CARMEN-SMITH HYDROELECTRIC PROJECT: NEW AGREEMENT PROTECTS FISH AND EWEB CUSTOMERS
On the cover: The Carmen Powerhouse is the primary generating facility at the Eugene Water & Electric Board’s Carmen-Smith Project (FERC P-2242) and can generate up to 104.5 MW. Flow from a reservoir on the Smith River is diverted back to this powerhouse on the McKenzie River which discharges into Trailbridge Reservoir. Photo by Thomas O’Keefe.

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WELCOME TO MONTANA’S PARK ELECTRIC COOPERATIVE

We are excited to announce that we have increased our Montana membership with the recent addition of Park Electric Cooperative.

Established in 1939, Park Electric is headquartered in Livingston, Mont., which is in the southwestern part of the state and north of Yellowstone National Park. Park Electric serves part of a 5,544-square-mile area covering much of Park and Sweet Grass, and portions of Gallatin and Meagher counties.

In 2016, the utility provided power for an average of 5,420 residential services, which totaled 70,594,211 kilowatt-hours. Another 8,805,505 and 8,008,225 kilowatt-hours were used respectively by the irrigation and commercial accounts. At the end of 2016, the utility had 1,597.84 miles of power line: about 870 miles of overhead distribution line, 684 miles of underground distribution line, and 41 miles of transmission line.

The 17-person staff is managed by Tim Stephens and a seven-person board of trustees represents the voting districts served by Park Electric.

For more information about Park Electric Cooperative, visit www.parkelectric.coop or find them on Facebook. NWPPA

2017 Call for Entries Now Available

Earlier this month we emailed the 2017 Call for Entries for NWPPA’s 24th annual Excellence in Communication Awards. All utility general managers, marketers, and communications employees should have received one; if you did not, you may download the complete brochure at www.nwppa.org.

The brochure contains all of the competition’s details, including the categories (including the popular People’s Choice Award again), fees, and how to submit your entries. All entries and fees must be postmarked by Friday, June 30.

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 19 at the Embassy Suites Sacramento in California. The conference itself will run from September 17–20, 2017, at the Embassy Suites. Look for more information about this year’s Locally Grown, Locally Owned NIC in upcoming Bulletins and on Facebook.

Contact Brenda at brenda@nwppa.org if you have any questions about the contest. NWPPA
ANNUAL IT CONFERENCE Taught Attendees that Resistance Is Not Futile

Last month, close to 60 utility IT personnel attended this year’s IT Conference held in Seattle, Wash., on March 8–10. This year’s theme, Defend Your Castle, Resistance Is Not Futile, clearly sent the message to attendees that although utility systems are the target of serious cyber threats, there are actions that can be taken to mitigate these threats.

“Cybersecurity is one of the major threats to any organization and this year’s IT Conference surely packed a punch about security,” said Dave Alumbaugh, network administrator at Lewis County PUD. “If you didn’t leave the conference a little nervous and uneasy about how secure your environment is, you weren’t paying much attention to the speakers. Just the shear knowledge gained from the speakers has put our organization on edge and started us thinking in a lot of new ways.”

Presentations covered many of the processes that can be used to strengthen cybersecurity. Topics ranged from phishing, cyber insurance, and least privilege access to mitigating cyber test findings and red team exercises.

Pete Harris, principal and executive director at INGRESSIVE, provided an overview of how red team exercises work. He shared real life examples of the “friendly” hacking he has done and how easy it can be to hack into individual users’ computers in order to gain access to the large network. One of his key points was that the greatest risks are the behaviors of the average employee of an organization.

Panelists Joel Moore (Mason County PUD No. 3), Cliff Hammons (Cowlitz PUD), and Alumbaugh talked about their work developing incidence response plans at their utilities and the things to consider when developing a plan.

“The best thing about the conference was being with a lot of really qualified people, both speakers and attendees,” said Daniel Avrit, system support specialist at Columbia River PUD. “All that knowledge in the room, especially on security, was extremely valuable.”

Other speakers included BPA’s Ryan Paradis, who shared his experience working on BPA’s anti-phishing program; Wortham PowerGen Insurance’s George Z. Adkins, who spoke about how to mitigate cyber risks by implementing preventative programs; and Digital Boundary Group’s Paul Weatherhead, who talked about cybersecurity testing, how to sort through all of the test findings, and how to determine where to start to implement changes.

“Having an opportunity to have an exchange with my peers and hear what challenges others in the industry are facing and how they are addressing those challenges is such great value,” said Alice King, IT supervisor at Grays Harbor PUD. “Plus, having the excellent speakers and the grouping of such pertinent topics that are so important in today’s technology industry all in one setting was three days very well spent—well worth the time and expense!”

Attendees were highly engaged at this year’s conference and remained in the room well after each day’s sessions had ended to continue discussing with others about what they had learned. Roundtable discussions and conversations with conference sponsors also allowed attendees to continue their cybersecurity and IT dialogues.

“One of the best things about the conference was seeing the various approaches the vendors took and how different utilities have implemented the same products and ideas,” said JJ MacLean, senior project coordinator at Emerald PUD. “We were able to see both best practices and some pitfalls we’ll be more equipped to avoid.”
Are You Ready for the Annual Meeting?

We hope to see you at our 77th Annual Conference and Membership Meeting in Sunriver, Ore., May 7-10. If you are attending, here are a few last-minute reminders before you set off along the Road to Inspiration, Innovation, and Information.

☐ **Voting Delegates**

   Voting delegates must be registered for the Annual Meeting to vote, and voting delegate forms are due no later than May 1.

☐ **Lodging**

   Rooms at Sunriver Resort are going super fast! If you have not booked a room yet, please contact Janet Denman at (360) 816-1443 or janet@nwppa.org.

☐ **There’s an App for That!**

   Do you want one easy location to get all of the up-to-date information you will need for the conference? Well, we’ve now got an app for that! We unveiled our app last year to rave reviews and have continued to use it at several of our events.

   The app provides you with information on speakers, sponsors, and attendees, as well as the agenda and a document center where we will house speaker presentations. Want to let your colleagues know you are having a spectacular time in Sunriver? Access our Facebook and Twitter feeds from the app and be sure to use #NWPPA2017Annual in your posts.

   To download the official NWPPA app, search NWPPA on the App Store or Google Play Store. We recommend that you download the free app prior to the meeting.

☐ **Golf Tournament**

   If you are registered for the Annual Meeting Golf Tournament, hosted by Platinum Sponsor EES Consulting, it will kick off at 8:30 a.m. on Sunday, May 7, with a modified shotgun start; however, please arrive at the Meadows Golf Course early so you can be escorted to your starting tee.

   The course requires spikeless or Softspikes® golf shoes, and the Meadows golf staff can change over your shoes. Appropriate golf attire is also required—blue jeans, t-shirts, tank tops, and running shorts are not permitted.

   Please be sure to let us know if you need to rent clubs so that we can make arrangements to have them ready upon your arrival to the course.

   If you haven’t registered yet for our Annual Conference and Membership Meeting, there is still time! Visit www.nwppa.org or call (360) 254-0109 to do so today.

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Cable Huston offers a level of experience that few firms can claim. With a focused group of attorneys, we represent consumer-owned utilities and municipal governments, as well as independent power producers, and industrial and commercial retail customers of investor-owned utilities. Combined, our work in all aspects of energy and public utility law encompasses well over 200 years of doing things right.

Choose one of the most experienced energy and public utility law practices in the Pacific Northwest.
Choose the experience of Cable Huston.

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OUR EXPERIENCE SPANS YEARS NOT JUST STATE LINES.
A Look Back at Public Power

50 YEARS AGO – 1967
Harney Electric Cooperative won first place for outstanding efforts in member services for systems under 4,500 meters at NRECA’s annual meeting (Ore.) … Chelan County PUD sold $40 million in revenue bonds to finance expansion of Rocky Reach Dam during the upcoming summer (Wash.) … The Central Washington Power Agency, composed of Kittitas and Grant County PUDs, voted not to renew its lease and exploration option on the Northern Pacific Railway coal fields in the Roslyn-Cle Elum area … The city council of Idaho Falls reduced electric rates by five percent.

25 YEARS AGO – 1992
The Oregon Public Utility Commission reported that accidents involving electric utility facilities took a downward turn during 1991 … Patti Martin was hired as a meter reader at Anza Electric Cooperative (Calif.) … Montana’s first and only woman electric cooperative manager, Lorene Templeton, retired from Missoula Electric Cooperative after 34 years with the utility … Legislation considered removal of the Elwha Dams (Wash.) … The Electric Power Research Institute created a Power Quality Testing Network to help manufacturers and utilities … The Alaska Rural Electric Cooperative Association resolved to support full funding for the Power Cost Equalization program.

5 YEARS AGO – 2012
After 36 years, Linda Wilson retired from Northern Wasco County PUD in early April (Ore.) … Snohomish County PUD’s Youngs Creek hydropower project received the 2012 Hydro Project of the Year Award from Renewable Energy World magazine (Wash.) … Flathead Electric Cooperative’s Jim Sutherland retired after five decades at the cooperative, a career that began on May 1, 1963 (Mont.) … Mason PUD No. 3 celebrated its first official day of business at its new operations center on April 2 (Wash.) … Bonneville Power Administration promoted Claudia Andrews to be its new executive vice president and chief financial officer (Ore.).
Why a NECA firm?

Well, for one thing, they’re all qualified electrical contractors—they know how to work with utilities. For another, NECA members can be right there when you need them, and cost you absolutely nothing when you don’t. Keep this list of member firms. It can save you a lot of time, money, and headaches whenever you want it to.

Northwest Line Constructors Chapter
National Electrical Contractors Association
Tracy Harness, Chapter Manager
6162 N.E. 80th Ave., Portland, OR 97218
(503) 255-4824 • Fax (503) 256-1907
tracyh@nwlineca.com • www.nwlineca.com

*Emergency (night) numbers for firms having stand-by crews and equipment immediately available for disaster or storm repair.
A GUIDE TO THE WONDERFUL WORLD OF RUS ACCOUNTING
Who Should Attend: Accounting staff from cooperatives and any other utility using RUS accounting methods.
May 1–2, 2017—Anchorage, Alaska

MANAGING IN A MULTIGENERATIONAL WORLD
Who Should Attend: Managers and supervisors who would like to develop practical skills for working with all generations in the workplace today.
May 2, 2017—Vancouver, Wash.

HOW TO PERFORM AN ARC FLASH HAZARD CALCULATION STUDY—IEEE 1584
Who Should Attend: Electric utility engineering managers, engineers, and others responsible for developing arc flash standards for their utility.
May 2–3, 2017—Tacoma, Wash.

SUBSTATION SERIES: SUBSTATION TRANSFORMERS & LTC MAINTENANCE
Who Should Attend: Line and substation personnel, as well as engineers who have responsibility for distribution and transmission substations.

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.
May 3–4, 2017—Anchorage, Alaska

QUALIFIED WORKER TRAINING - OSHA 1910.269
Who Should Attend: Individuals who do not hold an electrical journeyman certificate, but as a part of their duties must enter or open secured areas such as substations, pad mounted transformers, switch gear, vaults, and metering cabinets. Engineers, technicians, meter readers, and other operations personnel are required by OSHA 1910.269 to have this training.
May 4, 2017—Tacoma, Wash.

SUBSTATION SERIES: SUBSTATION BATTERY MAINTENANCE AND TESTING
Who Should Attend: Line and substation personnel, as well as engineers who have responsibility for distribution and transmission substations.
May 4, 2017—Tacoma, Wash.

NWPPA ANNUAL CONFERENCE & MEMBERSHIP MEETING
Who Should Attend: Utility managers; assistant managers; senior staff; power supply managers; utility board and council members; associate members; and trade association heads. For more information, see page 5.
May 7–10, 2017—Sunriver, Ore.

ANNUAL MEETING PRECONFERENCE CLASS: 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; accounting; as well as utility commissioners and board members.
May 8, 2017—Sunriver, Ore.

ANNUAL MEETING PRECONFERENCE CLASS: ENTERPRISE RISK MANAGEMENT FOR POLICY MAKERS
Who Should Attend: Utility policy makers, such as board members, commissioners, and appointed or elected officials with utility oversight responsibilities.
May 8, 2017—Sunriver, Ore.

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. Prerequisite: 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.

NEW! ONLINE — NEGOTIATIONS: FROM START TO FINISH (3-PART SERIES)
Who Should Attend: General managers, labor relations managers, members of collective bargaining teams, HR professionals, labor relations professionals, and anyone who wants to truly understand negotiations from beginning to end.
May 11–25, 2017—Online

NEW! ONLINE — NEGOTIATIONS: PREPARING FOR SUCCESS
Who Should Attend: General managers, labor relations managers, members of collective bargaining teams, HR professionals, labor relations professionals, and anyone who wants to truly understand negotiations from beginning to end.
May 11, 2017—Online

LEADERSHIP SKILLS #2: LEADERSHIP CHALLENGES
Who Should Attend: Supervisors and managers, and employees who will be transitioning to a supervisory or managerial role in the future.
May 17–18, 2017—Bend, Ore.

NEW! ONLINE — NEGOTIATIONS BOOT CAMP
Who Should Attend: General managers, labor relations managers, members of collective bargaining teams, HR professionals, labor relations professionals, and anyone who wants to truly understand negotiations from beginning to end.
May 18, 2017—Online

Please visit www.nwppa.org to view the full course descriptions for these and other courses.
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; accounting; as well as utility commissioners and board members.
May 23–24, 2017—Sacramento, Calif.

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

LINEMAN SKILLS SERIES: AC TRANSFORMERS, ADVANCED THEORY AND PRACTICAL APPLICATION
Who Should Attend: Journeyman linemen, foremen/supervisors, engineers, and those involved in planning, scheduling, and engineering operations for a utility.

NEW! ONLINE — NEGOTIATIONS: CLOSING THE DEAL
Who Should Attend: General managers, labor relations managers, members of collective bargaining teams, HR professionals, labor relations professionals, and anyone who wants to truly understand negotiations from beginning to end.
May 25, 2017—Online

STAKING CERTIFICATION PROGRAM: UNDERGROUND LINE DESIGN AND SUBDIVISION LAYOUT
Who Should Attend: Staking engineers.
June 5–7, 2017—Boise, Idaho

LEADERSHIP SKILLS SERIES SESSION #1—SITUATIONAL LEADERSHIP
Who Should Attend: Supervisors and managers, and employees who will be transitioning to a supervisory or managerial role in the future.
June 6–7, 2017—Whitefish, Mont.

WRITING EFFECTIVE JOB DESCRIPTIONS
Who Should Attend: Anyone who needs to write job descriptions for positions, including board members, utility managers, and human resources staff.

STAKING CERTIFICATION PROGRAM: PROTECTION/BASIC SECTIONALIZING DESIGN
Who Should Attend: Staking technicians.
June 7–8, 2017—Boise, Idaho

STAKING CERTIFICATION PROGRAM: LINE INSPECTION
Who Should Attend: Staking technicians.
June 8–9, 2017—Boise, Idaho

DISTRIBUTION ENGINEERING SERIES: SESSION 1—PLANNING AND ANALYSIS
Who Should Attend: Engineers and senior technical personnel involved in distribution system design, planning, modeling, and analysis.
June 12–16, 2017—Vancouver, Wash.

INTRODUCTION TO RATE MAKING
Who Should Attend: Staff/analysts who are new to rate setting or the utility industry, as well as those new to demand response or interested in developing a demand response program for their utility.
June 14, 2017—Spokane, Wash.

ADVANCED RATE MAKING
Who Should Attend: Analysts and managers who are interested in developing new rates or updating the rate structures for their utility.

STAKING CERTIFICATION PROGRAM: UNDERGROUND LINE DESIGN AND SUBDIVISION LAYOUT FOR CALIFORNIA UTILITIES
Who Should Attend: California utility staking engineers.

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; accounting; as well as utility commissioners and board members.
June 27–28, 2017—Idaho Falls, Idaho

STAKING CERTIFICATION PROGRAM: PROTECTION/BASIC SECTIONALIZING DESIGN FOR CALIFORNIA UTILITIES
Who Should Attend: California utility staking technicians.

NRECA CCD 2640: FINANCIAL DECISION MAKING
Who Should Attend: Directors, policy makers, and general managers of cooperative utilities.

TELEPHONE EXCELLENCE
Who Should Attend: Customer service professionals and others who work with customers by phone.
June 28–29, 2017—Idaho Falls, Idaho

STAKING CERTIFICATION PROGRAM: LINE INSPECTION FOR CALIFORNIA UTILITIES
Who Should Attend: California utility staking technicians.
June 29–30, 2017—Alameda, Calif.

SENIOR LEADERSHIP SKILLS SERIES SESSION 3, SERIES 5—INSIDEOUT COACHING
Who Should Attend: Directors, managers, graduates of the Leadership Skills Series, and newly appointed senior leaders.

DISTRIBUTION ENGINEERING SERIES: SESSION 2—OVERCURRENT PROTECTION
Who Should Attend: Engineers and senior technical personnel involved in selecting and coordinating overcurrent protection devices.

ADMINISTRATIVE PROFESSIONALS PRECONFERENCE WORKSHOP: ONENOTE AND LEAN OUTLOOK
Who Should Attend: Administrative assistants, executive assistants, and clerks to the board.
July 18, 2017—Leavenworth, Wash.

ADMINISTRATIVE PROFESSIONALS CONFERENCE
Who Should Attend: Administrative assistants, executive assistants, and clerks to the board.
Enterprise risks refer to financial, operational, regulatory, legal, environmental, and strategic risks that significantly impact an organization (the “enterprise”). Risks cannot be avoided, but they can be identified and ranked so that an organization can proactively address them. Risk ranking helps define an organization’s biggest gaps and vulnerabilities; by ranking risks, an organization can better allocate capital and human resources.
The first step in risk ranking is developing an inventory of risks facing the organization. A risk inventory can be assembled from employee surveys or interviews; audit plans; industry literature; risk disclosures by peer companies; and rating agency reports of peer utilities. Once an organization has a starting risk inventory, it should focus on the most material potential exposures. The risk ranking is more effective when the total number of risks to be assessed is a manageable number.

The first step is to define each risk. If a risk is not well defined, different people could have different perceptions of the risk. For example, the probability and impact of a “major storm” depends upon the type of storm, the duration, the temperatures, and other climatic events. In this case, the risk ranking participants would want to agree on the type of storm before ranking it.

Because the source and impact of the potential risks are widely varied, it can be challenging to compare and contrast them. The second step is to develop ranking criteria that can be applied to all risks. A time horizon is important since the risks may be different when examining short-term versus a long-term timeframe. Two other common ranking criteria are the probability of the risk occurring and the impact it would have on the organization if it occurred. Probability is a familiar concept, one that needs little definition. In contrast, defining the impact can be more challenging because a risk can have multiple impacts. For example, risks can affect an organization’s reputation, its financial position, its customer rates, and/or the safety of the workforce and community. For purposes of the ranking, the participants need to agree on the definition of impact and establish a scale for measuring minimal impact to very large impact.

Several other risk ranking criteria include the level of internal controls to manage the risk and the amount of mitigation still to be done to manage or respond to the risk. Some organizations use the internal controls measure to ensure the organization has strong controls in place to monitor and manage each risk. Others prefer to focus on estimating the amount of mitigation still to be done, as a means of prioritizing resource and capital allocation in the risk mitigation planning phase.

Another approach is to weigh risks from the perspectives of speed on onset and preparedness. The former refers to the amount of time an organization has to respond to a given risk. For example, some regulatory risks—such as new environmental regulation—have long lead times that give the utility months to plan and prepare. Other risks—like a natural disaster—may mean the utility has only a few hours to prepare. In this case, the assessment is of the organization’s preparedness. If a utility is not prepared for a given risk, then the ranking would highlight the need for stronger efforts developing a risk response.

The third step in the risk ranking process is to include people who have a working knowledge of the issues. As subject matter experts, they bring valuable insights about the source of the risk, the likelihood of occurrence, and its impact on the organization. The exercise requires at least several hours to complete, and there should be a follow-up meeting to discuss how to use the risk information. Furthermore, the experts need to be reconvened periodically to review what risks have changed, measure reduction in risks, and discuss successful mitigation strategies.

The risk-ranking team needs to be careful not to slip into group think by agreeing too readily on impacts. Instead, debating the risk impact from different dimensions yields better results. Additionally, the team should be aware of institutional bias. The final caveat is to be careful about perspective. We all are inclined to discount anything that has not yet occurred and to place the greatest weight on recent information or events. Prior to starting the risk ranking exercise, it is helpful to discuss these biases.

The last step is to identify risks that can be mitigated as opposed to others that require preparation. The reason is that the risk response differs depending upon whether the risk will be mitigated or the organization will prepare for it. For example, a utility can employ mitigation strategies to reduce the risk of an accident or a safety hazard, but a utility cannot prevent a natural disaster from occurring. In the first situation, a mitigation plan would be directed at reducing the chance of the risk occurring and/or minimizing the severity of the risk. In the second situation, the mitigation plan would be to develop an appropriate response for when and if the risk occurs.

The most important part of risk ranking is not to develop specific point measurements, but instead to understand the range in impact and to see how risks compare across the spectrum. The risk ranking exercise should encourage diverse opinions and prompt debate. Effective risk ranking leads to the development of robust mitigation plans.

Julie Ryan is the managing partner at Aether Advisors LLC, advising 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 jryan@aetheradvisors.com or (206) 329-0424.
Why I Hope to See You in Sunriver Next Month

Next month NWPPA hosts its 77th Annual Conference and Membership meeting. This year we are On the Road to Inspiration, Innovation, and Information in Sunriver, Ore. We’ve picked a place where you can be inspired by the natural beauty of Central Oregon while you’re being informed by the innovative program we have put together for you.

To get your curiosity juices flowing, I’m going to tackle our theme in reverse order, which makes information first. Every presentation is packed with information, but two really stand out when it comes to communication. First, Stephen Shedletzky kicks off the conference on Tuesday with how understanding the power of why makes a strategic difference in delivering your message and reaching your audience. Second, on Wednesday you’ll hear Why Public Power Matters. Yes, you know why public power matters, but do your members and consumers know why public power is as relevant and important today as it’s ever been? NWPPA and Ruralite Services, Inc. will be sharing the data and research we discovered together here in the Northwest, in our own backyard. I think you’ll come away with information you can use to strengthen your communication with your public power consumers.

Next is innovation, which is occurring at lightning speed in all aspects of the electric utility industry. Almost every day there is a new innovation in material, technology, tools, and what can jokingly be referred to as consumer technology toys. It’s the technology toys that are often the way consumers start to play with things in their homes before they transition to more sophisticated app-controlled lights and thermostats, EV cars, and anything else they can play with. In Sunriver, you’ll get first-hand perspectives from a consumer, a utility, and a consultant at the Consumers in Control panel where three industry experts will talk about how innovation is changing consumer engagement.

And last, but really first, is inspiration. NWPPA exists to enhance the success of its members and one of the ways we fulfill that purpose is by bringing thought-provoking speakers to our events; these speakers should inspire you to return home thinking about what you can do to bring greater value to your members. For example, be inspired by your fellow CEOs who will share during the CEO panel what keeps them up at night and what they’re doing to get more sleep. Hearing others perspectives often fosters inspired thinking to go beyond the status quo, to go beyond our comfort zone. And be inspired by Generation Atomic! Come to our annual meeting to learn about this whirlwind nuclear generation movement and why they are so excited about the future of nuclear.

Yes, you’ll be on the road to Sunriver, Ore., next month, but the journey is really about the return trip home that will be full of inspiration—hopefully thinking about the new information and innovations you discovered in Sunriver—and what they mean to your utility and consumers.

Be well,
Anita
77th ANNUAL CONFERENCE AND MEMBERSHIP MEETING
Inspiration, Innovation, and Information

MAY 7-10, 2017 | SUNRIVER RESORT | SUNRIVER, ORE.
Pot, pot, and more pot. From medical marijuana to legal recreational weed, it seems that nowadays marijuana filters its way into the workplace in an ever-growing number of scenarios.

The scenario below is a great example. The fictional letter comes from Rex, the CFO at a large company in Oregon, who stumbled across a lunchtime marijuana recipe exchange club in his workplace. To complicate things, each of the four involved employees is a cancer survivor. Although there is no evidence of use or impairment, Rex is concerned. Let’s read his letter and our response.

Rex’s Question:
Let me say upfront that I am a CFO, not an HR manager. I do not wear multiple hats. Normally, I would talk to HR about this, but my question concerns our HR director (Ned) and at least three others.

Here is the situation. On Tuesday I was in a break room around noon. It was crowded, as usual. Ned was sitting at a table near the vending machines with an eclectic mix of employees: Milo who is a construction worker, Tammy from Accounting, and Ginger from Marketing. Each of them is a cancer survivor (and for that reason I am not using their actual names).

While fishing for quarters in front of the pop machine I overheard a bit of their conversation. Because it sounded like they were talking about green bean casserole, which I absolutely love, I lingered a moment. The next thing I hear is Ginger saying that the marijuana butter makes the dish. In other words, they were talking about marijuana green bean casserole (which I do not love and have never had).

In my head I am screaming, “What!!?” Ginger looks like a classic grandma, with the reading glasses and salt-and-pepper hair. I never thought of her as someone who passes the salt and pepper so you can season your marijuana dishes, but now I don’t know.

I asked around and found out that this is a weekly thing. These four get together every Tuesday at lunch to exchange recipes—marijuana cooking recipes. We are talking about marijuana sliders, pot pork schnitzel, and even “infused” rice crispy treats, among other things. Other employees told me they know about it and find it cute.

I know the company drug and alcohol policy, which applies to all employees (including the HR director), prohibits what you might expect. It is a violation of the policy to use, possess, sell, or trade marijuana in the workplace, on company premises, or during work time. It is also a violation of the policy to be “under the influence” of marijuana while working.

None of the employees who know about this Tuesday pot luck club said that the members do anything more than talk about marijuana recipes. There is no sampling and no one selling ingredients. However, even if it is just pot talk, am I really supposed to believe that they aren’t using these recipes at home? If that is true, they might be impaired; your blog told me that effective marijuana impairment testing does not currently exist.

So what do I do? Do I send them out for drug testing? Do I write them up (with the help of the COO) for violating the “spirit” of the drug policy? Do I ignore them? Please help.

The Bullard Edge’s Response
You have a boatload of issues, Rex. While we do not give legal advice (call your employment lawyer for that), we can help sort out the issues, which include:

The scope of the drug policy in a marijuana world;
marijuana speech and reasonable suspicion; and disability discrimination.

Let’s take these in order.

Scope of the drug policy
We live in marijuana-friendly times. Following marijuana’s win at the 2016 ballot box, a total of 28 states plus the District of Columbia have adopted laws that legalize marijuana on the state level (it is a mix of medical marijuana and personal use laws). Oregon has legalized both medical and personal-use marijuana.

Despite these laws, employers are not (yet) directly impacted by
these laws. Employers may continue to adopt strong drug policies that prohibit marijuana; they are not required to modify those policies as a form of reasonable accommodation of disability. It sounds like your company has adopted this kind of a strong drug policy with respect to marijuana.

**Marijuana speech and reasonable suspicion**

You asked if you should send Ned and the others for drug testing or whether you should simply write them up for violating the policy. Those are good questions and to answer them we need to look at the drug policy.

You did not say, but it sounds like, the drug policy calls for testing when there is a “reasonable suspicion” that an employee may be in violation of the drug policy. Reasonable suspicion typically refers to observable, objective evidence or circumstances (e.g., observed use, credible reports of use, or behavioral signs of impairment) that could be indicators of a violation of the drug policy.

You did not mention anything that suggests objective evidence of possible impairment. The witnesses you interviewed said it is just talking about marijuana recipes. Marijuana speech with nothing more does not seem like evidence of possible impairment.

Of course, you make an understandable leap: folks who exchange recipes often use those recipes. If Ned and friends are doing that, then it would likely mean off-duty marijuana use, which could result in on-the-job impairment. However, it is legally risky to act based on a subjective conclusion that there is likely off-duty use.

The bottom line is that on the information (pot talk during their lunch breaks) it likely would be a stretch to send them for reasonable suspicion for testing. Moreover, it seems very premature to “write them up” for violating the policy.

**Disability discrimination**

You said that Ned, Milo, Tammy, and Ginger are all cancer survivors. If we look at this group differently, it might be that it is more of a cancer support group than a marijuana recipe club.

As cancer survivors these four are going to fall within the statutory definition of disabled under both the ADA and Oregon law; they may or may not have currently active medical conditions, but they certainly have a record of disability. The bottom line is that they are in a protected class.

An employer may not take action against an employee because of his/her disability or treat that employee differently than others. You said you spoke to a number of other employees who know about the recipe club and “find it cute.” It sounds like there may be other non-disabled employees who talk about marijuana in the workplace. An employer risks a disability discrimination claim where it treats a disabled employee more harshly than it treats non-disabled colleagues for the same conduct. The point of this is that you risk disability discrimination liability if you treat Ned and friends differently (send for drug screens or write them up) than you treat non-disabled employees who engage in marijuana speech.

I hope this helps you sort through the issues. Let us know how it goes.  **NWPPA**

Best regards,

*The Bullard Edge*

Michael G. McClory, an attorney with Bullard Law in Portland, Ore., created The Bullard Edge blog for the firm. He can be contacted at mmcclory@bullardlaw.com, and the blog can be accessed at bullardlaw.com/news/blog.html.
We all know the old adage about giving a man a fish versus teaching a man to fish. Tacoma Public Utilities is focused on finding the sweet spot between the two. The utility launched a trial program last month that, if successful, will change the way it provides bill payment assistance.

In the past, eligible customers would receive utility assistance in one lump sum on their accounts. The assistance was available once in a 12-month period, which meant customers either had no assistance or had to seek assistance from other resources during the remaining 11 months of the year.

The idea behind Tacoma Public Utilities’ new Bill Credit Assistance Plan is to provide ongoing assistance throughout the year—with the hope it will help make paying the bill more manageable. By participating in the new program, customers can receive bill credits each month.

“This is a fairly new concept in the utility industry,” said Customer Services Manager Steve Hatcher. “People from other utilities have said they are watching what happens in Tacoma to see if this is a model they might also follow.”

Although Tacoma Public Utilities will discontinue most of its old grant assistance programs, the discount rate for income-eligible elderly and disabled customers will remain in place. Customers who are at least 62 years old or receiving qualifying disability income can qualify for a 30-percent discount on their services. Some customers could potentially receive a larger benefit with the new Bill Credit Assistance Plan, but cannot simultaneously participate in both programs.

**How the Bill Credit Assistance Plan will work**

About 2,100 customers currently participate in Tacoma Public Utilities’ low-income assistance grant programs. When the utility discontinues those programs, it will automatically enroll those income-verified customers in the Bill Credit Assistance Plan and continue verifying incomes and enrolling first-time participants.

Enrollment is for two years. During that time, participating customers who make full, on-time payments will receive a credit on their utility bill the following month. If they don’t achieve the credit one month, they can still qualify to achieve future credits by meeting the payment criteria.

Customers participating in the program can make a payment arrangement beyond the original due date (some restrictions may apply) with each invoice. The bill would need to be paid in full and on time by the agreed arrangement date to still be eligible for the bill credit.

“We anticipate this program, along with our Budget Billing program, will help our customers count on predictable bills as well as predictable assistance levels,” Hatcher said. “Our goal is to create stability for these customers to minimize late fees, service disruptions, and other negative impacts associated with delinquent or non-payments.”

**Assistance levels**

The assistance amount per household is increasing from $355 to $468 for those who have all five services. The maximum amounts per year are:

- $252 for power
- $84 for water
- $60 for solid waste (garbage)
- $48 for wastewater (sewer)
- $24 for surface water (storm drains)

“Ideally, customers will maintain stable payments so they are eligible to receive the full incentive,” Hatcher said.
Technology plays an important role

Utility staff had to look at the technology requirements when designing the Bill Credit Assistance Plan. The Customer Solutions team, whose members work day in and day out with customers who need help paying their utility bills, have been using paper forms to collect and validate income data. Part of the project included selecting an online portal that could make the process paperless and much more efficient.

“We found an off-the-shelf tool that we could customize to meet our needs,” said Francine Artis, who manages the Customer Solutions group. “The online portal will enable customers to fill out the required information, upload the appropriate documents to a secured site, and provide an electronic signature.”

Though customers will no longer need to visit the office to apply, the option will still be available for people without Internet access and who need assistance completing the process.

But wait, there’s more!

In an effort to help customers be successful beyond paying their utility bill, Tacoma Public Utilities is working with community partners to offer program participants financial classes and individual coaching opportunities. Upon completion, customers will receive an additional one-time credit on their utility bill of up to $120. This additional credit is also available for customers who receive the discount rate and who complete the financial education component.

“We hope financial literacy will result in much more than just paying their utility bills on time,” Artis said. “We would love to see it help create financial stability in other parts of their lives as well.”

For now, Tacoma Public Utilities will continue its focus on the technology to ensure it is working as designed, and plans to launch the Bill Credit Assistance Plan in the fourth quarter of this year.

Chris Gleason has served as Tacoma Public Utilities’ Community & Media Services manager since 2006. She can be contacted at cgleason@ci.tacoma.wa.us.

Celebrating 60 years as a public power partner!

Established in 1957 by the Washington state legislature to meet the collective needs and aggregate the resources of public utilities statewide and, through cooperative action, build and operate electrical generating facilities. We’re marking 60 years as a joint action agency and honored to partner with our 27 members to serve more than 1.5 million customers.
PenLight’s Grice Graduates from MIP

Peninsula Light (Gig Harbor, Wash.) System Engineer Amy Grice has completed an intensive program in electric utility management with the University of Wisconsin—Madison.

The Robert I. Kabat Management Internship Program (MIP) is a series of workshops offered by the National Rural Electric Cooperative Association in conjunction with the University of Wisconsin. The program guides participants through all facets of the electric utility industry, including the many changes occurring around the nation.

Grice is one of only a few electric utility staff that will graduate from the Management Internship Program this year.

Only rural electric cooperative CEOs and top level management participate in the program. This allows greater emphasis of study, on management challenges and the aspects of consumer-ownership that cooperatives enjoy. Participants learn to focus on member value as part of day-to-day decision making.

Clark Issues Credit to Offset Cold Weather High Bills

Following unusually cold weather this winter, many Clark Public Utilities (Vancouver, Wash.) customers are receiving higher-than-normal electric bills. To help ease the hardship of unexpectedly high bills, the Clark Public Utilities Commission approved allocation of approximately $10 million in 2016 surplus funds to provide customers with a one-time bill credit.

“Long stretches of freezing temperatures took a toll in Clark County and we saw electric usage increase dramatically,” said Clark Public Utilities Board President Jane Van Dyke. “Staff came to the board and suggested using a portion of 2016 surplus revenue to help customers with these high bills.”

Eligible Clark Public Utilities customers saw a credit on the March bill equal to about 24 percent of the average monthly cost of energy this winter. EqualPay and Guarantee of Service Program customers will see the credit applied to the account balance.

“We set the annual budget based on conservative estimates of all the variables to keep rates stable and predictable,” said Van Dyke. “Rates haven’t changed since 2011 and staff has done an excellent job of finding opportunities for cost savings. As a result, this year we are fortunate to be in a position to help customers after this extremely cold winter.”

PCWA Board Extends Emergency Declaration

For the second time in as many meetings, the Placer County Water Agency (Auburn, Calif.) Board of Directors extended a local emergency declaration for storm-related damage in the area of the Agency’s Middle Fork Project. The unanimous vote by the board at its March 16 meeting authorizes the Agency to enter into contracts to protect, access, inspect, and repair Agency property and facilities without a formal board vote on specific projects. The vote follows an identical vote on March 2.

“The magnitude of damage caused by winter storms requires that the Agency be able to act quickly when conditions are favorable,” General Manager Einar Maisch said. “In accordance with the law, the board needs to reconsider the declaration at every subsequent meeting to determine whether or not to continue the emergency.”

PCWA staff has identified road damage and sediment build up in the American River as the most extensive damage. Winter rains caused a number of landslides, some of which continue to restrict road access to some PCWA facilities. Crews have used recent dry weather to clear access and implement measures to help stabilize the ground. Work also is being done to remove sediment in the vicinity of PCWA hydropower facilities. PCWA anticipates more cleanup in the future with still six weeks to go in the traditional rainy season.

Crews assess the landslide restricting road access to hydropower facilities.

Ellensburg’s French Has Retired

City of Ellensburg (Wash.) Light Operations Supervisor Richard French retired on March 31. French worked in the industry for 43 years, including at the Cities of Port Angeles and Ellensburg. He and his wife, Dawn, will be retiring in Port Angeles to be near family.
Chelan, Alcoa Discuss Future of Wenatchee Works

As Alcoa Corporation considers options for its Wenatchee Works smelter, Chelan PUD (Wenatchee, Wash.) is engaging Alcoa Corporation based on the principle that any potential changes in the plant’s existing power contract must have a neutral to positive financial impact on Chelan PUD customer-owners, according to General Manager Steve Wright. The utility looks favorably on an option that can preserve the potential for a smelter restart and local jobs as long as the financial principle can be achieved.

Alcoa Inc., the former parent company of Alcoa Corporation, curtailed operations at the plant in December 2015. The plant employed more than 400 workers at the time.

When Alcoa Corporation separated from its former parent company, it kept the primary aluminum business, which includes the Wenatchee Works smelting operations. Chelan PUD agreed to assign the existing power contract for the Wenatchee Works smelter to the new company in October 2016, after receiving additional credit and other assurances.

The company has a contract with Chelan PUD through late 2028 to receive 26 percent of the electricity made at Rocky Reach and Rock Island dams to power the aluminum smelter south of Wenatchee. Since operations ceased, Chelan PUD has continued to sell unused Alcoa Corporation power and to apply the proceeds against outstanding contract obligations. Under the existing contract, Alcoa Corporation would owe a $67 million payment if the plant remains curtailed in June.

LMUD Hires New Assistant GM

Lassen Municipal Utility District (Susanville, Calif.) is pleased to announce the addition of Pat Holley as assistant general manager.

Holley began his power industry career in the 1980s working for Pacific Gas and Electric in the distribution and general construction departments. He was involved in many projects, including cleanup operations after the 1989 Loma Prieta earthquake. He continued his career in 2000 with the management of wood-fueled power plants, including Mt. Lassen Power and Burney Mountain Power. In 2011 he joined Greenleaf Power, managing many of their wood-fueled power plants. Most notably, Holley served as the general manager of Greenleaf’s local biomass facility, Honey Lake Power.

During his time at HLP, Holley was instrumental in helping secure islanding agreements between PG&E, LMUD, and HLP. He worked closely with LMUD personnel to ensure that power kept flowing to the community during catastrophic events such as the 2012 Chips Fire. The fire damaged PG&E lines forcing LMUD to island with HLP for nearly a month.

LMUD General Manager Doug Smith said, “We feel very fortunate to have Pat join our LMUD team. His extensive management experience in the power industry will be of great benefit to LMUD as we move forward with implementing improvements to our system, particularly the planned interconnection to NV Energy’s transmission system.”

Three Recognized at Douglas PUD in March

Douglas County PUD Commissioners Ronald E. Skagen, Molly Simpson, and Aaron J. Viebrock awarded General Manager Bill Dobbins with his 30-year service award during the March 6, 2017, commission meeting held at the District’s Bridgeport, Wash., office.

Commissioner Skagen thanked Dobbins on behalf of the citizens of Douglas County for his years of service, leadership, wisdom, and dedication. Dobbins thanked the commission and said, “I feel very fortunate to be here and work with the people I work with.”

During the March 13 commission meeting, Commissioners Skagen and Simpson presented two more service awards.

The commissioners awarded Wells Chief Engineer Ken Pflueger with his 30-year service award and thanked him on behalf of the citizens of Douglas County for his years of service. Pflueger thanked the commission and said, “I consider it a great fortune to have spent 30 years here. I appreciate the opportunity to be involved in professionally rewarding work. The utility is a well-managed and respected organization.”

The commissioners also presented a 25-year service award to Service Lineman Jeff Carrow and thanked him for his service. Carrow thanked the commission and said, “I appreciate working at Douglas PUD. It is an honor and a privilege, and I love my job.”
SMUD Celebrates 70 Years

On December 31, 1946, SMUD began providing electricity—and much more—to the Sacramento, Calif., region. Over the last 70 years, SMUD directors, executives, and employees have worked hard to brighten the community they serve and help it become one of the best places in the country to live, work, and play. By strongly supporting education, economic development, environmental stewardship, and much more, SMUD has served a pivotal role in Sacramento’s past successes and will be a key catalyst of its future growth.

SMUD has provided some of the lowest rates and most reliable power in California for seven decades. SMUD has also worked with customers, community leaders, elected officials, business owners, educators, and nonprofits to align the programs and services it provides with the community’s values and priorities. These efforts have driven SMUD’s continued investment in the areas of economic development; renewable energy generation and delivery; residential and commercial energy efficiency; green technology development; and STEM education.

SMUD will commemorate its 70th anniversary by launching a new community benefit program designed to help neighborhoods with their revitalization efforts. Keep an eye out for more information on this effort in the coming weeks.

To learn more about SMUD’s 70 years of service to Sacramento, visit smud.org/Bright.

Water Operator of the Year Awarded to Rusty Gill

Pend Oreille PUD (Newport, Wash.) Water Operator Rusty Gill received the Water System Operator of the Year Award from the Evergreen Rural Water Association at its annual conference in February.

Evergreen Rural Water Executive Director Tracey Hunter presented the award, which is given each year to recognize the extraordinary accomplishments of an individual who is directly or indirectly responsible for the day-to-day operation and maintenance of a water system.

Gill has been with Pend Oreille PUD since 2006 and is responsible for the operations of the nine water systems operated by the PUD. That responsibility includes the maintenance and upkeep of three surface water systems and nine wells.

Jefferson PUD Hires New CFO

The Jefferson PUD (Port Townsend, Wash.) commissioners have chosen Susan Carter as the PUD’s next finance director and CFO. Carter started at the PUD on April 3, 2017. She comes to the PUD from Alpharetta, Ga., a suburb of Atlanta. She has worked for Sawnee Electric Membership Cooperative for more than 30 years, holding a variety of accounting positions; most recently, Carter held the position of director of Accounting Services. Sawnee serves a seven-county territory northeast of Atlanta providing electricity to over 150,000 members.

“I enjoyed my visit to Port Townsend earlier this month and look forward to serving the community as the PUD’s new CFO,” said Carter, who is retiring from her current employer.

Carter has a bachelor’s degree in accounting from North Georgia College and State University, and is currently taking the RUS Borrower Accounting Course.

EWEB Takes Orders for Emergency Water Containers

Eugene Water & Electric Board (Ore.) customers who want to prepare for earthquakes, forest fires, or other emergencies that could interrupt the delivery of drinking water can now pre-order 3-gallon water storage containers at a discounted price.

Starting on March 22—which was World Water Day—EWEB customers can pre-order 3-gallon bisphenol A-free water storage containers. Storing an emergency supply of water—along with food and other life-sustaining items—is a critical component in any household emergency kit.

EWEB donates $1 of the discounted, $5 charge for each container to the American Red Cross. Since 2014, customer container purchases have helped EWEB donate more than $61,000 to the Red Cross through the emergency water container program. This gift has enabled the disaster relief agency to prepare for, respond to, and help people recover from calamities big and small, including the local chapter’s response during the December ice storm.

“Following a disaster or loss of water supply, clean drinking water may not be available, so it makes sense to store enough water for several days,” said Frank Lawson, EWEB’s general manager. “You need a minimum of one gallon of water per person per day for drinking and basic sanitation.”
SnoPUD Appoints New Commissioner, Sid Logan

The Snohomish County PUD (Everett, Wash.) Board of Commissioners announced on March 17 that it has appointed Sidney (Sid) Logan of Arlington, Wash., as PUD commissioner for District 1. Logan fills the vacancy of former Commissioner Dave Aldrich who retired in December 2016. Logan took the oath of office during the board of commissioners meeting on March 28.

“We were impressed by Sid’s background, particularly his energy management work with schools and experience working in other energy industry sectors,” said PUD Commission President Toni Olson. “He will be a strong advocate for customer interests and is a solid addition to the Snohomish Board.”

Logan worked for eight years as the executive director of operations for the Arlington School District. He also has worked as an engineer and consultant in the oil and gas industry, including for Shell Oil Company. His community service experience includes serving on the Arlington-Smokey Point Chamber of Commerce and several school PTAs and advisory committees. He holds a bachelor of science in petroleum engineering from the University of Alaska.

Logan’s term will run through December 31, 2018. A subsequent two-year term for District 1, which begins January 1, 2019, will go before local voters during the November 2018 general election. NWPA

Grays Harbor Approves Rate Restructure

The Grays Harbor PUD Board of Commissioners (Aberdeen, Wash.) voted to change the rates for PUD customers as of April 1, 2017. Choosing to complete the recommendations from a 2015 cost of service study while acknowledging serious financial facts, the board voted to eliminate the two-tier residential rate in favor of a flat $0.085 rate. The utility will not change the system charge which will remain at $39 per month.

The elimination of the tiered system will mean all customers who use the full 360 kilowatt-hours previously offered in the first tier will see their PUD bills increase by $11 per month. The increase of the residential rate from $0.082 to $0.085 will impact all customer bills by $0.30 per 100 kilowatt-hours used. All other rate schedules will see a 4-percent rate increase.

The utility will continue to monitor other variables, including load growth and weather factors, through 2017 which may impact budget numbers.

“Raising rates is the last thing we want to do, but rising power costs, soft surplus sales, and existing high-cost renewable energy contracts make this a necessary step. Our mission is to provide high-value utility services at the lowest practical cost. Given the financial realities we are facing, this is the lowest practical cost we can accept without seriously impacting the service, safety, and reliability we owe to our customers,” said General Manager Dave Ward. NWPA

Plumas-Sierra Acquires Broadband Assets

On February 9, Plumas-Sierra REC acquired the assets of New Day Broadband in the area around Portola, Calif., and for several communities in Mohawk Valley. This system had been functionally abandoned for about two years, and will now be a data-only system designed to provide broadband Internet access.

The system needs repairs and some new equipment. To speed up deployment in the existing coax system in Quincy, and to help with the new system, Plumas-Sierra hired a professional coax design firm to help lay out the conversion from a cable TV system to a high-speed data system.

Areas that will be able to receive coverage include Portola, Delleker, Graeagle, Blairsden, Plumas Pines, Clio, and Whitehawk.

Plumas-Sierra Telecommunications broadband services offer download speeds of up to 20 Mbps and upload speeds of up to 10 Mbps. With these speeds, customers have the ability to stream videos on multiple devices at the same time without slowing down. NWPA
U.S. Cloud-Based Energy Management Coming from ABB

ABB Ability™ Electrical Distribution Control System, a breakthrough innovation for cloud-based energy management, remote supervision, and diagnostics, has been introduced in the U.S. market by the innovative technology leader ABB. The system connects a facility’s electrical equipment with the Internet of Things and leverages ABB circuit breaker’s built-in sensing and connectivity to provide the information and control functions to reduce total operating costs by up to 30 percent.

ABB Ability™ is a range of solutions that are digital and connected to allow ABB to support customers and optimize their assets. The ABB Ability™ Electrical Distribution Control System was launched in Europe in 2016.

Giampiero Frisio, managing director of ABB’s Protection and Connection business, said, “We launched the first-ever circuit breaker with intelligent energy management, the ABB Emax 2, four years ago and we continue to innovate to ensure our customers benefit from cutting-edge technology. We have now certified the system for the U.S. market and know that our customers here will benefit from gaining intelligence about their electrical system so that they can maximize energy savings, productivity, and safety.”

ABB Ability™ Electrical Distribution Control System has a cloud-based platform that processes data from the site’s electrical equipment to deliver analysis and make recommendations to optimize the performance of the electrical system. It enables the remote monitoring of plants, their energy consumption, and costs at a glance to make it easier and faster to implement energy management strategies.

ABB is a pioneering technology leader in electrification products, robotics and motion, industrial automation, and power grids, serving customers in utilities, industry, and transport and infrastructure globally. For more information, visit www.abb.com.

Oregon, Idaho Members Will Lead Power Council in 2017

Last month, the Northwest Power and Conservation Council elected Oregon and Idaho members to lead the four-state energy and fish and wildlife planning agency in 2017.

The Council re-elected Oregon Member Henry Lorenzen as chair. Lorenzen, of Pendleton, is an attorney, licensed professional electrical engineer, and third-generation dry land wheat farmer. He was appointed to the Council in August 2012 and reappointed and unanimously confirmed by the Oregon Legislature in April 2015.

The Council also re-elected Idaho member Bill Booth as vice chair. Booth, of Coeur d’Alene, previously served in several Council leadership positions, including two terms as chair in 2008 and 2009. He also has chaired the Council’s Fish and Wildlife Committee and was elected vice chair in 2015. Booth was appointed to the Council in January 2007 by Idaho Governor C.L. “Butch” Otter and also serves as a member of the governor’s cabinet.

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

Bruce Lovelin Joins PEAK Measure

PEAK Measure welcomed a new addition to the team when Bruce Lovelin joined PEAK as a technical sales consultant on April 3. Lovelin is in Northeast Oregon and will work with utilities along the I-5 corridor.

Lovelin brings over 30 years of experience in the electric utility industry and is a licensed Professional Engineer in Oregon. He spent the last nine years as Central Lincoln PUD’s engineering manager with responsibilities for system planning, construction, and maintenance of the utility’s transmission and substation facilities. He also led the Central Lincoln Smart Grid project consisting of AMI, distribution automation, SCADA/OMS, conservation voltage management, and home energy management systems. Prior to Central Lincoln, Lovelin worked for the Bonneville Power Administration, Tillamook PUD, and the Northwest Irrigation Utilities. He received his electrical engineering degree from Oregon State University.

PEAK Measure represents its manufacturers with technical competence, integrity, and commitment; provides products and services to customers that create the most value; and delivers upon its promises and exceeds expectations. For more information, visit www.peakmeasure.com or contact William Rambo at rambo@peakmeasure.com.
EES Consulting Hires Russell Schneider

Recently hired to join EES Consulting, Russell Schneider brings 15 years of experience and a strong utility, economic, engineering, and technology background to the firm. He has utility experience completing load research, rate design, cost of service, automated meter reading cost-benefit, business intelligence automation, power requirement forecast, conservation potential, and other studies.

Schneider regularly presented at trustee meetings on forecasting, risk, reliability, power supply, and transmission issues for many years. He has a track record of actively participating and working cooperatively within the utility community, including the Northwest Power Council advisory groups, the Pacific Northwest Utility Coordinating Council System Planning Committee, and Bonneville network transmission planning; and has presented at trade conferences such as the NWPPA Power Supply Conference, Smart Grid Live and the Energy Efficiency Exchange. Schneider also served as project manager for utility participation in the Pacific Northwest Smart Grid Demonstration Project involving automated demand response and home energy networks.

EES Consulting is a registered professional engineering corporation with offices in the metropolitan areas of Seattle, Wash., and Portland, Ore. For more information, visit www.eesconsulting.com.

Forbes Places Terex on its JUST 100 List

Terex® was recently named to Forbes Magazine’s JUST 100 list, which recognizes the best corporate citizens in America. “Citizenship is a core value at Terex Utilities. We strive to be socially responsible to our customers, team members, and communities,” said Jim Lohan, vice president of Marketing and Sales, Terex Utilities.

The list is compiled from a survey of 50,000 Americans by JUST Capital, a nonprofit created by investor Paul Tudor Jones II. Publicly traded companies in the U.S. were ranked against their peers in 32 industries on criteria such as fair pay, equal opportunity employment, job creation, workplace safety, and respect for employees.

Terex was ranked No. 2 in the Machinery Industry by JUST Capital. Excellent product attributes, especially for clean technology and eco-design, were considered Terex strengths.

HyPower IM, a recently introduced system from Terex Utilities, continues in this same vein. It is an idle mitigation system that reduces fuel usage and exhaust emissions at an affordable price point, making it more accessible to a wide number of utility equipment owners.

Hydropower operators could see a welcome incentive for investments they make in their facilities. Long-supported by Chelan County Public Utility District, a potential change to existing policy would have the Federal Energy Regulatory Commission recognize “early action” investments when deciding the length of a new hydropower license term. Momentum is building to address this issue: a provision was included in the energy bill that almost crossed the finish line last Congress and, more recently, FERC decided to seek input on the topic.

“The concept is straightforward, but would change existing FERC policy,” said Steve Wright, Chelan PUD’s general manager. “We are so pleased that members of Congress, licensees from across the country, and even FERC itself are now re-examining this important issue.”

Under the Federal Power Act, when relicensing an existing hydropower project FERC is authorized to issue new licenses for terms between 30 and 50 years, but the law doesn’t instruct FERC how it should set license terms within this range. FERC has filled this gap by developing a policy that evaluates the level of protection, mitigation, and enhancement (PME) measures required in a new relicensing package. While it makes sense for FERC to account for new measures required under a newly issued license, FERC’s policy disregards the cost and ongoing implementation of early actions (i.e. those not contemplated when FERC issued the existing license many years ago, but conducted prior to relicensing).
This policy really hit home with Chelan PUD during the relicensing of the Rocky Reach Project about a decade ago. As part of the utility’s Habitat Conservation Plan for salmon and steelhead (authorized under Section 10 of the Endangered Species Act), Chelan PUD built a state-of-the-art downstream juvenile fish bypass facility that cost more than $110 million to construct. However, when relicensing the project several years later in 2009, FERC did not consider the bypass system and a significant portion of other HCP costs when setting the new license term. This was because they were incorporated into the then-existing license in 2004—just five years previously. FERC pointed out that its governing policy “evaluates new measures to be included in the license, and does not consider requirements carried over from the prior license.”

With its Rock Island Hydroelectric Project license expiring in 2028, Chelan PUD began considering the potential effect of this policy on its upcoming relicensing process. The project will be seeking its third license—its second license after Congress’ enactment of the Electric Consumers Protection Act of 1986. That law required FERC to give “equal consideration” of non-power values and elevated environmental issues in the relicensing process. Like the Rocky Reach Project, the Rock Island Project also incorporated an HCP into its license in 2004. In addition, the utility is considering up to $500 million in major modernization of the project, mostly before 2028.

“Implications for FERC’s policy are potentially significant for Chelan PUD. But it can affect any licensee and their stakeholders who are interested in addressing issues prior to relicensing,” said Wright. “At Rock Island, we have major modernization planned before relicensing. We also have opportunities to consider undertaking other early actions for the environment and recreation. We think the public good is best-served if licensees and stakeholders are encouraged to resolve emerging issues in advance of license renewals. The time is right for FERC to revisit and modernize its license term policy to account for these important improvements.”

Longer license terms (i.e. closer to 50 years than 30) are needed to recoup the investment and continue operations of these significant activities. Investing in major assets can have an effect on a licensee’s books for 50 years and sometimes longer.

“Based on past experience, we believe decision making at FERC should change to encourage hydropower licensees to make early investments and to capture those investments in the next license term,” Wright said. “The timing of the investment, particularly if it has a useful life extending into the new license, should absolutely justify a longer new license term. That’s just good public policy.”

Momentum for change began when the House and Senate started compiling their respective energy bills in the last Congress. Chelan PUD worked with the National Hydropower Association and Northwest legislators to bring attention to this issue, which led to language in a Senate energy bill (S. 2012). The provision would require FERC to consider these early action investments when establishing license term.

The concept has received strong bipartisan support. Senator Maria Cantwell (D–Wash.) last led the effort when considering a comprehensive energy bill in the past Congressional session. At a speech to the National Hydropower Association annual conference in 2016, Sen. Cantwell described hydropower provisions in the pending energy bill, noting that “by rewarding early investments under the current licenses with longer terms for new licenses, we can create an incentive to upgrade now and improve projects.” U.S. Representative Cathy McMorris Rodgers (R–Wash.) also made remarks as the House and Senate considered an energy bill conference emphasizing the importance of the “early action provision.”

While ultimately the last Congress did not pass a comprehensive energy bill, there is still momentum for change. FERC itself has decided to examine this issue in a new Notice of Inquiry issued on November 17, 2016.

“We really appreciate FERC’s willingness to examine this issue,” said Wright. “FERC is preparing for a huge surge in relicensing, so this topic is timely for them as well.”

Specifically, the NOI seeks comment on whether, and if so, how the Commission should revise its current policy. The draft NOI outlines five potential options that Commission staff have identified for establishing license terms: 1) the Commission could retain the existing license term policy, 2) the Commission could consider measures implemented during a prior license term, 3) the Commission could establish a 50-year default license term, 4) the Commission could include a more quantitative cost-based analysis, and 5) the Commission could establish the license term based on the term negotiated in a settlement agreement when appropriate.

Many hydropower licensees and related associations filed comments on the NOI (which were due March 24). As of this writing, it remains to be seen whether and how FERC will change its policy. Meanwhile, Chelan PUD supports including a “credit for early action” provision in any hydropower licensing reform legislation that may progress this Congress.

Hydropower is a clean, emission-free resource that plays a crucial role in maintaining the grid and integrating other renewables. Public policy should remove regulatory barriers, either legislatively or administratively, that discourage licensees from proactively improving the environment and increasing generation efficiencies.
In November 1963, Oregon Gov. Mark Hatfield presided over the dedication ceremony for the newly completed Carmen-Smith Hydroelectric Project on the upper McKenzie River. Dozens of busses transported curious residents up Highway 126 to take part in the celebration and to see this modern engineering marvel for themselves. A band played, picnic lunches were served, and the plant—paid for with a $23.5 million bond—began operations. The project would become the Eugene Water & Electric Board’s largest source of locally generated energy, producing enough electricity to power 16,000 homes per year.

For more than 50 years, Carmen-Smith has reliably served the people of Eugene, Ore., with low-cost hydropower. The plant remains valuable as a carbon-free generation resource that can ramp up and down to meet customers’ peak energy needs. In other words, the Carmen-Smith Project operates as a system to store water overnight, and produces power during high-usage times when EWEB would otherwise be buying it on the wholesale market during those more expensive hours.

So when the operating license for the project was set to expire, EWEB started the intensive work necessary to acquire a new license from the Federal Energy Regulatory Commission. In October 2008, the utility proudly announced that it had reached a Settlement Agreement with 16 partners representing fisheries and natural resource agencies, environmental groups, Native American tribes, and recreation organizations.
This negotiated agreement formed the basis for the license application.

Carmen-Smith is a network of three dams and reservoirs plus two power-generating plants located just a few miles downstream from the headwaters of the McKenzie River. Understandably, the new agreement included significant habitat enhancements, campground improvements, and more fish-friendly plant operations that would be undertaken as part of a new 50-year operating license. The biggest ticket item was a “volitional” fish passage system at Trail Bridge Dam, the lowest of the project’s three earthen dams. When EWEB signed the agreement, wholesale power prices were strong and were predicted to climb steadily over time, ensuring continued value to EWEB customers despite the project’s price tag.

But as the license application was under federal review, the Great Recession struck, sending power prices to historic lows. A glut of natural gas, fueled by the rapid rise of hydraulic fracturing (also known as fracking), sent power prices spiraling by 70 percent even as the rest of the economy improved. In 2016, the results of an updated financial analysis caused EWEB to re-evaluate the project. The new analysis showed re-licensing costs to be over $200 million, while prices on the wholesale energy markets were projected to remain at near-record lows. With new energy pricing forecasts, the future for Carmen-Smith as an economically viable energy resource appeared bleak.

EWEB hit the pause button and formally requested that FERC delay issuance of the license.

A new approach

Fast forward to today. EWEB recently submitted a modified Settlement Agreement that addresses the economic realities of the region’s energy markets, while honoring its original commitment to environmental and recreational enhancements at the project.

“Getting this far into a hydro relicensing process, and then attempting to renegotiate the Settlement Agreement was not a simple or easy decision to make,” said Patty Boyle, EWEB’s project manager and lead negotiator. “We are grateful that the parties to the Settlement agreed to come back to the table to explore alternative and creative solutions that ultimately reduced the financial risks to EWEB customers while preserving the environmental benefits of the project.”

The new agreement retains major investments in habitat restoration, aquatic enhancement measures, and recreational improvements. Modifications at the Trail Bridge Dam will enable Chinook salmon, bull trout, and other fish to once again migrate into the uppermost reaches of the river. But instead of a complicated volitional system that included an expensive downstream fish screen and upstream ladder as originally proposed, the parties have agreed to an alternative method of fish passage.

The new agreement calls for construction of a trap-and-haul facility, which uses attractive water flows to encourage migrating fish to climb a short ladder and enter a holding pool. Underwater cameras will be used to detect the presence of fish in the holding pool. Then, using water-to-water transfer, fish are lifted into a transport vehicle that will drive up and around the dam and release them into the Trail Bridge Reservoir. Fish can freely swim further upstream, and juveniles can travel downstream past the dam via an improved spillway system.

“Trap and haul is a proven technology, and ongoing monitoring will ensure that this system meets federally mandated performance requirements,” said EWEB Generation Engineering Supervisor Mark Zinniker.

Constructing this fish passage facility means EWEB will forego power generation from the Trail Bridge turbine, giving up a bit of energy production in exchange for a less costly—and less visually intrusive—fish screen. A complete overhaul of the powerhouse refurbishment plan yields further savings.
Instead of replacing both turbine/generator units, the utility will replace only one, while minimally refurbishing the second unit to ensure safe operations. And, instead of re-locating the substation off the river to reduce the risk of spills in the river, the substation will be rebuilt in its current location using environmentally friendly transformer oil. Besides being a much less expensive solution, this strategy has the additional benefit of reducing disturbance to sensitive forested areas. Altogether, these actions reduce EWEB's capital investments by about $80 million and long-term operating costs by about $1 million per year.

**Building for the future**

Powerhouse refurbishment work has started at the Carmen plant with a major project to replace the two failing turbine shut-off valves. In May, the power tunnel/penstock system will be dewatered so that EWEB's general contractor, Wildish Building Co., can begin demolition activities shortly after the new valves arrive from the fabrication plant in Italy. This work represents the start of multiple years of construction at the plant.

“Planning and design work for the next phase, reconstruction of the substation facilities, is also underway and progressing well,” said Zinniker. The powerhouse overhaul is anticipated to take about five years.

While the utility doesn’t have a new license in hand, EWEB is operating the Trail Bridge plant in a manner that improves fish passage now, recognizing that its partners have waited many years to see these benefits come to fruition. From March through June, approximately 330 cubic feet per second of water is being released down the spillway to aid the out-migration of threatened juvenile spring Chinook salmon. Additional gravel will be placed in the two river reaches above the power house and in the Carmen-Smith spawning channel to improve critical habitat areas for Chinook salmon and bull trout.

In addition to environmental enhancements, a major component of the relicensing agreement involves improvements to the area’s recreational facilities, as the three reservoirs are popular fishing spots. The utility will rebuild two existing campgrounds, improve day-use areas, and remove dispersed campsites that are located in areas that could pose a public safety hazard. Another recreationally focused improvement put in place ahead of the license issuance is a half-time United States Forest Service Protection Officer. EWEB is paying for this new position to help ensure safety for recreational users and enforcement of fishing regulations that protect native, threatened, and endangered species.

**Still on shaky ground?**

Even with the significant savings afforded in the new agreement, the overall project economics are just about break-even over the life of a 40-year license.

“It’s impossible to predict where wholesale energy markets will be in the future and get it right,” said Boyle. “If our conservative financial assumptions hold true, Carmen-Smith is still dicey from an economic perspective, but that doesn’t mean relicensing isn’t the right move for EWEB.”

There are numerous noneconomic benefits of retaining ownership of this project for EWEB. First, Carmen is operated as a carbon-free peaking power plant, helping EWEB meet its greenhouse gas reduction goals. Then there is its location near the headwaters of the McKenzie River; nearly 200,000 area residents rely on the McKenzie for their drinking water. In its role as an electric and water utility, EWEB is heavily invested in protecting the watershed for drinking water quality. Having a physical presence at the headwaters and maintaining local control of that facility is consistent with the utility’s watershed stewardship role.
The value of local generation is another benefit, particularly as we consider the potential of a Cascadia Subduction Zone Earthquake or other regional disaster. Carmen is one of three hydroelectric plants EWEB owns and operates on the McKenzie River. Resiliency is a key strategic priority for the utility, and local generation is an essential component of that plan. EWEB is working on building a resilient spine in its electric transmission system; the idea is to enable the utility to move power from local generating resources to critical facilities, such as hospitals and public safety agencies, in an emergency. With about 110 megawatts of capacity, Carmen-Smith plays a significant role in this concept.

In 1963, Carmen-Smith was a source of immense community pride. Its construction represented great strides in engineering and technical advancement in the field of energy production. Looking forward, EWEB investments will demonstrate how to balance the community’s desire for clean energy with our responsibility to protect and enhance native and endangered fish populations for future generations. With the help of EWEB’s partners, this can be Carmen-Smith’s lasting legacy.

Jeannine Parisi is the community relations coordinator at Eugene Water & Electric Board in Oregon. She can be contacted at Jeannine.PARISI@eweb.org.

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COMPANY: Portland General Electric (Portland, Ore.)  
SALARY: DOE  
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POSITION: Financial Accounting Clerk  
COMPANY: Midstate Electric Cooperative, Inc. (La Pine, Ore.)  
SALARY: DOE  
DEADLINE TO APPLY: Open until filled  
TO APPLY: Submit cover letter with résumé to sstreeter@mse.coop.

POSITION: Operations Accountant  
COMPANY: Salem Electric (Salem, Ore.)  
SALARY: $5,134 per month  
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TO APPLY: Submit résumé and cover letter to se@salemelectric.com.

POSITION: Service & Design Project Manager II/III (R17-161)  
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COMPANY: Matanuska Electric Association (Palmer, Alaska)  
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POSITION: Mid Office Risk Analyst  
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DEADLINE TO APPLY: April 27, 2017  

POSITION: Engineer - Gas Division  
COMPANY: City of Ellensburg (Ellensburg, Wash.)  
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DEADLINE TO APPLY: April 25, 2017  
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POSITION: Manager of Finance and Accounting  
COMPANY: Umatilla Electric Cooperative (Hermiston, Ore.)  
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DEADLINE TO APPLY: April 21, 2017  

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