On the cover: Consumers Power Inc. in Philomath, Ore., worked with Good Samaritan Regional Medical Center to adopt a strategic energy management approach to updating its energy efficiency processes. Unlike traditional energy efficiency programs that provide a one-time incentive to support a large investment, a strategic energy management project captures savings from a suite of smaller measures that can qualify for annual incentives based on net energy savings. Photo provided by Bonneville Power Administration.

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Welcome to the Port of Oakland

NWPPA is excited to welcome the Port of Oakland (Calif.) to the association. The Utilities Department, which is a municipal unit within the Engineering Division, provides the expertise to manage the Port’s utility distribution system (electrical, gas, water, sewer, and telephone) in support of aviation, maritime, and commercial real estate operations. The department ensures that the Port plans, operates, and upgrades its utility systems in an effective and efficient manner in compliance with all rules and regulations.

The Port of Oakland is served by two different electric utilities: the Utilities Department purchases and manages the delivery of electricity to the Port’s customers at the Oakland International Airport (OAK) and in certain seaport areas; Pacific Gas and Electric Company (PG&E) provides electricity to the other areas not served by the Port. The Utilities Department, which has approximately 500 meters, also obtains renewable energy for the Port, takes measures to reduce the Port’s greenhouse gas emissions from electricity generation, and promotes energy efficiency.

Nicolas Procos serves as the utility manager for the staff of eight employees.
March’s IT Conference was Partly Cloudy with a Chance of Recovery

From March 9 to 11, members of the IS and IT departments of member utilities gathered at the Peppermill Resort in Reno, Nev., to learn from subject matter experts as well as from each other about the latest developments and best practices in their field.

Attendees heard presentations on IT services in a changing utility industry, cybersecurity penetration testing, big data analytics, email security, and business continuity. One of their favorite presentations was “Managing Millennials,” where Grant Axtell of Trajectory Consulting helped them gain a greater understanding of the motivations and expectations of this generation in the workplace.

As always, the audience gained some of the best takeaways from presentations by their peers. Franklin County PUD IT Manager Chad Schow commented, “Particular highlights were Chris Folta’s ‘IT/OT Collaboration’ and Ged West’s ‘Project Management’ presentations.”

During the IT/OT Collaboration presentation, Pend Oreille PUD IT Director Rhonda Thomas and Benton PUD Manager of IT Folta talked about how they have successfully developed collaborative relationships between the IT and operations functions for greater effectiveness at their utilities.

West, formerly of Grays Harbor PUD and now a consultant for NWPPA, provided valuable information in both project management for IT implementations and disaster recovery presentations; he provided solid, practical advice based on his years of experience while at Grays Harbor.

Salem Electric IT Manager Michael C. Richman said, “It is great to be able to discuss challenges and solutions with others that are facing or have faced the same challenges in very similar businesses. The insight into current industry trends is extremely valuable to make sure we are or will be ready for the advancement.”

Roundtable discussions were spaced throughout the conference and allowed attendees to share their thoughts about what they learned from the speakers. They also provided forums to exchange ideas and advice about topics not covered on the agenda. These discussions are usually the most valued part of the conference each year. Schow agreed: “What I valued the most was the roundtable discussions and the opportunity to network and share current and future topics that many of our utilities are challenged with.”

All in all, the conference was a meeting of great minds and energy, and is considered by some to be the best IT conference that they attend each year. Several attendees have enthusiastically joined the planning team to help shape the agenda for the conference in 2017.
2016 Call for Entries now available

By now all utility general managers, marketers, and communications employees should have received the 2016 Call for Entries for NWPPA’s 23rd annual Excellence in Communication Awards. This year we doubled our efforts by emailing soft copies in March and mailing hard copies of the brochure earlier this month; however, if you did not receive one, you may download the complete brochure at www.nwppa.org.

The brochure contains all of the details about this year’s competition: categories (including the new Internal Communication category plus an all-new People’s Choice Award!), entry fees, and how to submit your entries. All entries and fees must be postmarked by Friday, July 1. Contact Brenda Dunn at brenda@nwppa.org if you have any questions about the contest.

As in years past, all of the winning entries and utilities will be honored at the NIC’s annual banquet, this year being held on September 13 at the DoubleTree Hotel in Missoula, Mont. The conference itself will run from September 11-14, 2016, at the DoubleTree. Look for more information about the conference, aptly titled The Stars Are Out in Big Sky Country: A Campout in Missoula, in upcoming Bulletins and on Facebook.

Save the date!

NWPPA’s 2016 Power Supply Conference
“Balancing a Dynamic Future”

Energy Environment Economy

August 1-2, 2016
Portland Marriott Downtown
Portland, Ore.

BULLETIN/April 2016 www.nwppa.org
W ill you be attending next month’s Annual Conference and Membership Meeting in Tulalip, Wash.? Do you want one easy location to get all of the information you need for the conference? Did you know that we have gone mobile and our app can now be downloaded to your smart phone or tablet?

Plus, we’ve made it easy for you — once you download the NWPPA app, you’ll only need to update it for the conferences that you attend. With the Eventpedia-powered app there’s no need to download a separate app for each event because they will all be on the multiple-event platform.

Download the app now to receive information for everything you need for the Annual Conference and Membership Meeting in May. Information for the Northwest Communications and Energy Innovations Conference (NIC) in September will be uploaded and available this summer.

To download the official NWPPA app, search NWPPA on the App Store or Google Play Store. The app is free to download.

We look forward to seeing you at the Annual Conference and Membership Meeting next month with app in hand! NWPPA

Scan this QR code with your phone to also download the app.

Have you downloaded the NWPPA app yet?

W 50 years ago — 1966
Franklin County PUD adopted, on an experimental basis, a policy of reading meters but not disconnecting when a consumer moves (Wash.) ... The five-year electric investment budget for the Eugene Water & Electric Board included $6.7 million for underground electric distribution facilities (Ore.) ... Elmer Titus was appointed to be the utilities manager for the City of Ketchikan, Alaska ... On April 8, Hanford’s first 400,000-kilowatt generator was synchronized and put on the line feeding into the Bonneville Power Administration grid system on a test basis (Wash.).

25 years ago — 1991
Dispatch and power accounting personnel moved in to their new control center at the Grant County PUD headquarter (Wash.) ... Columbia River PUD won an American Public Power Association Perfect Record Award in the Group C Safety Awards category (utilities with 50,000 to 99,999 worker-hours of exposure annually) (Ore.) ... Tanner Electric Cooperative in North Bend, Wash., received some good news regarding its continued battle to provide service to a huge Nintendo of America complex currently under construction ... Sandra Huling was promoted to office manager at Clearwater Power Company (Idaho) ... According to studies of plant emissions, Tacoma City Light’s Steam Plant No. 2 electric generating station posed no significant health risks (Wash.).

5 years ago — 2011
Snohomish County PUD named Benjamin Beberness as its new chief information officer (Wash.) ... California’s Redding Electric Utility held a ribbon-cutting ceremony to celebrate the completion of construction of Power Plant Unit #6 at the Redding Electric Utility power-generating facility ... The City of Cascade Locks hired Rich Carson as interim administrator (Ore.) ... The Turlock Irrigation District Board of Directors announced that Casey Hashimoto was selected to serve as the sixth general manager in the history of the District (Calif.) ... Benton PUD received the Tree Line USA Award for the 12th consecutive year (Wash.). NWPPA
activating optimal motivation in order to achieve and sustain high performance.

May 13, 2016 — Richland, Wash.

NWPPA LABOR AND EMPLOYEE RELATIONS MEMBER MEETING
Who Should Attend: Members of the NWPPA Labor and Employee Relations Group, which includes general managers, labor relations managers, and human resources professionals.

May 13, 2016 — Eugene, Ore.

NWPPA ANNUAL CONFERENCE AND MEMBERSHIP MEETING
Who Should Attend: Policy makers, general managers, and senior staff. For more information, see page 3.

May 15-18, 2016 — Tulalip, Wash.

ANNUAL MEETING PRE-CONFERENCE COURSE: SUCCESSION PLANNING: DEVELOPING THE PURPOSE-DRIVEN ORGANIZATION
Who Should Attend: General managers, policy makers, and senior staff. Note that attendees are eligible for NRECA Board Leadership Certificate credit.

May 16, 2016 — Tulalip, Wash.

ANNUAL MEETING PRE-CONFERENCE COURSE: ELECTRIC UTILITY SYSTEMS OPERATIONS
Who Should Attend: Any industry (utility or vendor) employee whose job performance will benefit from a basic understanding of the operations side of the utility business. Note that attendees are eligible for NRECA Board Leadership Certificate credit.

May 16, 2016 — Tulalip, Wash.

DIVERSIFIED COMMUNICATIONS
Who Should Attend: Customer service professionals and any others who need to communicate effectively with customers and members.

May 17-18, 2016 — Portland, Ore.

EMPLOYEE REVIEWS, DEVELOPMENT, AND RISK MANAGEMENT
Who Should Attend: Managers, supervisors, and human resources staff.

May 18-19, 2016 — Vancouver, Wash.

VIOLENCE PREVENTION SKILLS: STAYING SAFE AND SECURE AT WORK
Who Should Attend: Anyone who potentially may need to deal with violence in the office or in the field, including customer engineers, foremen, line superintendents, safety personnel, and customer service representatives.

May 24-25, 2016 — Vancouver, Wash.

ACCOUNTING & FINANCE FUNDAMENTALS FOR UTILITY PERSONNEL
Who Should Attend: Administrative professionals and anyone who wants to understand how each role in the utility impacts the budget and financial statement.


Continued on page 8
TRAINING OPPORTUNITIES

IT SECTION MEETING
Who Should Attend: NWPPA utility and associate members who are involved in the information technology aspects of their organizations.
JUNE 1, 2016 — VANCOUVER, WASH.

ELECTRIC UTILITY SYSTEM OPERATIONS
Who Should Attend: Any electric utility industry employee (utility or vendor) whose job performance will benefit from a basic understanding of the operations side of the utility business, including engineering, operations, safety, purchasing, information technology, regulatory and rates, customer service, public relations, legal, and accounting, as well as utility commissioners and board members.
JUNE 6-8, 2016 — VANCOUVER, WASH.

STAKING TECHNICIAN CERTIFICATION — BASIC SURVEYING
Who Should Attend: Staking technicians.
JUNE 6-8, 2016 — RICHLAND, WASH.

DISTRIBUTION ENGINEERING SERIES: SESSION 1 — DISTRIBUTION SYSTEM PLANNING & ANALYSIS
Who Should Attend: Engineers and senior technical personnel involved in distribution system design, planning, modeling, and analysis.
JUNE 6-10, 2016 — VANCOUVER, WASH.

LEADERSHIP SKILLS #3: PERSONALITIES AND ATTITUDES IN THE WORKPLACE
Who Should Attend: Supervisors and managers, and employees who will be transitioning to a supervisory or managerial role in the future, and have completed Leadership Skills Session #1: Situational Leadership.
JUNE 7-8, 2016 — STEVENSON, WASH.

THE CUSTOMER FOCUS
Who Should Attend: All employees who want to improve their internal and external customer relationships.
JUNE 8-9, 2016 — BOISE, IDAHO

ELECTRIC DISTRIBUTION SYSTEMS
Who Should Attend: Engineers, line workers, substation workers, apprentices, and support staff that have direct responsibility for the construction, operation, and maintenance of the utility’s distribution system. Prerequisites: It is highly recommended that students complete Electric Utility System Operations before attending this class. Those who do not must have substantial experience in the basics of electric systems and utility operations.
JUNE 8-10, 2016 — VANCOUVER, WASH.

STAKING TECHNICIAN CERTIFICATION — EASEMENT ACQUISITION
Who Should Attend: Staking technicians.
JUNE 9-10, 2016 — RICHLAND, WASH.

INTRODUCTION TO THE EPA AND ENVIRONMENTAL COMPLIANCE OVERVIEW FOR UTILITY EMPLOYEES
Who Should Attend: Those who implement environmental plans and initiatives, maintain required records, compile environmental reporting data, and guide environmental management resources.
JUNE 14, 2016 — VANCOUVER, WASH.

FRAUD IN UTILITIES
Who Should Attend: All utility accounting staff, policymakers, managers, purchasing staff, engineering staff, and human resources staff.
JUNE 15, 2016 — MERIDIAN, IDAHO

RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) TRAINING FOR UTILITY PERSONNEL
Who Should Attend: All employees with environmental responsibilities at utilities and those companies that work with utilities.
JUNE 15, 2016 — VANCOUVER, WASH.

OPERATIONS MANAGER & LINE SUPERINTENDENT BOOTCAMP — SESSION 4
Who Should Attend: Newly appointed operations managers, line superintendents, or those who have leadership potential. (Sessions do not need to be taken in order.)
JUNE 15-16, 2016 — VANCOUVER, WASH.

DEPARTMENT OF TRANSPORTATION HAZARDOUS MATERIALS TRAINING FOR UTILITY PERSONNEL
Who Should Attend: Anyone with a job that puts him or her in contact with hazardous materials (hazmat) that are transported in any way. The United States Department of Transportation (DOT) has established a series of regulations governing training programs for what are termed “hazmat employees.” Basic DOT hazmat training is often referred to as HM-181 or HM-126F training.
JUNE 16, 2016 — VANCOUVER, WASH.

ADVANCED UTILITY ACCOUNTING
Who Should Attend: Senior-level accounting staff, chief financial officers, and finance directors.
JUNE 16-17, 2016 — MERIDIAN, IDAHO

2640—FINANCIAL DECISION MAKING
Who Should Attend: Directors, policy makers, and general managers.
JUNE 22-23, 2016 — DAYTON, WASH.

HIGH-BILL INQUIRIES: BUILDING YOUR HBI TOOLKIT
Who Should Attend: Customer/member service and field representatives who respond to customer inquiries regarding their energy use.
JULY 13-14, 2016 — RENO, NEV.

LEADERSHIP SKILLS #1: SITUATIONAL LEADERSHIP
Who Should Attend: Supervisors and managers, and employees who will be transitioning to a supervisory or managerial role in the future.
JULY 13-14, 2016 — RENO, NEV.

CHALLENGING FINANCIAL MANAGEMENT
Who Should Attend: Anyone who has completed at least two modules of the NWPPA Utility Accounting Certificate Program, or anyone with significant utility accounting/finance experience.
JULY 14-15, 2016 — RENO, NEV.

SENIOR LEADERSHIP SKILLS #3, SERIES 4 — INSIDEOUT COACHING
Who Should Attend: Directors, managers, graduates of Leadership Skills, and newly appointed senior leaders.
JULY 19-20, 2016 — RICHLAND, WASH.

NWPPA LABOR AND EMPLOYEE RELATIONS MEMBER MEETING
Who Should Attend: Members of the NWPPA Labor and Employee Relations Group, which includes general managers, labor relations managers, and human resources professionals.
JULY 22, 2016 — EVERETT, WASH. NWPPA
Organized

Access, track, modify and manage all of your accounting records from a centralized, secure place. With NISC’s Accounting and Business Management solutions, you get an all-in-one solution that is guaranteed to save you money and time. Getting and keeping your ducks in a row has never been easier.
Over the past several years, we have seen many sweeping changes in both the regulatory and standard-setting world. Most of these changes have been in response to the ever-changing economic climate. Financial statements, in turn, have become difficult to prepare and management has had to stay on top of many difficult accounting disclosure standards in both the FASB and GASB environments. Some significant changes have been GASB 34, which made sweeping changes, including MD&A requirements and new disclosures for GASB followers; new pollution remediation disclosure requirements; and new pension and post-retirement obligation disclosures. For FASB followers, sweeping changes have included derivative standards; asset retirement obligations; fair market value accounting standards and disclosure requirements; and pension and post-retirement obligation disclosures.

If you think you have a handle on your financial statements today, unfortunately there are more significant changes that are coming in the near future. For GASB followers, the new pension standards have significantly increased both accrual to and disclosure in the financial statements. The new OPEB standards will also significantly change both financial reporting and disclosure requirements. For FASB followers, revenue recognition and leasing accounting standards continue to be modified, and disclosures and presentation continue to change to conform to international accounting standards. Also, many of these new standards require significant contribution of information outside of the accounting department, so planning will be required for effective implementation.

In this changing environment, we have several recommendations to ensure your financial statements are produced efficiently and effectively.

- **Get started now!** The reason both FASB and GASB give a period of time between when the statements are issued and when they must be implemented is that they know it is going to take time to understand the standard and collect information. The first step is to understand what is coming in the future. For example, if your utility follows GASB standards and you have any post-retirement benefits, these will significantly change how your statements and disclosures look. For FASB followers, understanding revenue recognition and leasing accounting and how investment decisions could impact financial reporting is vital to accurate financial reporting.

- **Work with your auditor in advance.** Auditors are a very good resource. We generally have access to excellent training and can help to identify statements that will affect your utility early on in the process. Working with your auditor to identify how the standard will change financial reporting in advance will ensure timely completion of your audits and accurate financial reporting.

- **Identify who in the utility will be needed to apply the new standards.** This is a key to ensuring accurate financial reporting! Many of the new standards cannot be handled by accounting alone. For example, when GASB 33 changed donated assets from an offset to plant account to recognition on the income statement for all GASB followers, we found that most restatements were due to lack of communication between departments. Most times, operations knew of certain donated assets, but didn’t realize the need to report these assets to the accounting department in a timely manner.

- **Education.** Many of the new standards that are coming up are going to require additional training. There are many local and national training resources.

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• **Don’t just add to your statements.** This is also a key to healthy financial reporting. One trend seems to be, as new standards are added, to just add to the financial statements. Though some require standard disclosures and will lengthen financial statements, more detail does not always mean better information for the readers of the financial statements. Use the implementation of new standards and reporting requirements as a chance to take a hard look at your current financial statements and decide what is needed and what isn’t.

The accounting world continues to change at a very quick pace. Most changes will be reflected at some point in financial reporting. One role of management is to ensure that financial statements and other reports are understandable by the users. The more advance planning that can be accomplished on the significant reporting changes that are coming will reduce stress when financial statements are due to be released. When auditors start looking at financial reporting, it is important that management has a solid understanding of reporting requirements and can connect those standards to the general operations of the utility.

**If you think you have a handle on your financial statements today, unfortunately there are more significant changes that are coming in the near future...many of these new standards require significant contribution of information outside of the accounting department, so planning will be required for effective implementation.**

_**Julie Desimone is a partner in the Portland office of Moss Adams LLP, the largest accounting and consulting firm in the West. She can be reached at (800) 820-4476.**_
The Pierce County Skills Center (PCSC) in Puyallup, Wash., had been a long-time dream of the Bethel School District and its neighbors. Pierce County had a tremendous opportunity to change thousands of young lives over the next few years through the construction of a regional skills center. This skills center would provide cutting-edge learning opportunities, family wage jobs, and an economic engine for growth; it would connect kids to school and lead to safer, healthier, communities; and it would provide programs that many high schools couldn’t afford alone. The district felt that it was an opportunity they couldn’t afford to miss.

After investigating more than 110 sites, it was decided to focus on the Frederickson area because of its central location and proximity to industrial partners. If built, the facility would join 10 other state-recognized skill centers in Washington state. Eighty-five of the state’s 296 school districts were members of one of the centers, and at the time, the nearest ones to Tacoma were in SeaTac and Tumwater.

In April 2006, Bethel was one step closer to building the facility with the passage of a $175 million construction bond that included $19.5 million in startup money for the skills center. A feasibility study to identify what the center would offer and how many students it would serve was planned for December 2006.

However, the location of the proposed vocational-technical educational center was in doubt after the Port of Tacoma and other influential business interests raised objections to putting it in Frederickson. They supported the concept, but resisted opening up the land for anything but industrial use because it was already too limited in supply.

The school district finally prevailed! On the same site as an old Safeway store, a 27,000-square-foot classroom opened on September 8, 2010, thanks to the hard work of many involved. The programs offered at the skill center would count toward high school graduation requirements and satisfy a career and technical education or elective credit. Students could jump-start their post-high-school plans by earning college credit in several of the programs.

But how would the upgraded facility receive power with an outdated electrical system? Elmhurst Mutual Power and Light Company, who would service the skill center, met with the Bethel School District in November 2009 to discuss the situation and come up with a viable solution for everyone. Referred to as Phase I of the project, Elmhurst had to determine the cost of rebuilding the electrical system to accommodate the change from the old Safeway store. This work included a three-phase primary underground line, two new vaults, and a new three-phase padmount transformer. Construction began in February 2010 after all designs were complete and invoices had been paid.

In 2010, the skill center project was temporarily endangered by state budget cuts which would have eliminated $1.5 million for equipping the new $8.5 million building. The money was preserved in the end, and funding was approved. Elmhurst worked together with the skill center again and met with the Bethel School District in regard to Phase III in November 2013. There was a preliminary design meeting to determine how power would be served to yet another building on the site. Construction began in the summer of 2014.

At the end of last year, Elmhurst’s association with the PCSC took a different turn. Instead of trading in or selling their retiring vehicles, the utility decided to donate them to a more-than-worthy cause. On November 4, 2015, Board Vice President John Irwin and Purchasing/Fleet Manager Kelly Wolff passed the keys of the company’s 2003 GMC Sonoma pickup cab to the Pierce County Skill Center’s Automotive Technology Department. Headed by instructor Robert
Anderson, the course covers both the technical skill and academic knowledge that is required of future automotive professionals. This two-year program covers all aspects of engine repair; automatic transmission and transaxle; manual drive train and axles; suspension and steering; brakes; electrical systems; heating and air conditioning; and engine performance.

Anderson hopes to continue the relationship with Elmhurst and said he would gladly accept any future vehicle donations the utility may have. One day he hopes to have four or five similar vehicles to use for hands-on training purposes with his students.

The skills center currently serves high school students ages 16-21 from member districts of Bethel, Eatonville, Fife, Franklin Pierce, Orting, Steilacoom, Sumner, Tacoma, and White River. They also partner with Bates Technical College, Clover Park Technical College, DigiPen Institute of Technology, and Pierce College. Each student who is enrolled full time in his or her home high school brings in an estimated $3,900 extra in state-per-pupil funding. The skills center with its alternative to traditional education and cutting-edge opportunities has proven to be a great asset to the community.

Diane Young is the administrative assistant at Elmhurst Mutual Power and Light Company in Tacoma, Wash. She can be contacted at DianeY@elmhurstmutual.org.

(L-R) Elmhurst Board Vice President John Irwin, Pierce County Skills Center Instructor Rob Anderson, and Elmhurst Purchasing/Materials and Fleet Manager Kelly Wolff. Elmhurst donated a 2003 GMC Sonoma pickup to the PCSC automotive program. Photo provided by Elmhurst.

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 Tacoma Power’s proposal to change the Washington State Energy Code will soon make ductless heat pumps (DHPs) mandatory in some new construction homes. The change will save money for homeowners and help reduce the need for future power plants across the state.

Preliminary results from Tacoma Power’s Ductless Heat Pump Study indicate ductless heat pumps can dramatically improve heating efficiency in newly built homes. Those findings led to a Washington State Energy Code (WSEC) change that will soon make ductless heat pumps mandatory in homes, townhouses, and duplexes and triplexes with electric baseboard or wall heating systems over 1.5 watts per square foot. The change also helps meet the long-term State of Washington 2030 Challenge goals toward a 70-percent reduction in overall energy use of buildings compared to the 2006 WSEC, and I-937 goals, which require utilities to acquire all cost-effective conservation.

“We do a Conservation Potential Assessment every two years and that defines how much savings exists for us to obtain to meet our I-937 goals,” said Tacoma Power Conservation Resources Manager Stephen Bicker. “The code change reduces that amount and helps us keep our targets more accurate and realistic.”


According to Managing Director of the Washington State Building Code Council Tim Nogler, the ductless heat pump proposal added new energy savings, equivalent to one credit, in the Additional Requirements chapter of the Residential Energy Code.

“The ductless heat pump is projected to account for about 3-percent savings in residential construction,” Nogler said.

In a recent article published in the January 8, 2016, issue of Clearing Up — Energy and Utility News for the Pacific Northwest and Western Canada, Nogler also noted that the proposed change is one of two “most significant changes to the code.”

According to City of Seattle Principal Engineer and Building Official Jon Siu’s testimony, the State Residential Energy Code is especially important to local jurisdictions due to the inability of local utilities to adapt it to local conditions.

“These improvements are essential to achieving our local energy conservation goals,” Siu said.

Mandatory installation of ductless heat pumps adds to the initial cost of construction, but the energy savings will help homeowners quickly recover their investment. Tacoma Power Superintendent Chris Robinson notes that improving the state energy code, where it makes sense, results in energy savings that cost less than building new power plants.

“Installing the most efficient equipment at the time of construction results in the lowest overall cost to the owner/operator of a building,” Robinson said. “It also reduces the amount of energy conservation retrofit programs a utility will have to incentivize in the future, thus saving all electric ratepayers money.”

The code change also means long-term energy savings for homeowners. Initial research validates Tacoma Power’s previous estimates that a $2,500 installation will reduce annual electricity use in a typical 1,280-square-foot home by about 2,800 kilowatt-hours — providing a net lifetime savings of about $3,700. The incremental cost for the ductless heat pump pays for itself in about three years according to Carter. Owners of new homes with electric heat in Tacoma can save about $240 on their winter heating bills while providing the additional benefit of air conditioning during summer.

Tacoma Power’s Ductless Heat Pump Study collects data from homes in a Tacoma/Pierce County Habitat for Humanity
community called The Woods at Golden Given. The study measures two heating systems — ductless heat pumps and zonal electric heat — as they switch between each bi-weekly.

Researchers from the Washington State University Extension Energy Program helped conduct the nearly $290,000 study, led by Tacoma Power Analyst Richard Arneson and Carter. The Bonneville Power Administration, Snohomish Public Utility District, and Cowlitz County Public Utility District contributed 78 percent of the funding for the study, which ends in 2017.

“The DHP is about twice as efficient as an electric resistance heating system,” Carter said. “So, anytime you can install a DHP, it’s going to offset any heating system that’s operating at half the efficiency.”

Although research made the code change viable, not everyone agreed with Tacoma Power’s proposal. The Building Industry Association of Washington (BIAW) and its members, while not against the use of ductless heat pumps, opposed the mandatory installation change of the code to the building code council.

“There is substantial concern that builders most commonly using electric resistance heat are townhome builders, and this measure will add a sizeable increase in cost,” said BIAW Administrative Services Director Jan Rohila. “It doesn’t take into account the logistics and difficulty of placing the outside compressor.”

Rohila said the use of ductless heat pumps should remain market-driven with a unit-specific option for installation. Despite some general opposition from the building industry to mandatory installation, other members of the community fully supported the change to further energy efficiency efforts and assist with utility cost-savings for consumers.

Testimony from local authorities said the new requirement impacts as much as 40 percent of new homes constructed in Washington, and could greatly reduce the amount of carbon emissions from Washington’s smaller building stock.

Corey Eckert, co-owner of Alpine Ductless, previously spent 30 years building custom, green technology homes. Eckert testified that while Alpine Ductless supplied the ductless heat pumps for the utility’s research project, his company also “offers 10 models that meet the same criteria that can be installed in other newly built homes for $2,400 to $4,500, excluding the electrical and permit.” The building code response said that pricing offers “an affordable option to save energy while providing a reasonable payback.”

The Northwest Energy Efficiency Alliance recently honored Carter and Arneson for outstanding achievement in the use and promotion of innovative solutions that help Washington achieve more energy savings.

“The initial study is a very rewarding project,” Arneson said. “It has the power of collaboration, the excitement of primary research, and the sense of fulfillment from working with many organizations to bring positive change.”

Carter says the goal, and heart of the research, was learning whether ductless heat pumps are cost-effective for new construction homeowners, but the code change allows for positive, long-term impacts on utility savings goals.

“The collaborative work we’ve accomplished can truly make a difference in people’s lives,” Carter said.

“Accomplishing the code change is one of the highlights of my career.”

Sonja Bert is a communications and marketing strategist for Tacoma Public Utilities. She can be contacted at sbert@ci.tacoma.wa.us.
The nexus between strategy and enterprise risk management

Developing a stronger strategic plan

Strategy and enterprise risk management are often led by different groups, and used for different purposes, within companies. Strategy maps out the future for the organization. It positions the organization for success by developing clear strategic initiatives and setting out a roadmap to implement initiatives. This is done with the objectives of meeting customer needs and anticipating competitor threats. In effect, we think of strategy as creative and forward-looking.

In contrast, enterprise risk management (ERM) is often described as a discipline that identifies potential risks facing the organization as well as gaps in compliance and internal controls, as a tool to audit the organization and identify failures. It is not surprising that many of us see strategy and enterprise risk management as very different; but when an organization can integrate these elements, the likelihood of success increases.

We are hearing more and more about the intersection of risk management and strategy from leading ERM organizations. COSO (Committee of Sponsoring Organizations of the Treadway Commission) may be the most widely used ERM model among U.S. companies. When COSO originally published its Enterprise Risk Management — An Integrated Framework in 2004, the framework was modeled closely after COSO’s internal controls framework. The ERM framework includes internal environment; objective setting; event identification; risk assessment; risk response; control activities; information and communication; and monitoring. In objective setting, COSO emphasized that management needs to understand risks associated with a range of strategy choices. Furthermore, the assumed risks should be aligned with the organization’s mission, vision, and strategic objectives.

A decade after the initial COSO ERM model was published, COSO solicited input from the risk management community to update the framework. In its 2014 solicitation FAQ, COSO stated, “The updated Framework is expected to help organizations adapt to increasing complexity and pace of change, mitigate risk to the achievement of specific strategic, operations, compliance, and reporting objectives, and provide reliable information to support sound decision-making.” With this guidance, COSO was signaling that ERM can be used for far more than just improving an organization’s internal controls. At the time of this writing, the new COSO Framework has not yet been released; however, the 2014 guidance hints that the revised framework will likely promote ERM as a tool for successful strategy execution through risk identification and mitigation.

Another highly respected ERM model is the International Standards Organization’s (ISO) Risk Management — Principles and Guidelines for enterprise risk management (ISO 31000:2009). This, too, has been widely adopted among U.S. and international companies. ISO is an independent organization that is one of the world’s largest developers of voluntary international standards. The ISO 31000 changed the conventional definition of risk from “chance or probability of loss” to “the effect of uncertainty on objectives.” Within its 10 principles, ISO emphasizes that risk management is integral to all organizational processes; is woven into decision making; can create and protect value; and facilitates continual improvement of the organization. Simply put, ISO promotes ERM more as a culture than a tool. A strong ERM approach helps an organization meet and exceed its strategic objectives.

Another linking of risk management to strategy emerged in 2008 when Standard & Poor’s first factored risk assessment in its ratings analysis. It wrote that ERM could help a firm “[avoid] situations that might result in losses...
that would be outside the firm’s tolerance.” ERM was a method to shift management’s focus from “cost/benefit” to “risk/reward.” Then in its 2012 Guidance on Management and Governance, Standard & Poor’s again linked risk management to strategy and effective management of the enterprise when it wrote that the analysis of management and governance included a review of management’s focus on strategic positioning, organizational effectiveness, and governance, as well as risk management/financial management.

ERM can help an organization develop and implement better strategy, and there are two practical ways to integrate risk management with strategic planning. Winston Churchill once said, “However beautiful the strategy, you should occasionally look at the results.” First, the organization should review prior results and consider its ERM risk inventory when conducting a strategic situational assessment. As a company assembles its SWOT analysis of internal strengths and weaknesses, and external opportunities and threats, it can reflect upon the potential internal risks causing these weaknesses and the external risks posing threats to the organization’s success. In this fashion, the risk analysis becomes part of the strategic situational assessment.

Second, an organization should review its strategy for potential risks. This can be done through “What if?” discussion and scenario analysis. The questions should consider the external landscape with attention to new customer trends, emerging technologies, evolving regulation, and the changing marketplace. What risks are our customers facing and how can we help them address those? And what are the threats to our industry or to the marketplace in which we operate? From here, mitigation planning can be undertaken to strengthen the strategic plan.

Applying effective risk management to strategic planning will help organizations identify potential pitfalls and challenges early on. Strong risk management builds credibility with stakeholders and reassures customers that the organization is proactively thinking about how to best serve them in the future. When management is willing to look critically at potential risks, it can turn them into opportunities.

Julie Ryan is the managing partner at Aether Advisors LLC, which advises clients on strategy and risk management. She is also director of the Utility Management Certificate Program at Willamette University in Portland, Ore., and is an instructor for NWPPA. She can be contacted at either jryan@aetheradvisors.com or (206) 329-0424.

Balancing the New Energy Horizon

A diverse mix of energy generated at Energy Northwest provides enough reliable, affordable and environmentally responsible power for more than one million homes.
Fall River’s Peterson celebrates 30 years

All River Electric Cooperative (Ashton, Idaho) Manager of Engineering Dave Peterson was recently recognized for 30 years of service to the cooperative. Peterson began his Fall River career in 1985 as a meter tech but was promoted within six months to assistant engineer. In 2000 he became the co-op’s staff engineer and was promoted to his current engineering department manager position in 2008. Peterson graduated from Montana State University with an electrical engineering degree and joined Fall River right after college.

Peterson is a native of Whitehall, Mont., where he lettered in football, basketball, wrestling, and track while in high school. An avid hunter and fisherman, Peterson is also a certified scuba diver and enjoys all the recreational opportunities Eastern Idaho provides.

Survey reports high morale at Columbia River PUD

Columbia River PUD employees have high morale and high job satisfaction, according to a recent survey conducted by Acti-Dyne Survey Research of St. Helens, Ore. Bruce Shoemaker of Acti-Dyne presented the results of the survey to the Columbia River PUD Board of Directors at the board’s public meeting on March 15.

The survey asked employees to rate their agreement to a set of 30 statements about job satisfaction, the work environment, communication, and compensation. A score of 0 represented complete disagreement with the statement; a score of 10 represented complete agreement. All statements had a mean score above 7. Shoemaker said the responses scored higher than he has seen in similar surveys he has completed for other companies.

“These are some of the highest scores I have seen on an internal survey,” he said. “Usually you see a little more strife.”

The overall average score for the survey was 8.42. According to Shoemaker, every PUD employee except Interim General Manager John Nguyen was sent an individual link to the survey. Every employee completed the survey and rated every statement. No demographic information or open-ended questions were included in order to keep the responses completely anonymous and to prevent anyone from being able to identify individual responses.

The three highest scoring items related to total compensation, pay, and employee commitment to the PUD. Those statements were rated between 9.37 and 9.24.

Cordova Electric CEO elected mayor

Congratulations are in order for Clay Koplin, chief executive officer of Cordova Electric Cooperative (Alaska) and an NWPPA trustee, for handily winning the local mayoral election last month. Koplin will continue in his leadership role at the cooperative while serving in the top role for the City of Cordova. During his first year as mayor, Koplin’s community will host the National Hydropower Association Alaska Regional Meeting and the Alaska Power Association & ARECA Insurance Annual Meeting in September.

PCWA asks to end emergency drought regs

In a letter addressed to the chair of the State Water Resources Control Board, the Placer County Water Agency (Auburn, Calif.) requested that emergency drought regulations, which have been in effect since last May, be rescinded. The content and purpose of the letter were discussed at PCWA’s board of directors meeting on March 17.

“At the last State Water Board meeting regarding emergency drought regulations, the board directed staff to continually monitor data and determine if conditions warranted
a rescission or adjustment of the regulation,” said General Manager Einar Maisch. “This letter provides Water Board staff with recent and relevant hydrological conditions, and demonstrates that drought conditions no longer exist in the watersheds that service the region.”

PCWA’s primary sources of surface water originate from the South Yuba River, through a contract with Pacific Gas and Electric Company (PG&E), and from the North Fork American River through PCWA’s Middle Fork American River Project water rights. Real time snow sensors in the South Yuba River watershed measure snowpack at 120 percent of average, and PG&E reservoirs at 240 percent of average for this time of year. In the Middle Fork American River watershed, real time snow sensors indicate a snowpack at 110 percent of average, with PCWA reservoirs at 110 percent of average capacity for mid-March.

The letter concludes by stating that PCWA’s water supply is robust enough to meet demand for all of its existing water customers in 2016, and that hydrologic conditions support rescinding the emergency drought regulations for local water purveyors who rely on the regional watersheds.

NWPPA

Schwilke reaches 10-year mark at Okanogan PUD

The Okanogan PUD (Wash.) Board of Commissioners recently honored Roy Schwilke for his 10 years of service to the utility. Schwilke joined the District on March 13, 2006. He earned his Bachelor of Science in agribusiness and natural resources from the University of Idaho in 1996.

Schwilke is currently the right of way superintendent and is transitioning to become the purchasing/facility manager in February 2017, when the current employee retires.

NWPPA

Energy Northwest found to have lowest nuclear fuel costs

An analysis published last month in Platts’ Nuclear Fuel found that Energy Northwest’s Columbia Generating Station had the lowest nuclear fuel cost of 28 plants surveyed across the country. Columbia’s fuel cost for fiscal year 2013 was 5.99 mills per kilowatt-hour of generation; a mill is a tenth of a cent. The average for the 28 plants surveyed is 8.16 mills per kwh, according to Platts.

“The plants reported their fuel costs either on the Federal Energy Regulatory Commission’s Form 1 or to Platts. These costs take into account such fuel-related expenses as the cost of uranium, conversion, enrichment services, and the fabricated cost of the fuel, as well as the amortized value of all fuel in the reactor core that year and payments to the Nuclear Waste Fund,” Platts wrote in the article.

Energy Northwest financial data shows even lower nuclear fuel costs for Columbia in fiscal 2014 and fiscal 2015: 5.45 mills and 3.39 mills per kwh, respectively.

Energy Northwest’s historic low fuel costs can be directly attributed to the management of the nuclear fuels program, which looks for innovative ways to reduce costs.

“The Platts analysis confirms that the strategic moves we have made as an organization regarding our fuel management program are paying off for Northwest ratepayers,” said Energy Northwest Chief Financial Officer Brent Ridge. “The uranium tails transaction completed in 2012 will only serve to continue this industry-leading trend in low fuel costs for Columbia.”

NWPPA

Mason 3 awards students for electricity-related projects

Three local students received trophies and cash awards from Mason County PUD 3 (Shelton, Wash.) for their electricity-related projects at Skookum Rotary’s March 19, 2016, Mason County Science Fair. Prizes ranged from $25 to $50.

PUD 3’s education committee is pleased to reward outstanding students in Mason County who are committed to learning about the important role that electricity plays in our daily lives. The PUD is especially pleased that Skookum Rotary has taken a leadership role in encouraging local scholars in their scientific pursuits.

NWPPA

(L-R) Mason PUD 3 Maintenance Engineering Technician Chris Jorgenson, Romeo Pacheco, Hailey Tinsley, Carina Pablo, and Mason PUD 3 Distribution Enginee/Metering Supervisor Koral Miller.
Pend Oreille PUD hires new HR manager

Last month, Lloyd Clark accepted the position of human resources manager for Pend Oreille PUD (Newport, Wash). Lloyd, a resident of Pend Oreille County, is retired from the Marine Corps and has held HR director, manager, and superintendent positions with international mining companies, including Teck in Metaline Falls. He holds a B.A. in business and is currently working on his second master’s degree at Gonzaga University in organizational leadership. Clark will replace retiring HR Manager Paul Boxleitner, who has worked for the PUD since 2004.

Clallam considers community solar

Clallam County PUD is considering building a community solar project in Sequim, Wash. The project will only be constructed if there is full customer interest to fund the project.

General Manager Doug Nass said, “The PUD has experienced significant interest in solar already, and customers have expressed an interest for more opportunities. This project gives customers who cannot afford a solar system on their home, or who may reside someplace where it is not possible to have solar, an opportunity to participate nonetheless.”

Roughly 200 roof-top solar customers have already taken advantage of the Olympic rain shadow within the Olympic Peninsula, using the sun’s resources to generate renewable energy. To provide this option to its customers, Clallam PUD will build the first local community solar project in Sequim. The cost of the project will be funded by customer participation in the purchase of one or more units.

The cost per unit is $250, with a maximum 40 units per customer. The project capacity is 75 kilowatts with a total of 1,200 units available. Clallam PUD estimates a payback period of 24 years, with a project life of 30 years.

Clallam PUD is planning to offer community solar for four reasons: to meet their customer’s needs; community solar is consistent with their sustainable, clean-energy portfolio; community solar is available to a broader set of customers; and customer generation is a growing segment in the industry.

Maynor becomes an ASP

Golden Valley Electric Association (Fairbanks, Alaska) Job Training and Safety Specialist Don W. Maynor has completed all requirements for a Board of Certified Safety Professionals (BCSP) certification. The Associate Safety Professional (ASP) certification is awarded by BCSP to individuals who meet eligibility criteria and experience in the safety, health, and environmental (SH&E) discipline, and have passed an examination.

Safety issues have become more complex and today’s safety professional must continually be better qualified. BCSP credential holders are among the most highly trained, educated, and experienced individuals in the safety field. Having achieved a BCSP certification shows that the individual has mastered the core competency required for professional safety practice.

BCSP Chief Executive Officer Dr. Treasa Turnbeaugh, CSP, CET said, “It is critical to maintain competent individuals within the SH&E industry because of the impact they have on the safety of workers and the public.”

SMUD dropping 1.3-percent surcharge

SMUD (Sacramento, Calif.) will drop its hydroelectric rate surcharge on customer bills effective this month. The recent storms, combined with a wetter winter after years of drought, delivered enough precipitation to signal full reservoirs in SMUD’s hydroelectric generation system in the Sierra.

The current 1.3-percent surcharge went into effect automatically last April as a result of the four-year drought. The surcharge is one of several mechanisms SMUD has adopted to reduce financial volatility from swings in precipitation and hydroelectric generation.

The impact of the surcharge was about $1.20 a month for residential customers using the average 750 kilowatt-hours. Business customers who tend to use more electricity may see more savings.

The surcharge was triggered last year after SMUD exhausted an account it maintains to pay for replacement power in years of tight water supplies and precipitation lagged far behind average. The Hydro Rate Stabilization Fund (HRSF) was drawn down about $40 million during the drought years since 2011.

This winter, though, precipitation and snowpack are much improved allowing for not only the surcharge to be lifted but also to start putting a small amount of funds back into the HRSF.

“The good news is that our reservoirs are filling, and with more storms on the horizon, we are hopeful we can even start transferring to the HRSF,” said Jennifer Davidson, SMUD budget director. “Our customers not only get some bill savings, the electric company they own might be able to begin rebuilding the account SMUD relies on in future dry years.”
Westy Ford joins Novinium

Novinium is pleased to announce the hiring of Westy Ford to the position of product development engineer. Ford will be part of the company’s new product development group, handling engineering aspects related to new products in electrical cable rejuvenation. Westy will also be providing lab and experimental support for Novinium’s key engineering projects. Ford most recently worked for Resolute Marine Energy in Boston, Mass., where he was responsible for modeling and designing systems for producing energy from the oceans. He has developed an impressive résumé since graduating from Northeastern University in 2014.

“We are excited to welcome Westy to our engineering team,” said Mark Newton, VP of Engineering at Novinium. “His experience in cutting-edge energy production will be a terrific resource for Novinium and our customers.”

Ford can be reached at weston.ford@novinium.com. Novinium’s patented injection process rejuvenates and extends the reliable life of cable up to 40 years. Further information is available at www.novinium.com.

SEPA to become Smart Electric Power Alliance

On March 8, SEPA President and CEO Julia Hamm announced that the Solar Electric Power Association will officially become the Smart Electric Power Alliance on April 11, 2016.

“The name change is the next step in the evolution of our organization, which started in earnest last April when the Board of Directors expanded our mission to include solar, storage, demand response, and other enabling technologies,” said Hamm in a letter to members. “As a SEP A member, you have helped make solar one of the fastest growing energy sources in the U.S. — but solar is not the whole story. Our name change reflects the direction that SEPA members have been moving in for years; as solar has grown, its natural and necessary ties to other technologies and strategies have strengthened.”

In the letter she explained that the nature of SEPA as an organization will not be changing; it will continue to provide a platform for collaboration, balanced perspectives, thought partnerships, and — most importantly — finding smart solutions. Utility integration and deployment of solar will continue to be a core focus of the organization.

In the coming months, SEPA will roll out a new logo and website, an expanded research agenda, and educational events that reflect a deeper focus on distributed resources.

SEPA is a trusted platform for education, research, and collaboration to help deploy and integrate solar, storage, demand response, and other distributed energy resources into the grid, while meeting societal demand for efficient and reliable electric power. For more information, visit www.solarelectricpower.org.

Dillahunty named president of Henkels & McCoy

Henkels & McCoy, Inc. (H&M Inc.) announced the appointment of James M. Dillahunty to president and chief operating officer, effective February 1, 2016.

In his over 26 years with H&M Inc., Dillahunty’s success in developing large, complex projects and programs has helped drive significant company growth. His contributions to H&M Inc. include leading the Western Operations, Pipeline Division, and several ventures internationally. He is one of the organization’s most accomplished executives in cultivating relationships with many of the company’s largest customers.
As president and COO, Dillahunty is responsible for H&M Inc.’s three operating regions (East, Central, and West) as well as the Pipeline and NetWorks Divisions and the furtherance of the company’s market strategies for Power, Oil & Gas Pipeline, Gas Distribution, and Communications. Having relocated from California, he will be based in Blue Bell, Pa.

Henkels & McCoy, Inc. (H&M Inc.) is a leading utility construction firm providing critical infrastructure for the power, oil and gas pipeline, gas distribution, and communications markets throughout North America. For more information, please visit www.henkels.com.

Ater Wynne forms alliance with C. Bradford Biddle

Ater Wynne and C. Bradford Biddle, P.C. have formed a strategic alliance to better service the growing legal needs of global technology consortia, such as standards-setting organizations. Technology consortia are collaborative efforts in the high-tech industry to develop interoperability standards or other technology innovations.

Brad Biddle, former standards counsel for Intel Corporation, is the principal of C. Bradford Biddle, P.C., a solo law firm that provides legal services to technology consortia. Biddle has engaged with hundreds of global standards-setting organizations, trade associations, and open source foundations.

Ater Wynne, one of the region’s leading law firms for technology-based companies, is one of only a few law firms nationally that has a team of attorneys focusing on technology consortia, including standards-setting organizations. Ater Wynne’s Technology Consortia Group, which is led by Frank X. Curci, includes other corporate and intellectual property attorneys such as Akana K.J. Ma, L. David Connell, and Ernie Bootsma.

Curci, who has worked with global technology consortia for years, believes this alliance “is a unique opportunity to bring together our collective industry experience and insight as technology consortia attorneys to better serve this industry sector.”

Ater Wynne LLP is a Portland, Ore., based law firm that offers strategically focused advice and services in business, intellectual property, technology, litigation, global trade, employment, and other legal areas. For more information, visit www.aterwynne.com.

CRC offers new interfaces

One of the keys to Cooperative Response Center’s (CRC) future and success is continuing to build integrations with utility OMS, AMI, and CIS systems. CRC’s IT department persistently works to develop new interfaces while enhancing and maintaining the existing interfaces as versions and applications constantly change — such is the dynamic environment of technology.

With regard to the Outage Management System (OMS) integration, CRC continues testing the MultiSpeak® version with NISC, Futura, and Milsoft, and will soon be scheduling deployments with utilities for all three vendors. Features of the new OMS interface include real-time two-way communication between the utility’s OMS and CRCLink®; ability for CRC dispatchers to predict outages and confirm devices; and outage dispatch notes passed to OMS as outage comments.

As for the Customer Information System (CIS) integration, CRC is in the final phase of testing the MultiSpeak version with NISC and SEDC, and will begin scheduling deployments for shared utilities in the coming months. For utilities using Professional Computer Systems (PCS) for their CIS, CRC has completed testing and deployment of the new interface. Features of the new CIS interface include bulk load of all CIS data rather than the monthly/daily files being imported, DNP data is passed without the need to separate the file being sent daily, and the ability for CRC CSRs to see real-time billing information.

CRC offers utilities across the country seamless contact center and central station solutions. If you are interested in discussing CRC services or have interface-related questions, please contact Scott Dittrich, CRC regional business manager, at scottdittrich@crc.coop or (507) 437-2135.

Council’s Eckman announces retirement plan

Power Division Director Tom Eckman, who has been with the Council almost since its beginning, is retiring on July 1, 2016.

Eckman joined the Council in 1982 and as manager of conservation resources has been at the forefront of energy efficiency development and integrated resource planning in the Northwest. He was named power division director in 2014.

Ben Kujala, system analysis manager, became the Council’s interim power division director on April 1, 2016, as Eckman continues in a reduced role until the end of June.

The mission of the Northwest Power & Conservation Council is to ensure, with public participation, an afford-
able and reliable energy system while enhancing fish and wildlife in the Columbia River Basin. For more information, visit www.nwcouncil.org.

McLaren unveils EquaLink system

McLaren Inc. is pleased to announce the release of the EquaLink Battery Management and Monitoring System by Storage Battery Systems.

The EquaLink system offers new and innovative diagnostic and monitoring features that are essential in maintaining critical operating parameters required by NERC and IEEE as part of a comprehensive battery maintenance program.

Through its patented voltage balancing process, the EquaLink system calibrates the charging voltage of all batteries with the charger’s target value, keeping all batteries within the optimal voltage operating range. When used with its accompanying software, it becomes a complete battery management solution unlike any other on the market today.

Using a series of integrated modules and Web-based management technology, the EquaLink accurately monitors the three key parameters (voltage, internal resistance, and temperature) of every individual cell in a given energy storage system.

EquaLink is ideal for lead-acid batteries (open/wet cell, maintenance free, gel, AGM, etc.) as well as Ni-Cad, NiMH, and most types of Li-Ion batteries.

McLaren Inc. is a manufacturers’ representative that has been serving the Pacific Northwest for almost 55 years with its main office in Kirkland, Wash., and branch offices in Spokane, Portland, and Salt Lake City. For more information, contact McLaren at either (425) 827-9400 or vperic@mclareninc.com.
The resolutions process for NWPPA provides policy direction for the association’s Legislative and Regulatory (L&R) program. All actions of the L&R program can be tied to approved resolutions. The process to review and update resolutions for 2016 began in the fall of 2015.

The NWPPA Board of Trustees approved a slate of 17 resolutions for 2016 at their meeting last month in Coeur d’Alene, Idaho. This slate of resolutions will be presented to the full membership for consideration and adoption at the Annual Business Meeting on May 17 in Tulalip, Wash.

The resolutions process for NWPPA provides policy direction for the association’s Legislative and Regulatory (L&R) program. All actions of the L&R program can be tied to approved resolutions. The process to review and update resolutions for 2016 began in the fall of 2015. At the September 2015 Government Relations Committee (GRC) meeting, 23 NWPPA member representatives volunteered to serve on the Resolutions Committee (ResCom) led by GRC Vice Chair Heber Carpenter of Raft River Electric Cooperative and GRC Chair Marc Farmer of Clatskanie PUD.

The work of the ResCom began in January 2016 when NWPPA received four new resolutions, four revised resolutions, and a proposal to archive one resolution. The ResCom met twice by webinar to review the suggested resolutions; refine the text of new and revised resolutions; and to debate the suggestion to archive one resolution. On February 19, the ResCom approved a slate of 17 resolutions plus one resolution to archive for GRC consideration.

Thirteen resolutions were carried forward from 2015, including perennial consumer-owned utility support for municipal bonds and the rural utility service; the power marketing administration’s low-cost rates and programs; energy efficiency; hydropower as a renewable resource; cyber and physical security; reliability; and the overhaul of the hydro relicensing process. In addition, the slate includes resolutions addressing the need to consider the economic impact on rural utilities of environmental regulations and wildlife laws; and the need to preserve local decision making and non-jurisdictional status under the Federal Power Act when addressing organized markets.

New for 2016, NWPPA is supporting:

1. Wildfire disaster funding;
2. Legislation to streamline the rights of way of federal lands permitting process and to provide liability protection for electric utilities that maintain rights of way over federal lands;
3. Use of drones by electric utilities; and
4. The development and deployment of smart grid technologies.

Wildfires, fueled by a drought, were a real threat to communities across the Northwest. Many NWPPA member utilities suffered from extensive damage to facilities and equipment as a result of wildfires. NWPPA worked with the Northern California Power Agency and the American Public Power Association on a new resolution to support legislation that would allow funding to fight fires to qualify as disaster funding; this would in turn make more funds readily available for prevention and protection from fires.

Many NWPPA members maintain rights of way on federal lands. Regular maintenance of vegetation along these rights of way is necessary to keep electric lines clear of vegetation. Historically, electric utilities have experienced delay or denial in approvals of rights of way maintenance plans, frustrating efforts to properly maintain vegetation on or near electric lines. Moreover, electric utilities are liable for fire damage caused by vegetation coming into contact with electric lines. In one recent case, this liability has made it difficult for an electric utility to maintain appropriate liability insurance. NWPPA has had several resolutions over the last decade addressing the inefficiency and inconsistency of the permitting process for rights-of-way maintenance and to provide liability protection for utilities denied the ability to properly maintain rights of way. NWPPA dusted off these archived resolutions last spring to support legislation introduced by Northwest Congressmen Ryan Zinke (R-Mont.) and Kurt Schrader (D-Ore.) to address this issue. The new resolution on rights-of-way permitting and liability protection reflects the Zinke-Schrader legislation and will guide our efforts in the U.S. Congress to resolve our concerns with this issue.

Advances in drone (or unmanned aerial systems [UAS]) technology have piqued the interest of the electric utility industry in using drones for varying aspects of business. Drones are being used or tested for use to maintain the distri-
bution and transmission system, particularly in emergency situations; however, current Federal Aviation Administration (FAA) regulations do not contemplate the use of drones by electric utilities. In order to use drones, utilities must seek an exemption from the FAA and comply with conditions that guide use, such as line of sight distance limits. Electric utilities are working within the current FAA regulations but would like federal policies to recognize and support the use of drones by electric utilities. One aspect of a more favorable policy is to recognize public utilities and municipalities as governmental entities, which would lighten the regulatory burden faced by utilities today when seeking an exemption to FAA regulations.

Finally, advances in smart grid technology have improved the efficiency of the electric system and could continue to do so if federal policies support investment in research and development of this new technology. The ResCom approved, for membership consideration, a resolution to support federal investment in smart grid technologies through additional demonstration projects, research, and development.

The slate of proposed resolutions for 2016 is available online at nwppa.org under the Government Relations tab. To be involved in the process going forward, come join NWPPA at its Annual Conference & Membership Meeting, May 15-18, in Tulalip, Wash., where authorized representatives will vote on adoption of these resolutions for 2016.

Nicole Case is NWPPA’s legislative consultant and can be contacted at nicole@nwppa.org.
Consumers Power helps hospital get strategic about its energy use

An energy audit of the medical center’s equipment, processes, and systems identified a number of operations and maintenance improvements that could add up to significant energy savings. Here, Scott Carroll, director of facility services, monitors the facility’s air compressor system. All photos provided by BPA.

With around-the-clock operations; thousands of patients, visitors and staff; and routine use of sophisticated medical and lab equipment, power is critical to running a hospital.

“It’s a dynamic environment,” explained Scott Carroll, director of facility services for Good Samaritan Regional Medical Center, a 188-bed medical center in Corvallis, Ore., which bustles with more than 1,700 employees and hundreds of patients and visitors every day. “We spend about a million dollars in energy costs every year.”

According to the U.S. Energy Information Administration, the average hospital consumes about 27.5 kilowatt-hours of electricity per square foot, more than retail stores, offices, educational buildings, or any other type of commercial building. Along with heating and cooling, lighting — crucial to treating patients and saving lives — accounts for most of the use. Other energy-intensive activities include computer and data systems, laundry, food service, refrigeration, and sterilization.

However, energy efficiency isn’t new to Good Samaritan. The original hospital was built in the late 1970s and has realized energy savings through equipment retrofits and upgrades, but often with substantial up-front costs. Today, Consumers Power Inc. (CPI), a nonprofit rural electric cooperative that serves the hospital and 22,000 members in parts of six counties in central Oregon, is working with Carroll and Good Samaritan on a new approach.

“We’re always looking for ways to better serve our
members,” said Thomas Elzinga, CPI’s energy services manager. “We saw an opportunity with Good Samaritan to adopt a strategic energy management approach that’s been extremely successful in the industrial sector, but has yet to catch on with commercial facilities.”

An energy audit of the medical center’s equipment, processes, and systems identified a to-do list of operations and maintenance measures that could yield results.

“The holistic review looked at how much power various systems were using and flagged a number of small equipment repairs and improvements that could save energy,” said Jamie Anthony, a contract engineer for the Bonneville Power Administration (BPA) who oversaw the energy audit.

Notably, it revealed small problems with Good Samaritan’s heating, ventilation, and air conditioning (HVAC) system, including a number of broken economizers. Economizers draw outside air into the HVAC system to cool the building when needed. This saves substantial energy, but these dampers can become stuck. If they are stuck closed, the building can’t use outside air for cooling; if they are stuck open, they increase the need for heating. The hospital also had malfunctioning chiller valves that prevented its chiller system from operating effectively, wasting energy. These are minor repairs, but small fixes that can add up to significant savings.

In addition, Good Samaritan identified some free process improvements. Specifically, staff discovered they could reduce the static pressure setting in the HVAC system. By adjusting the static pressure setting, when times allow, the HVAC system can slow down fans and send less air to parts of the building during times of the day when it isn’t needed. Since fans are a huge driver of energy use in an HVAC system, this sort of change can save a great deal of energy.

While some of these improvements may seem modest individually, the repairs and improvements identified at Good Samaritan could save over 600,000 kilowatt-hours a year — enough energy to power more than 50 homes for an entire year. Unlike traditional energy efficiency programs that provide a one-time incentive to support a large investment, a strategic energy management project captures savings from a suite of smaller measures that can qualify for annual incentives based on net energy savings.

“By bundling a number of small measures we’re able to support Good Samaritan every year over the life of the project,” Elzinga added.

Before making any improvements, CPI analyzed a year’s worth of the medical center’s bills to establish a baseline power usage. As measures are implemented and processes improved, energy use is compared to that baseline to assess their impact. Each year that Good Samaritan reduces its energy use, it will receive an incentive payment from CPI.

Added up, the project could save the not-for-profit hospital more than $30,000 a year on top of the incentives.

Continued on page 28
provided by CPI, all achieved without major investments in new equipment. This means that on top of reducing wasted energy, saving money, and improving the working environment, Good Samaritan will improve its bottom line in the process.

“Cost containment and reduction is very important in the healthcare industry,” Carroll said. “And reducing our energy footprint helps us operate as cost-effectively as possible.”

Although trending in the right direction, thus far the actual savings have fallen short of expectations, possibly due to seasonal changes and other factors.

“There’s a learning curve to improving operations,” Elzinga said. “The second year of the pilot will provide us more data, help us fine-tune the model, and ultimately better inform the operations and maintenance areas the hospital should focus on in the short term.”

Strategic energy management for commercial buildings is new to BPA as well.

“This is a totally different method for verifying performance,” said Erik Boyer, BPA engineer. “And we’re still dialing in the technologies, improvements and practices that could deliver a first-year savings around five percent for each building.”

One of the challenges encountered early on in this project was the need for more real-time data to understand the impact of the improvements on Good Samaritan’s energy use.

Since this program relies on the sum of small changes to systems and operations, energy savings can be dramatically impacted if processes aren’t implemented correctly, or systems are not optimized. Problems can be identified and changes can be made, but only if the right people are aware of what’s happening. Limited access to data prevented real-time updates and course corrections and hampered energy savings efforts in the first year of the project.

Boiled down, it all comes down to data. And to capture the hospital’s discrete energy output, BPA will install devices that pair a power meter with cellphone technology. These remote access points measure and log hourly and daily usage data of electric components. These innovative, low-cost devices allow for the collection of near-real-time energy use, dramatically cutting down on the resources needed to support an energy management project.

“When we can look at both energy and operations in a real-time way, we can see how systems and equipment really work,” Boyer added. “And the savings is backed up with specific data.”

As Good Samaritan makes energy efficiency a strategic priority, there are more steps it can take to ensure continued success. A cloud-based energy management system (EMS) could be something Good Samaritan considers down the road. Though implementing a software system requires an investment, an EMS would allow it to track the real-time performance of different systems and would flag and prioritize preventative maintenance.

By adjusting the static pressure setting, the HVAC system can slow down fans and send less air to parts of the hospital during times of the day when it isn’t needed and avoiding wasted energy.
“The goal is to put information and knowledge in Carroll’s hands that he can use to increase efficiencies and cut costs,” Elzinga said. By focusing on doing small things better, strategic energy management (SEM) provides an opportunity for many large commercial enterprises to achieve energy savings without the costs associated with capital investments. Plus, it lays the groundwork for energy efficiency as an organizational value.

“Fundamentally, SEM is a tool for Northwest utilities and Bonneville to promote a culture that results in more buildings embracing energy efficiency as a business priority,” Boyer said.

Strategic energy management also represents a shift in the way energy efficiency is approached in the Northwest, which has traditionally focused on achieving energy savings through widgets and real, tangible methods.

“Shifting our mindset to supporting behaviors and practices is an enormous change for the region,” Boyer added.

While the results aren’t in yet, the strategic energy management approach has uncovered new efficiency opportunities for Good Samaritan Regional Medical Center, which other Northwest medical facilities, large office buildings, universities, prisons and other commercial businesses can take note of.

“It’s been a perfect partnership,” Carroll added. “Consumers Power Inc. helps us operate more efficiently and reliably. And when you add up the benefits and savings, everyone in the community wins.”

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Strategic improvements to energy management

The improvements Good Samaritan discovered during its energy audit are just a small subset of those that can be addressed by a strategic approach to energy management. The following are some examples:

- **Fans in HVAC systems** can often be controlled, but many organizations don’t use that ability and their fans run at full speed at all times.
- **Ventilation** can often be adjusted for unoccupied areas at certain times of day; however, many buildings don’t use that control.
- **Temperature control** is often incorrectly programmed, engaging the HVAC system too early in the day or keeping it running too late at night.
- **Installing lighting controls** to maximize the use of daylight allows for unneeded lighting turned off when and where it isn’t needed.
- **Occupancy sensors** can dramatically reduce the energy used to light a building and can also improve the efficiency of the HVAC system.
- Simple things like **changing HVAC filters** and cleaning heating and cooling coils on a more frequent basis can improve performance.
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COMPANY: Matanuska Electric Association (Palmer, Alaska)  
SALARY: DOE.  
DEADLINE TO APPLY: May 9, 2016.  
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POSITION: Manager of Administration & Finance  
COMPANY: Cordova Electric Cooperative, Inc. (Cordova, Alaska)  
SALARY: DOE.  
DEADLINE TO APPLY: May 22, 2016.  
TO APPLY: Submit résumé with references to Cordova Electric Cooperative, P.O. Box 20, Cordova, AK 99574, or email to info@cordovaelectric.com. Complete application located at www.cordovaelectric.com.

POSITION: Distribution Engineering Supervisor  
COMPANY: Mission Valley Power (Pablo, Mont.)  
SALARY: $83,532-$93,308 annually.  
DEADLINE TO APPLY: Open until filled.  
TO APPLY: Application available at www.cskt.org.

POSITION: General Manager  
COMPANY: Harney Electric Cooperative, Inc. (Hines, Ore.)  
SALARY: DOE.  
DEADLINE TO APPLY: Open until filled.  
TO APPLY: Send a letter of interest, résumé, and recent salary history to Jack Heaston, Harney Electric Cooperative, Inc., P.O. Box 616, Hines, OR 97738.

POSITION: Information Systems Specialist  
COMPANY: Grays Harbor PUD (Aberdeen, Wash.)  
SALARY: DOQ.  
DEADLINE TO APPLY: Open until filled.  
TO APPLY: Application and job description can be obtained at www.ghpud.org.

POSITION: Executive Director  
COMPANY: Commonwealth Utilities Corporation (Saipan, Northern Mariana Islands)  
SALARY: Based on credentials and specialized experience as a utility executive in a U.S. state, U.S. territory, U.S. commonwealth, and/or the District of Columbia.  
DEADLINE TO APPLY: Open until filled.  
TO APPLY: Submit a résumé, cover letter, a list of references, and a CUC Employment Application to Human Resource Office, Commonwealth Utilities Corporation, P.O. Box 501220, Saipan, MP 96950-1220; or fax to (670) 235-5131.

POSITION: Chief Electrical Engineer  
COMPANY: Commonwealth Utilities Corporation (Saipan, Northern Mariana Islands)  
SALARY: $100,000 annually.  
DEADLINE TO APPLY: Open until filled.  
TO APPLY: Submit a résumé, cover letter, a list of references, and a CUC Employment Application to Human Resource Office, Commonwealth Utilities Corporation, P.O. Box 501220, Saipan, MP 96950-1220; or fax to (670) 235-5131.

POSITION: Communications Specialist  
COMPANY: Vera Water and Power (Spokane, Wash.)  
SALARY: DOE.  
DEADLINE TO APPLY: Open until filled.  
TO APPLY: Submit a cover letter, résumé, and samples of work to jobs@verawaterandpower.com. NWPPA
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