

**Government Relations Committee Meeting  
Hilton Portland & Executive Tower  
Portland, Oregon  
February 5, 2003**

**Minutes of Meeting**

**A. ATTENDING**

Government Relations Committee vice-chair Robin Rego called the meeting to order at 10:00 a.m. on Wednesday, February 5, 2003. The meeting was held at the Hilton Portland & Executive Tower in Portland, Oregon. The following committee members were in attendance:

1. In Attendance:

Tom Blackweasel, Glacier Electric  
Ed Blakemore, Mason Co. PUD #3  
Larry Descheemaeker, Fergus Electric  
Ken Gates, Cordova Electric Cooperative  
Ed Gossett, Kootenai Electric  
Fred Guyer, Benton REA  
Neal Harth, Wasco Electric  
Ron Hatfield, Pacific County PUD  
Jim Hubenthal, Lewis River PUD  
Meera Kohler, Alaska Village Electric Cooperative  
Valarie Koss, Columbia River PUD  
Dwight Langer, N. Wasco PUD  
Pat McGary, Clark PUD  
David Pflugrath, Chelan PUD  
Bruce Pilling, Emerald PUD  
Fergus Pilon, Columbia River PUD  
Ned Piper, Cowlitz PUD  
Robin Rego, Lakeview Power & Light  
Walter Sapp, Kodiak Electric  
Bob Speckman, Salem Electric  
Bob Titus, City of Ellensburg

Larry Weis, Turlock Irrigation District  
Robert Wilkinson, Copper Valley Electric Assoc.  
Mary Wright, Wells Rural Electric  
Al Zepp, Northern California Power Agency

2. Staff:

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

3. Others:

Ruthann Mogen, People Power Regional Coordinator

A quorum was present.

**B. REVIEW & APPROVE MINUTES**

Robin Rego moved to approve the GRC Minutes of Sept. 12, 2002 and the Gov. Relations Committee Task Force Minutes of Sept. 12, 2002. With a second the motion to approve the Minutes as presented carried with none opposed.

**C. PROPOSED 2003 RESOLUTION REVIEW**

Robin Rego and Scott Lindsay reviewed the Proposed 2003 Resolutions. The following are changes that were made to the Resolution packet:

**Resolution 03-01** — There were no recommended changes to this resolution.

**Resolution 03-02** — There were no recommended changes to this resolution.

**Resolution 03-03** — Scott Lindsay recommended adding the following additional wording to the last paragraph of the resolution:

*Accordingly, NWPPA supports the RUS Broadband Grant/Loan Program to help fund the deployment and development of rural Broadband.*

**Resolution 03-04** — There were no recommended changes to this resolution.

**Resolution 03-05** — There were no recommended changes to this resolution.

**Resolution 03-06** — There were no recommended changes to this resolution.

**Resolution 03-07** — There were some minor grammar changes and Bob Titus suggested adding the word telecommunication to the middle paragraph. Motion to approve wording changes was made by Ned Piper and seconded by Bob Titus. With none opposed the motion carried.

**Resolution 03-08** — Bruce Pilling moved to retire Proposed Resolution 03-08 with a second from Ron Hatfield. With none opposed the motion to retire Resolution 03-08 passed.

**Resolution 03-09** — Motion to approve minor wording changes was made by Ron Hatfield with a second by Bruce Pilling. Motion to approve Proposed Resolution 03-09 was approved with none opposed.

**Resolution 03-10** — Motion to approve Resolution 03-10 with minor wording changes was made by Bob Speckman. With a second the motion carried with none opposed.

**Resolution 03-15** — Neal Harth moved to approve the suggested wording changes to Resolution 03-15. With a second from Bob Titus the motion carried with none opposed. Pat McGary recommended Scott Lindsay make any additional changes to wording as needed before the 2003 Annual Business Meeting.

**Resolution 03-16** — Scott Lindsay reviewed the suggested wording changes in Resolution 03-16. Bob Speckman moved to approve the wording changes with a second from Ron Hatfield. Motion to approve Resolution 03-16 with wording changes carried with none opposed.

**Resolution 03-17** — Bob Titus moved to approve Resolution 03-17 with wording updates in paragraph three. With a second from Bruce Pilling the motion to approve Resolution 03-17 carried with none opposed.

**Resolution 03-18** — Bob Titus moved to approve minor wording changes to Resolution 03-18 with a second from Bruce Pilling. The motion carried with none opposed.

**Resolution 03-19** — There were no recommended changes to this resolution.

**Resolution 03-20** — There were no recommended changes to this resolution.

**Resolution 03-21** — Meera Kohler moved to approve minor wording changes to Resolution 03-21. With a second the motion to approve wording changes carried with none opposed.

**Resolution 03-22** — There were no recommended changes to this resolution.

**Resolution 03-23** — There were no recommended changes to this resolution.

**Resolution 03-24** — There were no recommended changes to this resolution.

**Resolution 03-25** — There were no recommended changes to this resolution.

**Resolution 03-26** — There were no recommended changes to this resolution.

**Proposed New Resolution 03-27** — Meera Kohler moved that Proposed New Resolution 03-30 replace Resolution 03-27. With a second from Fergus Pilon the motion to replace Resolution 03-27 with Proposed New Resolution 03-30 carried with none opposed.

**Proposed New Resolution 03-28** — Bruce Pilling moved to approve proposed new Resolution 03-28 with a second from Neal Harth. Motion carried with none opposed.

**Proposed New Resolution 03-29** — Meera Kohler moved to approve Resolution 03-29 with a second from Ron Hatfield. Motion carried with none opposed

**Proposed New Resolution 03-30** — Meera Kohler moved to approve Proposed New Resolution 03-30 with changes to the proposed text. With a second from Fergus Pilon the motion carried with none opposed.

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

Deborah Sliz and Karen Price join the meeting via conference call to provide a Washington D.C. Update to the committee. Highlights from the conference call are as follows:

### **1. BPA Borrowing Authority**

- \$700 million in increased borrowing authority for BPA was included in the Senate-passed FY2003 omnibus appropriations bill, which is now in conference with the House.
- The wrinkle is that House Majority Leader Tom DeLay (R-TX) and Energy and Commerce Committee Chairman Billy Tauzin (R-LA) want to pull in from the appropriations bill to use as a “driver” for the energy bill.
- Tauzin has spoke to Rep. Greg Walden (R-OR), a member of the Energy Committee, about this strategy in an attempt to gain his support for it. Walden did not agree.

### **2. Energy Bill/Electricity Title**

- In the House, Rep. Tauzin is expected to introduce an energy bill with an electricity title in the next two weeks.
- It will look like the final offer the House made to the Senate during the conference on HR 4 last year. NWPPA opposed many of the provisions in that proposal. The House electricity title is expected to include language addressing, among other things, expansion of FERC jurisdiction over public power (“FERC-Lite” and refund authority), repeal of the Public Utility Holding Company Act (PUHCA), and federal siting authority. It is also likely to include a new proposal that focuses on “removing obstacles” to RTO participation.
- In the Senate, it was originally thought that they would move more slower than the House, but Sen. Energy and Natural Resources Committee Chairman Pete Domenici (R-NM) has now said that his committee will follow a parallel timeline as the House.
- However, the Sen. Energy Committee will hold a series of hearings in order to “revisit” many of the issues related to a comprehensive energy bill. In February a series of hearings on oil and gas are scheduled. On March 4, a hearing is scheduled on the financial conditions of the energy market, and electricity is expected to be discussed.
- A hearing is also expected in April after the release of the FERC’s white paper on SMD. There are still plenty of Senators steamed over SMD.

### **3. Hydro Relicensing**

- Sen. Larry Craig (R-ID) is still championing the issue in the Senate. Craig is working with the Hydro Task Force on introducing a new draft bill.
- Craig is reaching out to Sen. Ben Nelson (D-FL) to make the bill bipartisan.

### **4. FY04 Budget**

- On Monday, February 3, 2003, the White House released its Fiscal Year 2004 budget request to Congress.
- Included with the budget, is an attack by the Office of Management and Budget (OMB) on the Power Marketing Administrations (PMAs).
- Among the criticism, OMB declared that with regard to the Bonneville Power Administration (BPA), its power allocations on a preference basis “are not optimally designed...and is an inefficient (it does not offer power to bidders) and burdensome process.” Also, PMAs do not make a unique contribution to the public interested because BPA power transmission and generation “could be performed under contract or through non-federal ownership of transmission lines and generation capacity at dams.”
- There are two efforts underway to push back on the OMB attack. The first is a letter being circulating by Sens. Gordon Smith (R-OR) and Kent Conrad (D-ND) for a bipartisan, national group of Senators to send to the President expressing their concern with the OMB language and urging the President not to pursue any auction or market-based rates initiatives for public power. Sen. Cantwell is also circulating a similar Northwest-only letter to specifically address BPA.
- Also of interest to NWPPA included in the President’s FY04 budget request is \$4 million in funding for the Renewable Energy Production Incentive (REPI) program and \$700 million in increased BPA borrowing authority.

## **E. PEOPLE POWER UPDATE**

Ruthann Mogen provided a People Power update and encouraged committee members to check the People Power web site on a regular basis for information on BPA’s CRAC.

## **F. POLICY PERSPECTIVES REPORT/UPDATE**

Scott Lindsay reported that NWPPA and industry cosponsors held a Policy Perspectives Forum on December 13, 2002 dealing with the topic of Standard Market Design (SMD). 26 speakers addressed the SMD topic with some 135 people in attendance. FERC Commissioner Nora Mead Brownell and Washington Utility & Transportation Committee chairwoman Marilyn Showalter participated. There were four breakout sessions in the afternoon where experts from different regions addressed a variety of SMD related topics. Rep. Brian Baird (D-WA) was the lunch guest speaker. Feedback received by NWPPA staff was very favorable on the forum and NWPPA plans to conduct other forums like this in the future.

## **G. GTRF REPORT**

Scott Lindsay provided a report from the last Government Relations Task Force Meeting. Topics covered included:

1. Fast Polling Mechanism — This was presented to full Board and approved in February 2003.
2. Online Bulletin Board System — Scott Lindsay explained the mechanics of using the bulletin board as a system to communicate with the committee on legislative topics of interest.
3. GRC Handbook — NWPPA and PPC have printed a *Congressional Advocacy Handbook* for members to use. Scott Lindsay is the contact for members wanting to obtain a copy of the resource book.
4. GRC Web Site Review — Scott Lindsay outlined the changes to the GRC web site page and encouraged members to use this as a valuable site of resource information in the legislative arena.
5. Legislative Advocacy Database — Scott Lindsay explained the purpose of the database and encouraged members to sign up & submit names.

## **H. OTHER BUSINESS & REPORTS**

Al Zepp from Northern California Power Agency (NCPA) reviewed a document titled Bankruptcy Reform and Energy Contracts with the committee. NCPA believes that the ability of parties to freely enter into contracts, with or without key “walk away” clauses, should not be limited and opposes any legislation to amend the federal Bankruptcy Code that would impose such limitations. NCPA also urges Congress to amend the Bankruptcy Code so that the definition of “forward contract merchant” applies to public power.

Ed Blakemore expressed interest in setting up a Telecommunications Committee. This will be discussed at a later date.

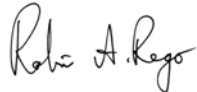
Will Lutgen thanked committee members and staff for work on behalf of the membership. He encouraged committee members to talk with the general membership about the role of the GRC in the government relations area.

**I. NEXT MEETING**

The next meeting of the Government Relations Committee will be Tuesday, May 20, 2003 from 8:30 to noon at the Coeur d'Alene Resort.

With no other business Meera Kohler moved to adjourn the meeting at 2:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Robin A. Rego".

Robin Rego  
Government Relations Committee Vice-Chair