

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

May 2, 2007

ACTION REQUIRED

AGENDA ITEM NO. VI.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

NWPPA Resolutions - Recommendation

DISCUSSION

Attached are the proposed resolutions for the 2007 Northwest Public Power Association annual meeting – which will be held May 20-23. Director Lipscomb serves on the NWPPA Board of Trustees and will be attending the meeting as our delegate. The Operations Committee may review the resolutions and make a recommendation to the Board of Directors as to Chugach's position.

MOTION

Recommend that the Board of Directors authorize the Chugach delegate at the 2007 NWPPA Annual meeting to vote on the proposed resolutions as discussed.

1 NORTHWEST PUBLIC POWER ASSOCIATION

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3 RESOLUTION 07-3

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5 IN SUPPORT OF REGIONAL TRANSMISSION SOLUTIONS

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7 The vast majority of electric utilities operating in the West are
8 dependent on the regional transmission system for access to Power
9 Marketing Administration (PMA) power and the wholesale power market.
10 Any proposal aimed at modifying the operating characteristics of the
11 Western regional transmission system must be approached with caution.
12 As we have seen in other regions, misguided changes to the fundamental
13 operating procedures of the transmission grid have had devastating
14 consequences for consumers in these regions.

15 Recognizing that efforts to address specific transmission problems
16 are important to the region, NWPPA encourages groups like ColumbiaGrid,
17 the Northern Tier Transmission Group (NTTG) and the Transmission
18 Agency of Northern California (TANC) to develop, fund and implement
19 regional solutions to recognized transmission problems.

20 However, efforts by the Federal Energy Regulatory Commission
21 (FERC) to encourage the formation of a Region Transmission Organization
22 (RTO) in the West are objectionable. NWPPA members already benefit from
23 a reliable, low-cost power and transmission system and believe that little
24 has been done to prove that the region will benefit from a RTO. Past
25 efforts, as with the failed Grid West proposal, have produced ill-defined
26 governance, excessive costs, loss of regional accountability and greater
27 federal regulation, which remain issues of great concern to the NWPPA
28 membership.

29 NWPPA continues to support efforts to advance proposals that are
30 centered on low-cost solutions to recognized transmission problems. In
31 addition, any effort to modify the existing transmission system should not
32 result in the creation of new institutions that would lessen regional input
33 and control. On-going regional discussions by entities such as
34 ColumbiaGrid, NTTG and TANC may provide needed answers to Western
35 transmission issues and demonstrate that there is no need for a RTO.

36 NWPPA appreciates the Western delegation's support for regional
37 customers' perspective on the future development of regional transmission
38 improvements. As discussions continue, NWPPA urges the delegation to
39 support a measured approach toward addressing regional transmission
40 problems — not imposition of elaborate market-based systems that are
41 costly and ill-suited for the Northwest region.

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43 Origination Date: 2005 by NWPPA Staff at direction of GRC

Deleted: efforts

Deleted: those promoted by the
Transmission Improvements
Group (TIG)

Deleted: NWPPA also notes with
interest that the Bonneville Power
Association (BPA) decided not to
go forward with the Grid West
proposal.

Deleted: As it was envisioned,
Grid West proposed to become a
Federal Energy Regulatory
Commission (FERC)

Deleted: -jurisdictional institution
with an independent Board that
controlled access to the
transmission system.

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Transmission Organization (

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contributed to BPA's decision to
turn down the Grid West proposal

Deleted: BPA's effort to
incorporate the characteristics of
Grid West into a proposed
"convergence" plan with TIG has
also been terminated. The latest
effort initiated by BPA and other
control area operators, called
"Columbia Grid," should also be
mct with similar scrutiny.

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1 NORTHWEST PUBLIC POWER ASSOCIATION

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3 RESOLUTION NO. 07-6

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5 **SUPPORT FOR THE EFFECTIVE MANAGEMENT AND OPERATION OF**
6 **THE COLUMBIA RIVER SYSTEM WHILE MEETING**
7 **FISH AND WILDLIFE OBLIGATIONS**
8

9 The majority of NWPPA members rely heavily on the low-cost power
10 generated from hydroelectric power dams on the Columbia River System,
11 which serves as the foundation for the Northwest economy. Electrical
12 output from the dams on the Columbia River System is significantly affected
13 by the operation of the river system. Benefits from the dams on the
14 Columbia River system include not only generation of clean, renewable and
15 economical power, but irrigation, freight transport, recreation and
16 congressionally mandated flood control.

17 NWPPA members take the responsibility for management of this
18 natural resource seriously and are continually working to mitigate the
19 effects of the dams on fish and wildlife. Electricity ratepayers have invested
20 billions of dollars over the years in fish and wildlife as well as other natural
21 resource programs. Since 1980, the Bonneville Power Administration (BPA)
22 has spent over \$8 billion on ESA and other statutory obligations to fish and
23 wildlife, spending more than any other federal Power Marketing
24 Administration on endangered species recovery programs. In addition,
25 publicly-owned and investor-owned utilities are responsible for many other
26 programs that cost hundreds of millions of dollars more. These costs are
27 passed directly on through electricity rates and affect everyone in the region
28 and the regional economy.

29 Over many of the last several years, substantial numbers of fish have
30 returned to the Columbia River, and the number of harvested fish has
31 broadly increased in most of those years. At the same time, pressures to
32 increase funding levels for fish mitigation have intensified. These pressures
33 include litigation surrounding NOAA (National Oceanic and Atmospheric
34 Administration) Fisheries 2004 Biological Opinion, a potential long-term
35 funding agreement between BPA and the Northwest Power and Conservation
36 Council (Council) and the Council's subbasin plans -- not to mention
37 renewed calls by national environmental groups to remove the Snake River
38 dams.

39 NWPPA supports responsible management and operation of the
40 Columbia River System to mitigate the impact of dam operations on fish
41 through cost-effective, measurable, accountable results, based upon a
42 rigorous, refereed and traditional scientific process. NWPPA opposes flow
43 augmentation, increased spill, reservoir drawdown or dam breaching as
44 inconsistent with a scientifically responsible fish and wildlife preservation
45 and recovery effort.

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47 NORTHWEST PUBLIC POWER ASSOCIATION

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49 Origination Date: 3/2005 by NWPPA Staff

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1 **NORTHWEST PUBLIC POWER ASSOCIATION**
2 **07-14 Resolution – Revised in 2007**

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4 **IMPROVED AGENCY COOPERATION FOR UTILITY RIGHTS-OF-WAY**
5 **AND RELATED POLICIES**
6

7 Northwest Public Power Association (NWPPA) members take the
8 reliability and health of their transmission and distribution lines seriously.
9 In maintaining these lines on federal lands, consumer-owned utilities
10 require timely access to these lands for the purpose of construction,
11 maintenance, relocation and repairs of electric utility facilities and rights-of-
12 way. To gain access to federal lands, they are also required to work with
13 federal agencies such as the:

- 14 • Department of the Interior (including the National Park Service, U.S.
15 Fish and Wildlife Service, Bureau of Land Management and Bureau of
16 Indian Affairs);
- 17 • Department of Defense (U.S. Army Corps of Engineers); and
- 18 • U.S. Department of Agriculture (including the U.S. Forest Service).

19 In working with these agencies, utilities occasionally experience
20 policies that prohibit or delay access to federal lands as well as add costs for
21 required permits. These policies include:

- 22 • Forbidding development of roads in national forests;
- 23 • Imposing stringent prohibitions, in the form of a strict liability clause
24 for fire suppression in utility easement agreements, on clearing dry
25 brush from forest floors or trimming and topping trees. These policies
26 have resulted in dangerous incidents of electrical arcing and fires that
27 have damaged electric lines and forest lands. Such a standard holds
28 the utility responsible for all fires regardless of the cause; and
- 29 • Adding raptor protection and mitigation requirements on utilities.

30 NWPPA requests the heads of the federal agencies named above to
31 work with NWPPA member utilities to (1) amend any more stringent liability
32 standard to a standard of “ordinary negligence”; (2) to enhance the right for
33 utilities to maintain rights-of-way; and (3) to revise all policies that can
34 adversely impact a utility’s ability to maintain transmission and distribution
35 lines on federal land for the purposes of maintaining reliable operations.

36 Should federal agencies refrain from taking prompt administrative
37 action to mitigate electric utility exposure under existing and future
38 agreements, NWPPA members should seek Congressional support to
39 consider ways to: revise the current stringent liability and access clauses;
40 and to provide reasonable, timely access to federal lands for the purposes of
41 construction, maintenance, relocation and repairs of electric utility facilities
42 and rights-of-way located on federal lands.

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44 **NORTHWEST PUBLIC POWER ASSOCIATION**

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46 Origination Date: 2006

1 **NORTHWEST PUBLIC POWER ASSOCIATION**

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3 **07-15 Resolution – Proposed**

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5 **PRINCIPLES FOR FEDERAL CLIMATE CHANGE LEGISLATION**

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7 The Northwest Public Power Association recognizes the
8 interconnected relationship between energy and environmental policies.
9 We also recognize that growing concerns regarding the threat of climate
10 change, as a result of greenhouse gases (GHG), dictates energy providers
11 commit to the development and deployment of technology options to
12 mitigate the impacts on the environment.

13 During this process, NWPPA members face growing uncertainty
14 over what the future of US climate change policy will be and how that
15 future would affect the ability of our utilities to provide reliable,
16 affordable, and safe electric power. Policies to address climate change
17 can have substantial negative impacts on our consumers if they are
18 poorly crafted, and it is in NWPPA members' interest to outline a
19 thoughtful position regarding the reduction of GHG emissions.

20 As domestic policies to reduce GHG emissions are contemplated,
21 the NWPPA urges Congress to carefully consider all solutions for
22 addressing climate change and to incorporate the following principles in
23 any new federal legislation. Specifically, federal legislation must:

- 24
- 25 • Be economy wide and apply to all industry sectors;
 - 26 • Consider the financial impact on and the ability of consumers to
 - 27 afford any proposed greenhouse gas emission reduction program;
 - 28 • Protect the ability of U.S. industries to compete in world markets
 - 29 and carefully consider the international competitive impact on U.S.
 - 30 jobs;
 - 31 • Allow credit for early actions taken to reduce greenhouse gas
 - 32 emissions;
 - 33 • Maintain reliability, protect national security and avoid over-
 - 34 reliance on any single fuel by recognizing the importance to the
 - 35 nation of preserving a diverse mix of electricity generation fuels,
 - 36 including coal, nuclear, natural gas, and all renewable energy
 - 37 sources including hydro;
 - 38 • Place an enhanced and immediate economy-wide focus on energy
 - 39 efficiency for all energy uses;
 - 40 • Ensure that tax-based or other incentives for the development and
 - 41 deployment of renewable and clean energy facilities and programs
 - 42 are provided on a comparable basis to all electric industry sectors
 - 43 including public power;
 - 44

- 45 • Recognize and address regional differences that can impact the
46 fairness and effectiveness of any program designed to address
47 greenhouse gas emissions;
- 48 • Include additional and expanded federal support for research,
49 development and deployment of cost-effective technologies to
50 reduce, capture, transform, transport or sequester greenhouse
51 gases from emission sources throughout the national economy;
52 and
- 53 • Ensure that any generation portfolio requirements allow all low
54 emission technologies.

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56 NORTHWEST PUBLIC POWER ASSOCIATION

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58 Origination Date: 2007 – Modeled after APPA, NRECA and EEI
59 Resolution