**ONE POWERFUL VOICE**

The Public Power Council (PPC) advocates for the interests of Northwest consumer-owned utilities that rely on the Federal Columbia River Power System’s (FCRPS) power and transmission assets for all or some of their electricity needs. Whether PUDs, electric cooperatives, municipal, or tribal-owned, PPC members operating in seven western states each have their own unique identities, local perspectives and community aspirations. From rural to urban environments, and from small communities to large, no two PPC members are exactly alike.

PPC’s goal is to recognize these unique utility attributes while working to find key areas of commonality that unite public power into one powerful voice. Each month, PPC’s members gather to engage in dialogue and set guidance on issues of critical importance, ranging from technical, legal and political matters to emerging trends, opportunities and concerns. Our members join together on multi-year initiatives and fast-moving developments. As non-profit, community-owned utilities governed by their citizens, PPC members understand the world around them is in constant change— but as a united front they can be a formidable force.

**FROM THE CHAIRWOMAN AND EXECUTIVE DIRECTOR**

The Public Power Council and its members continue an eventful journey toward a new energy future. The past year confirmed the trend of increasing pace and complexity of change in our industry.

Many leadership and staff transitions took place across the Northwest energy sector over the past year, and that trend will continue. Change ushers in new opportunities, ideas and innovations. At the same time, it is important to not lose sight of public power’s foundation of service to our communities and the importance of unity as we pursue the key initiatives that will provide value to residents and businesses of the Northwest going forward.

The pages that follow highlight some of PPC’s key successes of the past year, along with those efforts that continue over a multi-year horizon. You will see the value we have worked to capture for PPC members, which in turn, pays dividends to the communities they serve in the form of affordability, reliability and regional accountability.

For example, front and center for PPC and its members again this year was a focus on the competitiveness of the Bonneville Power Administration (BPA) and its commitment to reducing the upward trajectory of its power and transmission rates. PPC and its members also engaged in regional forums and collaborated with other public power interests to shape future market opportunities that BPA may use to access new revenue sources. These efforts focused on maximizing benefits to our region, enabling BPA to participate in certain energy transactions and ensuring a proper level of oversight and governance in any new regional market efforts. Meanwhile, PPC worked with BPA to prioritize science-based cost-effective environmental mitigation programs and added a measure of accountability for new flexible spill operations. These are but a handful of initiative examples, and they continue across the following pages.

PPC’s successes would not be possible without our members. We appreciate the mutual respect and enduring relationships that stretch across the miles of PPC’s public power family. We thank our members for their service and commitment to public power and to PPC.
FOCUSED ON BPA COMPETITIVENESS

COST OPPORTUNITIES

Diligence on BPA costs and rates was, and will remain, a top priority for PPC. This means focusing on BPA’s internal operations, and more broadly, on the reliance on BPA from its partners and stakeholders in the region.

This year saw the conclusion of the BP-20 rate case, with new rates for BPA power and transmission going into effect. As a result of PPC’s advocacy for more accurate modeling, final power rates saw an $11 million per year reduction from the initial proposal. PPC also worked to facilitate the settlement of transmission rates at a level substantially below BPA’s planned rate case levels. Also consistent with PPC advocacy prior to the rate case, BPA adopted program spending levels at $66 million per year lower than previous levels.

With new rates in effect, PPC is already looking forward towards the next steps in ensuring a sound financial future for BPA. This includes work towards greater transparency from BPA’s federal partners at the U.S. Army Corps of Engineers and Bureau of Reclamation. These efforts have been supported by legislative pressure on those agencies to be more cost-minded, as well as laying the foundation for a more equitable sharing of costs at the federal hydro projects. PPC also continues an active role in efforts to rebalance the provisions of the Columbia River Treaty between the U.S. and Canada for the benefits of coordinated power operations.

REVENUE ENHANCEMENTS

PPC continues to work to protect BPA’s current revenue opportunities, as well as identify new areas of potential value for the agency. During the BP-20 rate case, PPC defended BPA’s rate design on the Southern Intertie transmission segment, which protects the value of BPA Power Services’ substantial investments on those lines and the ability to maximize revenues by selling surplus power to California and the Southwest.

Emerging markets in the west present new opportunities to the agency, particularly through participation in the California Independent System Operator’s (CAISO) Energy Imbalance Market (EIM). In 2019, PPC worked closely with BPA as it explored potential participation in the EIM, in order to identify impacts to the agency and its customers. This work, along with advocacy on CAISO market rules, protects and maximizes the value that BPA will receive for its generation and transmission assets. Similarly, as discussions on regional resource adequacy move forward, PPC will continue this advocacy to ensure that the agency is receiving appropriate compensation for the valuable, reliable and flexible capacity it provides.
FISH & WILDLIFE: EQUITY, AFFORDABILITY AND RESULTS

PPC and its members have a strong interest in both the effectiveness and cost of programs funded through BPA rates. This includes support for science-based, cost-effective programs that help BPA meet its obligations for fish and wildlife mitigation for the impacts of hydro system operations. In fact, fish and wildlife costs represent roughly 25 percent of the total bill paid by BPA’s power customers, including operational costs and reduced operational flexibility from increased spill at the dams.

As a result of PPC’s advocacy this year, BPA made targeted reductions to its fish and wildlife budgets to absorb the incremental cost of new spill operations, such as the 2019 Flex Spill Agreement between the agency and various regional interests. BPA power customers remain committed to a healthy ecosystem and fulfilling our fish and wildlife obligations. Although challenges remain, the BPA program has yielded many successes over the years.

We also support strong, performance-based targets. This includes careful examination of the effects of experimental spill operations on the health of juvenile salmon and on power generation. As the Columbia River System Operations (CRSO) Environmental Impact Statement (EIS) continues forward, PPC will continue to monitor and intervene to limit the potential for new costs to be shouldered solely by electric ratepayers.
TOWARD 2028

Public power has contracts with BPA that are set to expire at the end of 2028. With 2020 right around the corner, it is not surprising that discussions around new contracts picked up in 2019 across the region and among utilities of all sizes. PPC’s focus on BPA’s competitiveness is directly tied to developing attractive post-2028 contract offerings from BPA to Northwest public power. Working with BPA and members to develop these products will be a strong emphasis for PPC in the years ahead. While 2028 may feel like a somewhat distant future, the long lead time required for resource planning requires action well in advance. Utilities are already exploring their options and BPA will soon begin formulating its contract strategy. PPC will continue to work in the collective interest of public power in these contract discussions, advancing the key principles of affordability, reliability and accountability as important elements of any new offerings from BPA.

PPC BUDGET

PPC has a long history of providing real, tangible value to each member. Our work is focused on our members’ power and transmission supply, costs, rates, and contracts. The successes listed in this annual report alone produced benefits to each PPC member utility that are well in excess of the dues each member paid in 2019. PPC’s 2019 total budget was $2,359,510 and PPC does not charge any additional fees beyond the annual member assessment.
2019 PUBLIC POWER COUNCIL MEMBERS

Cooperatives
Benton Rural Electric Assoc., WA
Big Bend Electric, WA
Blachly-Lane Electric, OR
Central Electric, OR
Clearwater Power Company, ID
Columbia Basin Electric, OR
Columbia Rural Electric Assoc., WA
Consumers Power, Inc., OR
Coos-Curry Electric, OR
Douglas Electric, OR
Fall River Rural Electric, ID
Flathead Electric, MT
Harney Electric, OR
Hood River Electric, OR
Idaho County Light & Power, ID
Inland Power & Light, WA
Kootenai Electric, OR
Lane Electric, OR
Lincoln Electric, MT
Lost River Electric, ID
Midstate Electric, OR
Missoula Electric, MT
Modern Electric Water Company, WA
Northern Lights, Inc., ID
Okanogan County Electric, WA
Orca Power and Light, WA
Oregon Trail Electric, OR
Peninsula Light Company, WA
PNGC Power, OR
Rafi River Rural Electric, ID
Ravalli County Electric, MT
Salem Electric, OR
Umatilla Electric, OR
United Electric, ID
Vigilante Electric, MT
Wasco Electric, OR
Wells Rural Electric, NV
West Oregon Electric, OR

Municipals
City of Ashland, OR
City of Bandon, OR
City of Bonners Ferry, ID
Canyon Utility, OR
City of Cascade Locks, OR
Centralia City Light, WA
City of Cheney, WA
Eugene Water & Electric Board, OR
City of Forest Grove, OR
Hermiton Energy Services, OR
Idaho Falls Power, ID
McMinnville Water & Light, OR
Milton-Freewater City Light & Power, OR
Monmouth Power & Light, OR
Richland Energy Services, WA
Port of Seattle, WA
Rupert Electric Dept., ID
Seattle City Light, WA
Springfield Utility Board, OR
City of Sumas, WA
Tacoma Power, WA
Vera Water & Power, WA

PUDs
Asotin County PUD, WA
Benton PUD, WA
Central Lincoln PUD, OR
Chelan County PUD, WA
Clallam County PUD, WA
Clark Public Utilities, WA
Cleatskranie PUD, OR
Columbia River PUD, OR
Emerald PUD, OR
Ferry County PUD, WA
Franklin PUD, WA
Grant PUD, WA
Grays Harbor PUD, WA
Jefferson PUD, WA
Kittitas PUD, WA
Klickitat PUD, WA
Lewis County PUD, WA
Mason County PUD #1, WA
Mason County PUD #3, WA
Northern Wasco County PUD, OR
Okanogan County PUD, WA
Pacific County PUD #2, WA
Pend Oreille County PUD, WA
Skamania County PUD, WA
Snohomish County PUD, WA
Tillamook PUD, OR
Wahkiakum PUD, WA
Whitcom County PUD #1, WA

Tribal-Owned
Yakama Power, WA

PPC EXECUTIVE COMMITTEE 2019-2020

Officers
Debra Smith, Seattle City Light
Annette Creekpaum, Mason PUD #3
Mark Johnson, Flathead Electric Cooperative
Travis “Bear” Prairie, Idaho Falls Power
Roger Kline, Northern Wasco County PUD

PPC Executive Committee
Susan Ackerman, Eugene Water & Electric Board
Max Beach, Idaho County Light & Power Cooperative
Dan Bedbury, Clark Public Utilities
Libby Calnon, Hood River Electric Cooperative
Bryan Case, PNGC Power
Anne Creekpaum, Mason PUD #3
John Dietz, McMinnville Water & Light
Rick Dunn, Benton PUD
John Haarlow, Snohomish County PUD
Chad Jensen, Inland Power and Light
Mark Johnson, Flathead Electric Cooperative
Roger Kline, Northern Wasco County PUD

Alternates
Frank Lawson, Eugene Water & Electric Board
Doug Elliot, Kootenai Electric Cooperative
Lena Wittler, Clark Public Utilities
Tony Schacher, Salem Electric
Brent Bischoff, PNGC Power
Michele Patterson, Mason PUD #3
Nate Rivera, Hermiston Energy Services
Holly Dohrman, Franklin PUD
Tom DeBoer, Snohomish County PUD
Joe Morgan, Modern Electric Water Company
Doug Grob, Flathead Electric Cooperative
Todd Simmons, Tillamook PUD
Dave Churchman, Grant PUD

Alternates
Travis “Bear” Prairie, Idaho Falls Power
Will Purser, Clallam County PUD
Chris Robinson, Tacoma Power
Debra Smith, Seattle City Light
Jim Smith, Klickitat County PUD
Dane Ward, Grays Harbor PUD
Clint Whitney, City of Richland
Colin Willenbrock, Pend Oreille PUD

Alternates
Annette Creekpaum, Mason PUD #3
Emeka Anyanwu, Tacoma Power
Doug Niss, Clallam County PUD
Clay Norris, Tacoma Power
Ernaka Ananyuwu, Seattle City Light
Gwyn Miller, Klickitat County PUD
Jason Dunsmoor, Pacific PUD
Mark Schuller, City of Cheney
Ron Gadeberg, Okanogan PUD
**Mission Statement**

PPC’s mission is to preserve and enhance the benefits of the Federal Columbia River Power System for consumer-owned utilities.

Public Power Council
650 NE Holladay Street, Suite 810, Portland, OR 97232
(503) 595-9770
www.ppcpdx.org