

Board and Committee Activities

Following are:

- I. A synopsis of Board actions, and Board activities in support of WGA initiatives since the April meeting in San Jose;
- II. A review of the committee structure of the Board; and
- III. A report on the activities of the Committees since the San Jose meeting.

I. Synopsis of Board Actions Since the April Meeting in San Jose

Activities in Support of Governors' Priorities

At their June 11-14 meeting, the Western Governors' Association adopted several resolutions affecting WIEB:

- [05-02](#) on **Regional Electricity Decision-Making**. The resolution requests voluntary contributions from control area operators to support state/provincial work on regional electric power issues and establishes principles by which the Governors will evaluate the progress the industry is making in addressing commercial issues in the Western Interconnection. On July 21, the WGA Chairman, Vice Chairman, and two lead governors for energy [wrote the CEOs of all control areas](#) in the Western Interconnection conveying the resolution.
- [05-15](#) **Transportation of Spent Nuclear Fuel and High-Level Radioactive Waste**. This resolution readopted the long-standing WGA policy on spent fuel and HLW transportation that provides guidance to the work of the WIEB High-Level Radioactive Waste Committee. One new requirement is: "WIEB is directed to evaluate and report on actions necessary for the safe and uneventful transportation of spent fuel to any proposed interim storage site." The HLW Committee is working on such a report.
- Other resolutions –
 - [05-06](#) on creation of a North American Energy Council. WGA staff is handling this resolution.
 - [05-07](#) Tax-exempt status for Transmission Authority revenue bonds.
 - [05-14](#) State authority regarding the federal hydropower licensing process
 - [05-24](#) Coalbed methane development
 - [05-26](#) Reauthorization of the Abandoned Mine Land program under the Surface Mining Control and Reclamation Act

The **WGA Clean and Diversified Energy Initiative** ([Resolution 4-14](#)) has become a major effort. The Board is staffing the Wind Task Force and the Transmission Task Force and has been assisting WGA with the organization of the Quantitative Work Group and issues that have arisen in the Clean Coal Task Force, the Clean and Diversified Energy Advisory Committee (CDEAC) and the CDEAC's Integration Subcommittee. Below are some of the major events the Board staff has been involved in since our April meeting.

- May 25-26 wind TF meeting
- June 20 Transmission Task Force conference call
- June 27-28 CDEAC meeting
- July 15 first draft of Wind Task Force report
- July 12 Wind Task Force conference call
- July 19 Wind Task Force conference call
- July 25-26 Clean Coal Task Force meeting
- August 1 and 5 Coal Generation Location Work Group calls
- August 9-10 CDEAC Integration Subcommittee meeting
- August 10-11 Transmission Task Force meeting
- August 31 Wind Task Force conference calls
- September 6 second draft of Wind Task Force report
- September 9 Wind Task Force [draft report](#) was posted for public comment

WIEB work continues in support of previous WGA resolutions, including efforts on: **resource adequacy** ([Resolution 3-19](#)) by CREPC's West-wide Resource Assessment Team and the WIEB-CEC Natural Gas Team; and pro-active **transmission planning** ([Resolution 3-19](#)) by CREPC and SSG-WI, including the transfer of that activity to WECC and monthly coordination calls among the SSG-WI and sub-regional planning efforts. Since the last Board meeting, there has been little progress in getting SSG-WI and FERC to study disparities between historical flows on transmission lines in the Western Interconnection and Available Transmission Capacity. A work plan for such a study has been prepared but so far we have not been successful in securing FERC's contribution to the effort. Staff has been encouraging DOE to consider assisting in such a study as part of its analysis of transmission congestion required by the Energy Policy Act of 2005.

Adequate and Stable Supplies of Petroleum and Natural Gas ([Resolution 4-15](#))

Little has been done in this area since April. At the San Diego meeting, Tony Usibelli (WA) will be reporting on developments.

Carbon Sequestration

In May, staff attended the Fourth Annual Conference on Carbon Capture and Sequestration. The four day conference provides updates on federal, industry, and academic research projects. The CDEAC Clean Coal Task Force has created a Carbon Management Work Group and WIEB has helped facilitate participation by the Western Regional Sequestration Partnerships.

On June 9th, DOE announced the selection of seven partnerships for Phase 2 of the Regional Carbon Sequestration Partnership Program. The seven selected were the same seven that had been involved in phase 1, including four partnerships in the West: Big Sky, Plains CO₂, Southwest and West Coast.

The goal of Phase 2 is to demonstrate that CO₂ sequestration is a viable alternative. Over the next four years, these partnerships will field test and validate carbon sequestration technologies that are best suited to their respective regions. They will also evaluate the most promising regional repositories for carbon dioxide. As part of this effort, the partnerships will also conduct public outreach, satisfy permitting requirements, and identify best-management practices for future deployment. Each partnership will receive about \$14 million from DOE for the four-year projects. WGA and WIEB staff will continue to participate in the four partnerships and will attend the kick-off meetings as Phase 2 begins. WGA/WIEB will: Facilitate communication among the regional partnerships and coordinate outreach activities in the West common to two or more of the Western carbon sequestration partnerships; provide a liaison between each of the four Western carbon sequestration partnerships and Western Governors and their staffs; organize appropriate workshops with Western Governors, Governors' staff, state agencies and key stakeholders to share information on carbon sequestration and the pilot projects being undertaken by the partnerships; and enable the partnership experts to participate in the CDEAC Clean Coal Task Force and Carbon Management Work Group.

Since April, two western Governors acted on climate change topics. In June, Governor Richardson of [New Mexico issued an Executive Order](#) on Climate Change and Greenhouse Gas Reduction, which created an advisory group with the goal of finding ways to reduce New Mexico's total greenhouse gas emissions to 2000 levels by 2012, 10% below 2000 levels by 2020 and 75% below by 2050. Also in June, California Governor Schwarzenegger issued an [Executive Order](#) calling for a reduction of GHG emissions to 2000 levels by 2010; a reduction of GHG emissions to 1990 levels by 2020; and a reduction of GHG emissions to 80% below 1990 levels by 2050.

Outside the region, nine northeastern U.S. states in August announced a joint plan to first cap, and then reduce, greenhouse gas emissions from power plants. Called the Regional Greenhouse Gas Initiative (RGGI), power plants in New York, New Jersey, Connecticut, Delaware, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont would operate under a cap of 150 million tons of carbon dioxide emissions per year. In 10 years, the cap would begin to fall, assuring that carbon dioxide emissions would be cut by 10% by 2020. More information can be found at <http://www.rggi.org/>

WREGIS

WIEB staff continues to assist with the execution of WGA's **Western Renewable Energy Generation Information System (WREGIS) project**, which is a collaborative process between WGA and the California Energy Commission. The WREGIS

Stakeholder Advisory Committee (SAC) held its [registration kickoff meeting August 22, 2005](#), in Portland, Oregon. The WREGIS SAC is the official stakeholder advisory body that will provide input to the Western Electricity Coordinating Council's WREGIS Committee. (WECC has agreed to be the home for WREGIS.) Certain SAC members, will provide nominations and elect the members of the permanent WREGIS Committee. The mission of the WREGIS Committee is to achieve the goals and oversee the operations of WREGIS in a manner that is fair, credible, consistent with the public interest, and responsive to the needs of participants. The WREGIS Committee is expected to be in place in November 2005. WGA will have one of seven seats on the permanent WREGIS committee which is a Board-level committee of WECC. Chris Wentz from New Mexico has been recommended to fill that seat. WIEB staff maintains a [webpage](#) for the project.

People

- Following the tragic death of Dick Burdette, Vice-Chair of WIEB, Governor Guinn appointed a new energy advisor, **Rebecca Wagner**. Rebecca is Nevada's member on the Board.
- Following the retirement of Bill Keese (CA), Governor Schwarzenegger appointed **Joe Desmond** Chairman of the California Energy Commission.
- Governor Huntsman (UT) appointed **Laura Nelson** as his energy advisory. Laura has left the Idaho PUC where she represented Idaho on the Board. Marsha Smith is Laura's alternate and will represent Idaho at the San Diego meeting.
- **Steve Ellenbecker** (WY) retired from state service. However, Steve is under contract with Governor Freudenthal and will continue to be Wyoming's representative to the Board.

Funding and Grant Status

- To date, dues for FY 05-06 have been received, or are being processed, from Alberta, Arizona, British Columbia, Colorado, Idaho, New Mexico, Nevada, Oregon, Washington.
- No new federal grants have been awarded to WIEB since April.
- A contract with DOE relating to wind development in Wyoming and Utah was completed on June 30. A final deliverable, Queuing Practices and Alternatives to Link LSE Resource Plans and Transmission Planning, is posted at <http://www.westgov.org/wieb/wind/06-30-05qpalinking.pdf>.

- Funds from a subcontract with WGA (which passes through monies from DOE) to evaluate a multi-state regional electricity entity will be exhausted in the next two months. A \$50,000 WGA contract with MRW & Associates to support CREPC's work on resource adequacy will continue until March.
- A subcontract with WGA using DOE funds to coordinate Western regional carbon sequestration partnerships will end in December. However, WGA and WIEB, through a subcontract with WGA, are likely to receive some funding in Phase 2 of the partnerships.
- A DOE grant to WIEB on wind issues will expire next March. However, staff expects the funds under that grant will be exhausted in the next few months given the intensive WIEB staff support to WGA CDEAC's Wind Task Force.
- The California Energy Commission (through a subcontract with Aspen Environmental) is proposing a \$12,000 contract with WIEB under which the Board would facilitate state/provincial input into the Commission's effort to develop a better analytic tool to assess electric resource adequacy. The Western Electricity Coordinating Council presently uses an earlier model developed by the CEC. The new CEC effort would develop a more robust tool for evaluating electric resource adequacy.

Other Staff Activities

WIEB staff has also responded to invitations to participate in several meetings since April.

- May 16 presentation to the American Wind Energy Association conference.
- May 23 presentation to the Western Assessment Group (WAG) meeting. The WAG is the electricity industry's effort to determine how to organize to address commercial issues in the Western Interconnection. Staff followed-up by arranging a report by the WAG leaders to the Governors at their June meeting and participating in the July 27-29 WECC Board meeting which took action on the WAG recommendations.
- May 24-25 presentation to the Council of State Governments' Midwestern Radioactive Materials Transportation Committee.
- June 2 presentation to an Infocast coal conference.
- June 14-15 presentation to a joint meeting of the Southern States Energy Board's Radioactive Materials Transportation Committee, and the Council of State Governments Northeast High-Level Radioactive Waste Transportation Task Force.
- June 28-29 presentation to the National Conference of State Legislators' High-Level Radioactive Waste Working Group.
- July 25 participation in the annual meeting of Western State Land Commissioners.
- July 25 presentation to the Colorado Farm Bureau on transmission and renewable energy issues

- August 2 moderated a panel on renewable energy and transmission at the Southwest Renewable Energy Conference
- August 17 presentation to the California Energy Commission workshop on clean coal.

II. Committee Structure

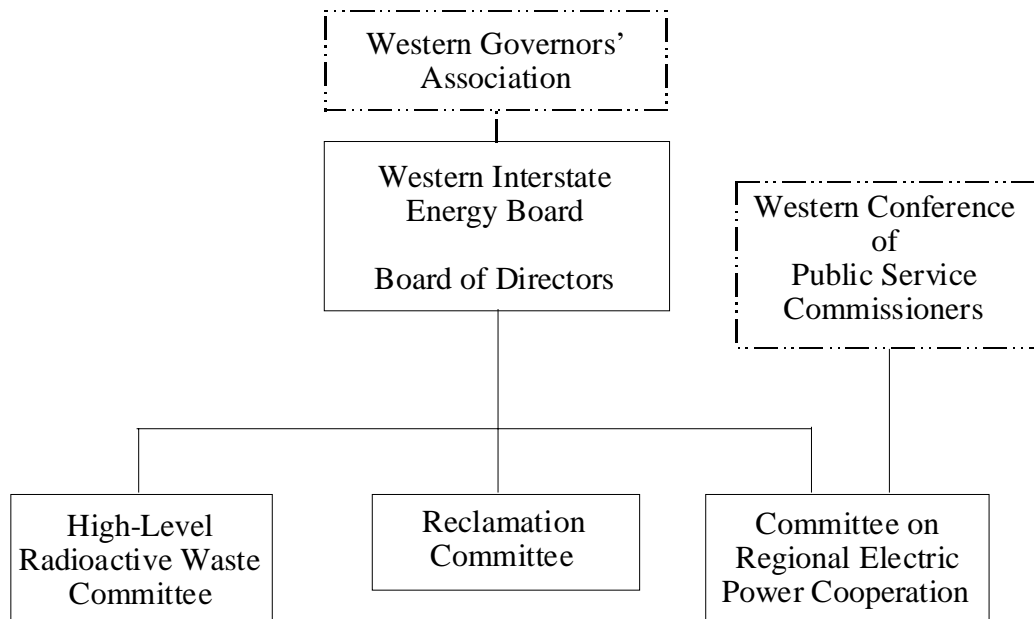
The Board has three committees. The committee structure allows subgroupings of states/provinces to pursue particular issues in depth. One committee, the Committee on Regional Electric Power Cooperation, is a joint committee of the Board and the Western Conference of Public Service Commissioners.

The Board chair appoints committee chairs. (The exception is the chair of the Committee on Regional Electric Power Cooperation who is jointly appointed by the chairs of WIEB and the Western Conference of Public Service Commissioners.)

Board members make appointments to committees of interest to their state/province. Typically, Board members have appointed the state/provincial experts in a particular topic to such committees. Often committee appointments are from agencies other than the Board member's agency.

In pursuing their issues, the committees have developed working relationships with outside parties, such as: the Reclamation Committee's work with the Office of Surface Mining and the Interstate Mining Compact Commission (which represents eastern states); the Committee on Regional Electric Power Cooperation's relationship with the Western Electricity Coordination Council, DOE, and the Federal Energy Regulatory Commission; and the High-Level Radioactive Waste Committee's relationship with DOE's Office of Civilian Radioactive Waste Management, the Department of Transportation, and the Nuclear Regulatory Commission.

The following chart shows the Board's committees.



Committee Activities Since April

Reclamation Committee

[The [Reclamation Committee](#) includes the states of Colorado, Montana, New Mexico, Utah and Wyoming. Rick Chancellor, Director of the Wyoming Land Quality Division, chairs the Committee.]

Activities Since April

Active coal mine regulation: The Reclamation Committee has focused its work on increasing state regulatory program grants from the Office of Surface Mining (OSM). Documents supporting OSM's FY 06 budget request showed cuts in every Western state regulatory program grants. This would follow several years of no increases in grants and come on the heels of significant growth in Western coal production, opening of new mines, and salary increases in states for the first time in several years.

On August 15-16, the Committee met with OSM Director Jeff Jarrett and others from the agency in Gillette, Wyoming. OSM reported that its process for developing supporting information for its budget request is flawed and offered an alternative approach. OSM also said that it recognizes the pressing need for increases in regulatory grants in the West and is making efforts to rectify the problem in the FY 07 budget development process. However, that may mean problems in Western states in the coming year.

At the Gillette meeting, each state reported the progress it is making in expanding the use of digital technologies (e.g., GIS, remote computing, electronic permitting) and where additional assistance from OSM would be helpful. OSM and the states discussed the next round of funding for competitive solicitations for Applied Science projects. With the exception of Montana, Western states did not win any awards of funds for such projects in the first round of awards. Western states were encouraged to submit proposals. The Committee also toured the Caballo mine which produces 24 million tons/year.

Abandoned mines: Statutory authorization for the Abandoned Mine Land (AML) fee on coal production expired last September, but has been temporarily extended several times. WIEB is providing technical assistance to WGA's Washington, D.C. office on AML reauthorization legislation.

High-Level Radioactive Waste Committee

[This Committee focuses on issues related to the transportation of commercial spent nuclear fuel and high-level radioactive defense waste (SNF/HLW) under the Nuclear Waste Policy Act (NWPA). Ken Niles of the Oregon Department of Energy and Joe Strolin of the Nevada Agency for Nuclear Projects co-chair the Committee. Eleven [states](#) participate in the Committee's activities.]

Activities Since April

Despite delays in the proposed opening date for Yucca Mountain, the HLW Committee continues to work with the U.S. Department of Energy (DOE) to develop a safe and publicly-acceptable transportation system for SNF/HLW shipments to a repository or interim storage facility.

The Committee held their spring meeting May 26-27 in Salt Lake City, Utah. The meeting included discussions with DOE, the Nuclear Regulatory Commission (NRC) and other federal agencies, as well as a roundtable discussion of recent state developments. Much of the focus of this meeting was on the renewal of the Governors' Resolution on the Transportation of Spent Nuclear Fuel and High-Level Radioactive Waste, as discussed above in Section I.

The Committee has worked closely with the other State Regional Groups (SRGs) in the Midwest, South and Northeast to develop policies and procedures for how the federal government should provide financial and technical assistance to the states to cover costs associated with SNF/HLW shipments. The Committee and the other SRGs have also cooperated in submitting joint comments on DOE's Radioactive Material Transportation Practices Manual, and are working on a set of joint comments on the Federal Railroad Administration's Safety Compliance Oversight Plan (SCOP) for rail shipments of SNF/HLW.

The Committee has also been engaged in planning for shipments to Private Fuel Storage LLC (PFS), a privately-owned corporation that intends to operate an interim SNF storage facility in Utah on land leased from the Goshute Indian Tribe. NRC granted PFS license a license in September. In conjunction with the Salt Lake City meeting, the Committee conducted a workshop to identify states' concerns about shipments to PFS. The Committee is developing a report for Western Governors on actions needed for any shipments to PFS. The HLW Committee is attempting to work with PFS and DOE to ensure that states' concerns over these shipments are addressed.

Committee on Regional Electric Power Cooperation (CREPC)

[CREPC is a joint committee of the Board and the Western Conference of Public Service Commissioners. It includes all the states and provinces in the electrically-synchronized western grid, plus Saskatchewan. The Northwest Power and Conservation Council is also a member of the Committee. Marsha Smith, Commissioner of the Idaho Public Utility Commission, chairs the Committee.]

Activities Since April

- **Enhanced Regional Electricity Function.** In June, the Western Governors adopted the Regional Electricity Policy Making Resolution (05-02) that endorses a financing mechanism to support an enhanced regional electricity function. The financing mechanism is a voluntary fee on control areas transactions that would yield revenues of about \$620,000 per year if contributions are fully subscribed. In July, the Western Governors formally communicated the resolution and the proposed financing mechanism to WECC and control areas in a letter signed by four Governors. Important next steps to implement the resolution are (1) securing agreement from control area operators to pay the voluntary fee, (2) establishing an institutional home for an enhanced regional electricity function, and (3) agreeing on priorities for expenditures of the funds. CREPC is establishing priorities in a draft work plan. On July 12, Chair Marsha Smith proposed forming a Work Plan Team and solicited volunteers to develop a formal budget and expenditure priorities in a draft work plan. Based on advice from the WIEB Executive Committee, the Board instructed CREPC to draft a work plan that describes in detail the activities to be funded, how the contributions will be collected, and the role of WECC in billing and collecting funds. During August and September, the CREPC Work Plan Team developed a draft work plan that includes the following items: a detailed budget with seven task areas; proposed expenditures assuming three scenarios of funding (full, half, low budget levels); a statement of goals and objectives; a description of specific tasks for 2006; a discussion of financial management issues; and a discussion of contingencies. In San Diego, CREPC will consider the draft work plan during its business meeting on September 21. The WIEB Board of Directors will consider the CREPC draft work plan on September 22.
- **Transmission Regulatory Principles Work Group.** CREPC formed the Transmission Regulatory Principles (TREG) work group in 2004 to explore regulatory issues concerning transmission in response to a recommendation of the Rocky Mountain Area Transmission Study (RMATS). At the San Jose meeting in April, the TREG group presented a draft report that examined existing regulatory cost recovery processes, presented case studies of actual historical transmission cost recovery decisions, identified emerging issues related to transmission, and developed common cost allocation principles that could provide the basis for a future memorandum of understanding among states and federal regulators. Since

April, TREG members have discussed refining the proposed cost allocation principles and solicited comments from industry on the draft report. In July, Laura Nelson gave a presentation at the NARUC meeting about the TREG effort. The TREG work group will present an update of their work to CREPC at the San Diego meeting.

- **Data Comparison Project.** Last December, WIEB staff and CREPC began a review of database information on generators in the Western Interconnection. The objective was to improve the quality of data used in the current SSG-WI transmission planning effort, and promote a common public database for other planning efforts. WIEB staff created an integrated comparison database of existing generators in each state and province from four different sources: WECC, the California Energy Commission (CEC), SSG-WI, and the Northwest Power Council's Genesys database. WIEB staff sent a comparison database for each state and province to CREPC representatives and requested comments on the accuracy and discrepancies among the existing databases. The PacifiCorp/SSG-WI modeling team incorporated CREPC comments into the database of existing generators used by SSG-WI. In June, the SSG-WI Generation Subgroup solicited a second round of comments from CREPC state and provincial representatives on future generation anticipated over the 2008 to 2015 period. The information requested proved to be beyond the knowledge base of CREPC members and yielded little additional information to the PacifiCorp/SSG-WI modeling team. In an effort to build reliable assumptions on future generation, SSG-WI decided to use utility IRP data on future generation (previously collected by Lawrence Berkeley National Lab) and contact industry planners about future generation and transmission expansion plans. WIEB staff took responsibility for collecting information from utilities in Colorado, New Mexico and Nevada.
- **West-wide Resource Adequacy Team (WRAT).** Since the San Jose meeting, the WRAT group has continued to collaborate with WECC on resource adequacy and assessment issues through the newly formed Loads and Resources Subcommittee (LRS) and the Reliability Policy Issues Committee (RPIC). Specifically, the WRAT group has encouraged WECC to (1) improve data policies through a methodological review of WECC data, a review of WECC's information disclosure policy, and release of load forecast information; (2) implement WRAT-sponsored resource adequacy assessment guidelines; (3) improve the Power Supply Assessment by changing the current approach of aggregating results into large geographic sub-regions; (4) develop a comparable energy assessment of the Western Interconnection; and (5) assume the responsibility to manage a Western Interconnection database that is useful and transparent for resource adequacy and transmission expansion planning analyses. The WRAT group has also solicited technical support on resource adequacy issues. On July 11, WGA acting on behalf of WRAT issued a \$50,000 request for proposal to conduct six tasks that support WRAT efforts to improve resource adequacy and assessment. The RFP was emailed to 27 consultants and posted on both the WGA and WIEB web pages. Four responses were received and, after a

phone interview, the review team recommended that MRW & Associates be selected. The contract will be finalized when DOE completes the transfer of funds to WGA under the existing contract on Multi-State Entities. The objectives of contract are to: improve the understanding of Western states and industry of past and potential future approaches to establishing regional resource adequacy guidelines/targets and to have such efforts integrated with regulatory requirements; provide an analytic basis for evaluating alternative approaches to establishing numerical values for western interconnection resource adequacy guidelines/targets; Provide briefings for key Western state and industry parties on the findings of the project as an important step toward (a) developing broad support for a seamless process for regional resource adequacy guidelines/targets, (b) data collection and analytic methods using these guidelines/targets, and (c) the adoption and implementation of appropriate resource adequacy requirements by state/provincial energy regulatory bodies.

- **LBL.** WRAT continues to collaborate with Lawrence Berkeley Laboratory (LBL) to address important issues related to resource adequacy. LBL has begun to assist CREPC in the area of market monitoring. LBL, through a contract with an expert in market monitoring, will (1) evaluate features of an effective market assessment in a hybrid market such as in the Western Interconnection; and (2) identify information and types of analyses that may be useful in conducting market assessments. LBL has arranged for a two hour web-based seminar on market monitoring and assessment for CREPC members on September 16.
- **OMOI.** FERC's Office of Market Oversight and Investigations continues to provide regular written market monitoring reports and quarterly conference calls on recent market developments for WIEB staff and interested Western state representatives.