

DRAFT
Summary of Actions:
Western Interstate Energy Board Meeting Oct. 18-20, 1999

With 11 states (AZ, CA, ID, MT, NE, NV, NM, OR, UT, WA, WY) and 1 province (AB) present, the Board:

Minutes: With a quorum present, Chairman Nunley asked for corrections and additions to the minutes of the April 20, 1999 Board meeting in Santa Fe. Corrections were made in the list of meeting attendees and Amanda Ormond (AZ) moved to approve the minutes. Rose McKinney-James seconded the motion which was approved.

Board/Committee Activities and Budget: Doug Larson (WIEB) reported on the activities of the Board and its committees since the last meeting in April and the status of the Board's finances. Suggestions were made regarding proposals that should be submitted to the U.S. Department of Energy in its next broad-based solicitation. Staff was directed to prepare appropriate proposals in response to a forthcoming broad-based solicitation by DOE.

Use of the WINC Supplementary Agreement Provisions: Doug Larson (WIEB) briefed the Board on the potential use of the Supplementary Agreement provisions of the Western Interstate Nuclear Compact, the legal basis of the Board, to create a western reliability advisory board under the provisions of reliability legislation pending in Congress. Bill Keese (CA) recommended that additional legal work be done to explore this concept and volunteered the Energy Commission's General Counsel office's assistance to examine the idea. Jennifer Salisbury (NM) agreed and asked that the CEC's General Counsel identify the legal documents that may be required and offer a potential course of action at the next Board meeting. Phil Carver (OR) recommended creating the advisory board in advance of passage of the legislation. The Board directed staff to provide the CEC General Counsel with available information on the concept and asked California to report at the next meeting on the use of the Supplemental Agreement provisions and required legal documents.

WGA Priorities: Jim Souby, Executive Director of the Western Governors' Association, reported on the governors' priorities in the coming years and ways in which the Board can contribute to those priorities. Topics discussed included: the Border Energy Project; recommendations regarding the sulfur content of gasoline; coal and greenhouse gas emissions; the creation of a western high tech council; and the December 1-3 winter meeting of the governors.

AP2 and the WRAP: Jeff Burks (UT) reported on the work of the Air Pollution Prevention (AP2) Forum of the Western Regional Air Partnership, which he co-chairs. The Forum is focusing its initial efforts on developing strategies to meeting the 10 percent in 2005 and 20 percent in 2015 renewable electricity generation goals set by the Grand Canyon Visibility Transport Commission.

Distributed Generation: In its first examination of distributed generation issues, the Board heard from Tom Corr of the Electric Power Research Institute on barriers to distributed generation. Keith Davidson, On-Site Sycom, briefed the Board via conference call on a customer perspective on the benefits and obstacles to distributed generation and governmental actions needed to overcome the obstacles Davidson also explained a distributed generation project (reciprocating engine) OnSite implemented at the Thomason Hospital in El Paso. Dennis Hughes joined the Board via conference call to explain the extensive distributed generation facilities that have been installed by Omaha's First National Bank. The multiple back-up power systems (fuel cells with gas supplies from different companies and diesel generators) are cost-effective because of the extraordinary need for uninterrupted power for the bank's operations. Don Osborn from the Sacramento Municipal Utility District joined the Board via conference call to explain SMUD's extensive roof top PV installation program. John Nunley (WY) briefly explained the microturbine project at National Petroleum Reserve 3 that uses gas that is normally vented or flared.

State/Provincial Innovations: Bill Keese (CA) reported on the phase-out of MTBE and the California Energy Commission's (CEC) report on biomass-to-ethanol production possibilities. Larry Pearce (NE) inquired about the level of coordination among California agency recommendations. Keese noted that there are ongoing meetings of the state agencies. Keese also noted that the state is considering a third version of reformulated gasoline. Phil Carver (OR) reported on a planned ethanol production facility in Oregon.

Larry Pearce (NE) reported on the work of the Governors' Ethanol Coalition and the Governors' Public Power Alliance.

Bill Keese reported on the CEC's recent analysis of the impact of high temperatures on potential power outages. The July 1999 analysis, "High Temperatures & Electricity Demand, An Assessment of Supply Adequacy in California, Trends and Outlook," shows a relatively high probability of power shortages in the next few summers. New generation will not be on-line in time to alleviate the potential for shortages.

Amanda Ormond (AZ) reported on Arizona's alternative fuel vehicle grant program.

Rose McKinney-James (NV) reported on the governor's interest in exploring wind powering Nevada and a project by Composite Power of Las Vegas.

Next Meeting: The Board set the next meeting for the third week of April 2000. The date and place of the meeting are to be coordinated with the Committee on Regional Electric Power Cooperation.