired generation, and 35 MW of wind. Avista is surplus today and expects to be that way until 2009 or 2010, he said.

Kalich described how Avista developed its Preferred Resource Strategy using 17 scenarios. We did full fundamentals-based modeling of the Western Interconnect because what happens south of Oregon makes a difference to what might happen in the Northwest, he noted. We also did a lot of conservation modeling and worked to be sure our wind modeling was as realistic as it could be, according to Kalich. Our model included transmission expansion logic because we need to account for the costs of bringing remote generation to our system, he said.

12.Update on Process Improvement Initiative:

Bill Maslen, director of fish and wildlife, Bonneville Power Administration; and Matt Deniston, business analyst, Bonneville Power Administration.

Bill Maslen and Matt Deniston of BPA gave an update on the Pisces project management data system. With respect to standardization, consistency, transparency, and reportability, it's becoming clear that Pisces facilitates program management, said Maslen.

13.Briefing on the status of recovery planning:

Rob Walton, NOAA Fisheries.

"Our vision for salmon recovery is a joint vision with the Council," said Elizabeth Gaar of NOAA Fisheries, in a briefing on the progress of her agency's recovery planning work. NOAA Fisheries' recovery plans use subbasin and watershed plans as their foundation and are being developed by local people, local governments, federal and state agencies, and tribes, she said. Bob Lohn's goal is to demonstrate progress in every ESU by year's end, Gaar noted. The products we expect to deliver by then range from a nearly final plan for the Puget Sound to early draft plans in the Snake and mid-Columbia, she said.

14.Presentation by NOAA on critical habitat:

Donna Darm, NOAA Fisheries.

NOAA Fisheries last month designated critical habitat areas in Washington, Oregon, Idaho, and California for 19 species of salmon and steelhead listed as threatened and endangered under the

Endangered Species Act (ESA), said Donna Darm of NOAA Fisheries. Of the 19 ESU units covered in the designation, 13 are in the Northwest, she noted. Critical habitat refers to specific areas where there are physical or biological features essential to the conservation of the species and that may require special management considerations or protection, Darm explained. Critical habitat designations must take into consideration the economic impact, national security impact, and any other relevant impact of such designation, she said.

15. Briefing on proposed agreement between the Bonneville Power Administration and the U.S. Forest Service for project implementation:

Doug Marker; and Bob Austin, Bonneville Power Administration.

BPA and the U.S. Forest Service (USFS) have developed a cost-sharing agreement for funding fish and wildlife projects on USFS lands, Marker reported. Staff supports the agreement, but thinks there are some “themes” that need continued emphasis as it goes forward; for example, the agreement should be considered “as a matter of policy for good partnership, rather than a requirement to participate in the program,” he said.

16. Briefing on status of adult salmon migration:

Cindy LeFleur, Washington Department of Fish and Wildlife.

The management agreement negotiated by parties to *U.S. v. Oregon* covers fisheries from January 2005 through December 2007 and provides specific management constraints for fall chinook, steelhead, and coho, said Cindy LeFleur of the Washington Dept. of Fish and Wildlife (WDFW). The impact limit for Upriver Bright fall chinook, which includes the ESA-listed Snake River wild chinook, is 31.29 percent, with 23.04 percent of that allocated to Treaty Indian fisheries, she said. Columbia River harvest managers allocate the remaining 8.25 percent for non-Indian fisheries between recreational and commercial fisheries, LeFleur explained.

17. Briefing on Bonneville’s Regional Dialogue Concept Paper:

Paul Norman, Bonneville Power Administration.

BPA released a concept paper September 12 for its long-term Regional Dialogue, and the first meeting of that process dealing with the agency’s long-term power supply role is Monday, September 19, Paul Norman of BPA told the Council. The concept paper is an integrated package of proposals that borrows heavily from work done by the Public Power Council and others, he noted. This document isn’t something we are asking the region for comment on – it is a starting point for a regional effort to get aligned on some major issues, according to Norman. We are asking people to come to the table and work with us to get to some solutions, he said.

18. Report on winter power adequacy assessment:

John Fazio, senior power systems analyst.

This past year was the sixth in a series of below-average water conditions for the Columbia River Basin, and the runoff last year was 75 percent of normal, staffer John Fazio told the Council. But the good news is that the region continues to have a surplus, which translates into an adequate power supply, he said. Current estimates show this year's annual energy load-resource balance to be surplus by about 2,100 aMW, which puts the loss-of-load probability (LOLP) for the coming winter to near zero, according to Fazio. The surplus should last 10 years, but as we go further into the future, "the jaws of uncertainty spread out wider and wider," he said.

The bottom line is that we're in good shape, but we need to keep an eye on IPP resources and on transmission issues, Fazio concluded.

19. Report on National Energy Bill:

Mark Walker, director, Public Affairs Division, will give a brief overview of the electricity title and energy efficiency provisions of the National Energy Bill recently passed by Congress and signed by the President.

The Energy Policy Act of 2005, signed August 8, was nine years in the making and constitutes "a very comprehensive piece of work," said staffer Mark Walker. Electricity was one of 18 titles in the legislation, he noted.

Walker hit the highlights of the Electricity Title by summarizing them in terms of goals Congress sought to achieve in writing that portion of the legislation:

20. Update on Bonneville budget agreement on the fish and wildlife budget:

Doug Marker.

Marker said previous work staff did with BPA and utility customers on establishing an appropriate fish and wildlife funding level for the FY 2007-2009 rate case had been subsumed in the Power Function Review through which BPA decided to propose fish and wildlife expense funding of \$143 million and \$36 million in capital for the rate case. BPA also proposed a draft for a fish and wildlife budget agreement (MOA), but its scope was not consistent with a draft proposed by Council staff, he noted. We've tried to get a draft to share with the region that has a consistent scope, Marker told the Council.

21. Council Business:

- Approve charter for Integrated Gasified Combustion Cycle Advisory Committee**

Staffer Terry Morlan presented a proposal for an advisory committee to help staff track the development of coal gasification technology. Kempton moved that the Council approve the charter for the Coal Gasification Power Generation Advisory Committee and appoint Jeff King as chair and Ken Corum as vice-chair. Cassidy seconded, and the motion passed unanimously.

– **Approve Draft Annual Report to Congress for release for public comment**

Kempton moved that the Council release the Draft Annual Report to Congress for the 90-day public comment period called for in the Act. Cassidy seconded, and the motion passed unanimously.

– **Approval of minutes**

Kempton moved to approve the minutes for the August 9-10, 2005 Council meeting held in Missoula, Montana. Cassidy seconded, and the motion passed unanimously.

Approved October 13, 2005

/s/ Jim Kempton

Vice-Chair

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