



Northwest Public Power Association

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**Government Relations Committee (GRC) Meeting  
Coeur d'Alene Resort  
Coeur d'Alene, Idaho  
May 20, 2003**

**Minutes of Meeting**

**A. ATTENDING**

NWPPA President Larry Weis called the committee to order at 8:34 a.m. on Tuesday, May 20, 2003. The meeting was held at The Coeur d'Alene Resort in Coeur d'Alene, Idaho. A quorum was present and the following Committee Members were in attendance:

Al Aldrich, Snohomish PUD  
Eric Anderson, Northern Lights, Inc.  
Mike Berryhill, Turlock Irrigation District  
Tom Blackweasel, Glacier Electric  
Bill Dearing, Chelan Co. PUD  
Larry Descheemaeker, Fergus electric  
Bill Drummond, Western Montana G&T  
Jim Dyer, Salem Electric  
Alan Evans, Fergus Electric  
Jake Fey, Tacoma Public Utilities  
Clay Fitch, Wells Rural Electric  
William Fleenor, Central Lincoln PUD  
Ken Gates, Cordova electric  
Ed Gossett, Kootenai Electric Co-op  
Linda Gott, Mason PUD 3  
Tim Gregori, Central Montana G&T  
Norm Gutzwiler, Chelan Co. PUD  
Fred Guyer, Benton REA  
Neal Harth, Wasco Electric  
Ron Hatfield, Pacific County PUD  
Vernon Hollett, Northern Lights, Inc.  
LaNea Holt, Lost River Electric  
Lou Holveck, Valley Electric Assoc.  
Terry Holzer, Yellowstone Valley Electric Cooperative  
Jim Hubenthal, Lewis Co. PUD



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Sandy Huling, Clearwater Power  
Brian Jobson, Sacramento Municipal Utility District  
Meera Kohler, Alaska Village Electric Co-op.  
George Litzenberger, Springfield Utility Board  
Pat McGary, Clark Public Utilities  
Andrew Munro, Chelan Co. PUD  
Nathan Narrance, Inland Power & Light  
Dan Peterson, Pend Oreille PUD  
David Pflugrath, Chelan County PUD  
Bruce Pilling, Emerald PUD  
Fergus Pilon, Columbia River PUD  
Ned Piper, Cowlitz PUD  
Roger Purdom, Chelan Co. PUD  
John Redman, Lower Yellowstone REC  
Robin Rego, Lakeview Light & Power  
Marianne Roose, Lincoln Electric Co-op.  
Walter Sapp, Kodiak Electric Assoc.  
Karl Schrade, Flathead Electric  
Leonard Sivumaki, Sun River Electric Co-op.  
Bob Speckman, Salem Electric  
Chuck Tenpas, Lewis Co. PUD  
Bob Titus, City of Ellensburg  
Evelyn True, Columbia REA  
Carl Van Hoff, Energy Northwest  
Bob Walker, Beartooth Electric Co-op.  
Larry Weis, Turlock Irrigation District  
Robert Wilkinson, Copper Valley Electric Assoc.  
Bob Wittenberg, Skamania PUD  
Don Woodke, Golden Valley Electric  
Bill Wright, Wells Rural Electric

#### NWPPA Staff

Bryan Case, Deputy Executive Director  
Debbie Kuraspediani, Communication Director  
Scott Lindsay, Director of Government & Member Relations  
Will Lutgen, Executive Director

#### Others

Angela Becker-Dippmann, Office of Sen. Maria Cantwell  
Mark Compton, Office of Rep. Butch Otter  
Tana Cory, Office of Rep. Butch Otter  
Matt Ellsworth, Office of Sen. Mike Crapo



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Steve Johnson, Washington PUD Assoc.  
Aaron Jones, Golden State Power Co-op.  
Jerry Jordan, Calif. Municipal Utilities Assoc.  
Arlen Lancaster, Office of Sen. Mike Crapo  
George O'Conner, Office of Sen. Larry Craig  
Alan Richardson, APPA  
Deborah Sliz, Morgan Meguire  
Stu Trefry, Washington PUD Assoc.  
Seth Voyles, Colorado Springs Utilities  
Valerie West Stackhouse, Office of Sen. Gordon Smith  
Dave Wheelihan, Montana Electric Co-op's Assoc.

## **B. INFORMATION ITEMS**

Larry Weis advised the committee of Fred Braun's resignation as the GRC Committee chair. Braun is no longer involved on his utility's board. Robin Rego will move from vice-chair to chair of the committee.

## **C. CONSENT AGENDA**

Ed Gossett moved to approve the following Consent Agenda items as submitted:

- Government Relations Meeting Minutes of February 5, 2003

With a second the motion to approve the Minutes carried with none opposed.

## **D. WASHINGTON D.C. UPDATE**

Deborah Sliz provided a timely Washington D.C. update and was joined by Senate staffers via conference call. The following highlights from her report:

- With regard to schedule, Members first thought debate on the Senate's *Energy Policy Act of 2003*, S. 14 could be completed by Memorial Day recess, but it has slipped as other priorities, such as an economic stimulus package, a global AIDS package, raising the country's debt ceiling and defense authorization bills, took priority over energy legislation.



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- Debate on the energy bill began May 12 with an ethanol amendment, but was postponed to let the Senate take up the economic stimulus package. It is currently doubtful that energy legislation will be considered again on the floor prior to Memorial Day recess (May 26-30).
- When the Senate reconvenes, the energy bill may be taken up once again, continuing with debate on ethanol.
- Many controversial issues were left for floor debate and, consequently, could make consideration of the legislation contentious and lengthy. Issues of particular interest to NWPPA include electricity, renewable portfolio standards, and hydro relicensing.
- With regard to electricity, in committee, Sen. Maria Cantwell (D-WA) offered an amendment to strike the FERC-lite provision, which failed along party lines. Cantwell argued that the FERC-lite provision created doubt as to whether BPA could continue to set cost-based transmission rates. Sens. Larry Craig (R-ID) and Gordon Smith (R-OR) did not vote with Cantwell, but instead, prior to the mark-up worked a compromise with Chairman Domenici to have a sentence added to the FERC-lite provision that clarifies that “nothing in the FERC-lite provision can be construed to give FERC the authority to require an ‘unregulated transmitting utility’ to transfer control of its facilities to an RTO.” The Senators also insisted that the electricity title delay FERC’s SMD rule for five years, until July 1, 2005. These two components were enough for Craig and Smith to support the title. During floor consideration, however, there may be an effort to clarify FERC-lite and its application to BPA.
- Also in the electricity title, we expect Democrats will be advancing amendments in four key areas, at a minimum, to offset repeal of the Public Utilities Holding Company Act (PUHCA). Amendments are likely to include the following:
  - Strengthening FERC’s merger authority;
  - A broad prohibition on market manipulation;
  - Criteria for approving (and revoking) market rates; and
  - A prohibition against transferring assets from regulated to unregulated subsidiaries.
- We also expect Sen. Shelby (R-AZ) to introduce all, or part, of his bill (S. 954) as an amendment. The bill is intended to limit FERC



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jurisdiction over transmission and to deal a more fatal blow to FERC's Standard Market Design (SMD) proposed rulemaking than the current bill does. S. 954 would: 1) give state regulators exclusive jurisdiction over the bundled transmission component of retail electric rates; 2) state that the use of transmission facilities to serve native load shall not be considered unduly discriminatory or prejudicial; 3) mandate that entities that want to interconnect to the transmission grid or expand the grid bear the costs and not receive a credit for use; and 4) declare that FERC cannot adopt an SMD rule unless and until Congress and the affected states approve it. Chairman Domenici opposes this effort and it is not likely to prevail.

- With regard to an RPS, Sen. Jeff Bingaman (D-NM) is expected to offer an amendment that would mandate a 10 percent RPS on all utilities that serve retail customers – public power systems, rural electric cooperatives and investor-owned utilities – by 2020. The amendment exempts small utilities that sell less than four million megawatt hours annually at retail, and joint action agencies. Bingaman may have the votes to pass this amendment with the help of moderate Republicans.
- On hydro relicensing, we expect an amendment by Sen. Bingaman to either strip the language entirely or replace it with last year's weaker House-passed language. In addition, we have learned that Sen. Jim Jeffords (I-VT) will be offering a series of amendments to the hydropower title, including one or more impacting annual licensing.

**E. BROADBAND COMMITTEE UPDATE**

Scott Lindsay updated the committee on the status of establishing a Digital Distribution Committee. He has prepared a memo to the NWPPA Board of Trustees which he will review with them at their May 21, 2003 Board Meeting. Staff has determined that there is only limited activity on broadband issues at this time and that interest across the entire NWPPA membership in broadband has been low. NWPPA staff feels it would be best to create a Digital Distribution Forum as opposed to a full committee at this time. Staff will take its recommendations to the Board for further consideration.

**F. PEOPLE POWER UPDATE**



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Scott Lindsay gave a brief update on People Power activities since the last meeting. There are currently 198 utility participants with a total grassroots network of some 40,000 individuals. 28 utilities responded to a survey sent out on the usefulness and effectiveness of the program materials. The response received from the 28 utilities was very positive and utilities indicated that the materials being provided through the program were very helpful. NWPPA and PPC will continue to sponsor the program throughout the year using Ruthann Mogen as the People Power regional coordinator. Utilities were encouraged to check the People Power Web site for materials on SN CRAC and other “hot topic” issues.

#### **G. GRTF (Government Relations Task Force) UPDATE**

Scott Lindsay outlined the purpose behind establishing the GRTF. 20 members of the Government Relations Committee were invited to participate in the GRTF. The following is a list of projects the task force was involved in:

- GRC Handbook — Copies are available to all members at no cost. A PDF file of the printed Handbook can be found on the GRC Web site at [www.nwppa.org/grc/Advocacyhandbook.pdf](http://www.nwppa.org/grc/Advocacyhandbook.pdf). The Handbook will be updated as staffers change during the year.
- Fast Polling Mechanism — Allows for staff to poll members for positions to convey to Congressional staff on public power’s stance on a particular issue. Utilities were asked to designate one voting delegate to participate on behalf of their utility.
- Resolutions Process — Scott Lindsay explained the new En Bloc approval process and use of the NWPPA GRC Bulletin Board for submitting proposed changes to existing resolutions.
- Regional Advocacy Database — This database will be maintained in-house by staff and used to contact utility employees that have a good rapport with particular members of Congress or their staff.
- GRC Web site — Scott provided an overview of the GRC Web site and the information contained on it. New items will be added on an as needed basis throughout the year. The Web page has a wealth of resource information for government relation’s activities for members.

#### **H. 2003 RESOLUTION REVIEW**

Scott Lindsay led a review of the proposed 2003 resolutions to be submitted to the membership for adoption. The following En Bloc



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resolutions were approved for submission to the membership for adoption at the May 23, 2003 Annual Membership Meeting on a motion from Carl Van Hoff:

<b>RESOLUTION 03-1</b>	<b>PREFERENCE CLAUSE</b>
<b>RESOLUTION 03-2</b>	<b>LOCAL CONTROL OF CONSERVATION PROGRAMS &amp; RETAIL RATE SETTING</b>
<b>RESOLUTION 03-4</b>	<b>COST EFFECTIVE WILDLIFE MITIGATION</b>
<b>RESOLUTION 03-5</b>	<b>NORTHWEST IRRIGATED AGRICULTURE</b>
<b>RESOLUTION 03-6</b>	<b>REGIONAL INTERNATIONAL COOPERATION</b>
<b>RESOLUTION 03-8</b>	<b>DISPOSAL OF HIGH LEVEL NUCLEAR WASTE (Recommendation to retire this resolution)</b>
<b>RESOLUTION 03-9</b>	<b>OPPOSITION TO RESERVOIR DRAWDOWN OR DAM BREACHING PRACTICES WITHOUT SCIENTIFIC JUSTIFICATION</b>
<b>RESOLUTION 03-10</b>	<b>THE ECONOMIC BENEFITS OF HYDROPOWER AS A RENEWABLE RESOURCE</b>
<b>RESOLUTION 03-12</b>	<b>U.S. FOREST SERVICE STRICT LIABILITY POLICY</b>
<b>RESOLUTION 03-13</b>	<b>SALE OF THE PMA<sub>s</sub></b>
<b>RESOLUTION 03-14</b>	<b>REAUTHORIZATION OF THE ENDANGERED SPECIES ACT</b>
<b>RESOLUTION 03-15</b>	<b>EVALUATION OF PROPOSALS FOR ELECTRIC INDUSTRY RESTRUCTURING</b>
<b>RESOLUTION 03-16</b>	<b>OPPOSITION TO A BLANKET RTO APPROACH</b>
<b>RESOLUTION 03-17</b>	<b>SUPPORT FOR AVOIDING “COST CREEP” IN FISH FUNDING</b>



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| <b>RESOLUTION 03-18</b> | <b>OPPOSITION TO EFFORTS TO DENY DISASTER RELIEF TO STATE &amp; LOCAL GOVERNMENT AGENCIES</b>     |
| <b>RESOLUTION 03-19</b> | <b>SUPPORT OF THE BUSH ADMINISTRATION OPPOSITION TO THE ADVANCEMENT OF THE KYOTO PROTOCOL</b>     |
| <b>RESOLUTION 03-20</b> | <b>BROADBAND NETWORK INFRASTRUCTURE AND TELECOMMUNICATIONS SERVICES</b>                           |
| <b>RESOLUTION 03-21</b> | <b>SUPPORT OF REFORM AND REAUTHORIZATION OF THE RENEWABLE ENERGY PRODUCTION INCENTIVE PROGRAM</b> |
| <b>RESOLUTION 03-22</b> | <b>SUPPORT FOR CONSTRUCTION AND COMPLETION OF A TRANS-ALASKA NATURAL GAS PIPELINE PROJECT</b>     |
| <b>RESOLUTION 03-23</b> | <b>ACCIDENTAL WILDLIFE ELECTROCUTIONS</b>   |
| <b>RESOLUTION 03-24</b> | <b>ACCESS FOR UTILITY RIGHTS-OF-WAY</b>   |
| <b>RESOLUTION 03-25</b> | <b>SUPPORT FOR ENERGY EFFICIENCY</b>  |
| <b>RESOLUTION 03-26</b> | <b>EQUAL TREATMENTS FOR NORTHWEST INDUSTRIES SERVED BY BPA</b>                                    |

With a second the motion to approve the submission of the en-block resolutions carried with none opposed.

The committee considered the following individual proposed 2003 resolutions for approval and submission to the membership for adoption:

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| <b>RESOLUTION 03-3</b> | <b>RURAL UTILITY SERVICE (RUS) PROGRAM</b><br>— Bruce Pilling moved to recommend a change in language from the word cooperative to the generic word utilities in lines 12 & 17 of the resolution. Motion to approve the change in wording was made by Ned Piper with a second by Bob Titus. Motion carried with none opposed. |
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- RESOLUTION 03-7**      **TAX-EXEMPT FINANCING** — George Litzenberger moved to approve the resolution with wording changes provided. With a second the motion was approved with none opposed.
- RESOLUTION 03-11**      **FERC REGULATION OF HYDRO LICENSING**  
— Don Woodke moved to approve the resolution with changes submitted. With a second the resolution was approved with none opposed.
- RESOLUTION 03-27**      **NEW -- OPPOSITION TO APPLICATION OF FERC'S STANDARD MARKET DESIGN** — Ned Piper moved to approve the resolution wording changes as submitted and with a second the motion carried. Dr. William Fleenor moved to approve the addition of a phrase "SMD or such iterations" after each mention of SMD in the resolution. With a second the amendment to the original motion was passed with none opposed. Motion to approve the resolution with all changes submitted was made by Ed Gossett. With a second the motion carried with none opposed.
- RESOLUTION 03-28**      **NEW – INFRASTRUCTURE SECURITY AND SECURITY COSTS** — George Litzenberger moved to approve the resolution with wording changes submitted, "as is". With a second the motion carried with none opposed.
- RESOLUTION 03-29**      **NEW – ENERGY RESOURCE DEVELOPMENT IS A NATIONAL SECURITY ISSUE** — Motion to approve resolution with wording changes provided was made by Ron Hatfield. With a second the motion carried with none opposed.

**I. OTHER BUSINESS & REPORTS**

- Nomination of 2003 GRC Chair and Vice Chair — NWPPA President Larry Weis recommended and Bruce Pilling moved to



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nominate Robin Rego as 2003 GRC chair and Al Aldrich as 2003 GRC vice chair. With a second the motion carried with none opposed.

- Regional Advocates Database Information Request — Scott Lindsay circulated a sheet asking for regional advocates database contact information.
- Circulation of Meeting Minutes — Fred Guyer asked that meeting Minutes be circulated to all GRC members in the future prior to the meeting date so committee members have ample time to review them before the approval process. La Nea Holt suggested adding a box on any meeting registration forms designating where to send a copy of Minutes prior to the meeting. Suggested wording would be: "I will be attending the GRC Meeting. Please send information on meeting to: Name, Address, Phone, E-mail.
- Member Relations Update — Scott Lindsay gave a brief update on his member relation's activities since the last GRC meeting in February.
- Update From Alan Richardson — Alan Richardson addressed the committee briefly about public utilities dealing with broadband services. According to Richardson we are seeing an increase in opposition to this in Congress.
- Statewide Updates — Jerry Jordan, CMUA and Jane Cirrincione, NCPA gave their statewide organization updates.
- Sen. Crapo Update — Sen. Mike Crapo joined the meeting via conference call and welcomed the committee to Coeur d'Alene. He gave an S. 14 Energy Bill update; an update on the Ethanol Amendment; and the Electricity Title.

With no further business the meeting adjourned at 11:26 a.m.

Respectfully submitted,

Larry Weis  
President