

Board and Committee Activities

Following are:

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

I. Synopsis of Board Actions Since October Meeting in Vancouver

Work with Western Governors

Regional Electric Power

- Enhancing the capability of states to address regional power issues
 - Pursuant to the June 2004 instructions from the Governors, CREPC delivered a [report](#) to the Governors for their December 3, 2004 meeting. The report examines options for financing expanded state capabilities to address regional power issues in the Western Interconnection. At the June 2004 WGA annual meeting, the Governors agreed that at this time there is not a need to enact a new interstate compact to address regional electricity issues, however, there is an urgent need to enhance the capacity of the states to address regional power issues. The recommended methods of financing an enhanced regional electricity function are: a voluntary fee on control area transactions; financial contributions by PUCs; and continued support from WIEB dues. See the CREPC report on page 10 for more information.
 - Pursuant to December 2004 instructions from the Governors, a [report](#) on the status of industry institutions in the Western Interconnection that address interconnection-wide reliability and commercial (e.g., transmission expansion) issues was delivered to the Governors for their March 1 meeting. See CREPC report.
 - In February, Governor Freudenthal (WY) proposed a resolution to implement the recommendations of the two reports. That resolution was not taken up at the Governors' breakfast meeting on March 1 because of questions raised by several Staff Council members. Subsequently, edits have been made to the resolution and the resolution may be considered at the WGA Annual Meeting in June. Key questions remain, specifically, the willingness of control area operators to pay the voluntary fee, the institution responsible for executing the enhanced functions, and the priority activities to be conducted with the funds.

- On April 7, Governor Swartzenegger’s energy advisor, Joe Desmond, outlined the proposal being considered by the Governors at the annual meeting of the Western Electricity Coordinating Council.
- Evaluating resource adequacy ([Resolution 3-19](#))
 - CREPC is engaged in extensive, on-going work with the Western Electricity Coordinating Council (the industry reliability organization in the Western Interconnection) to evaluate electric resource adequacy. See CREPC report.
 - A joint WIEB/California Energy Commission natural gas assessment is underway to address the adequacy of natural gas resources and infrastructure to supply gas-fired generation in the Western Interconnection. The CEC team has modeled a Reference Case set of assumptions that characterizes natural gas supplies in North America, LNG imports, pipelines, and the demand for natural gas. Findings on the Reference case and two sensitivity cases will be presented at the Natural Gas Workshop on April 19. Future efforts will focus on modeling four scenarios developed last fall and additional sensitivity analysis.
- Pro-active transmission planning ([Resolution 3-19](#))
 - WIEB is supporting state participation in the next iteration of a Western Interconnection transmission plan that would include modeling of transmission needs associated with a “realistic” generation scenario. The analysis will also consider transmission needs to accommodate the Western Interconnection share of the Governors’ goal of 30,000 MW of clean energy. See CREPC report.
 - WIEB staff is participating in monthly conference calls organized by SSG-WI to coordinate and share information on sub-regional planning (i.e., Rocky Mountain Area Transmission Study, Southwest Transmission Expansion Plan, Southwest Area Transmission study, Northwest Transmission Assessment Committee) and interconnection-wide transmission planning.
 - WIEB staff is supporting the on-going efforts of five PUCs (ID, MT, NV, UT, WY) to examine the development of transmission pricing/cost recovery principles (as recommended in the September 2004 Rocky Mountain Area Transmission Study that was launched by the Governors of Wyoming and Utah). See CREPC report.
- [WGA Transmission Permitting Protocol](#)
 - No recent action. However, the approval by the California ISO of the proposed new 500 kV line from Palo Verde, Arizona, to Devers in California may trigger the Protocol.
- Implementation of federal electric reliability legislation ([WGA Resolution 3-27](#))
 - No action has been taken by WIEB as Congress has failed to enact the legislation.

Clean and Diversified Energy Initiative ([Resolution 4-14](#))

- WIEB staff has participated in conference calls of the staffs of the lead energy governors to implement the resolution.
- WIEB staff helped to organize and made a presentation at the October 25-26 meeting of interested WGA Staff Council members or their designees. The meeting included briefings on energy issues and discussions on steps to implement the Clean and Diversified Energy Resolution. Several WIEB Board members participated in the meeting.
- WIEB staff developed the proposed organizational framework and decision process for the Clean and Diversified Energy Advisory Committee.
- WIEB staff is supporting WGA efforts to secure resources to implement the initiative, including recommendations on technical support from DOE's National Renewable Energy Laboratory.
- WIEB staff and several WIEB Board members participated in the first meeting of the CDEAC on February 9-10.
- WIEB is staffing the CDEAC Wind Task Force. The first meeting was held on April 17-18.
- WIEB has volunteered to staff the Transmission Task Force and is supporting initial efforts of the CDEAC Clean Coal Task Force and Quantitative Work Group.

Wind Development

In a December 1, 2004 [statement](#) to the Federal Energy Regulatory Commission (FERC), WIEB asked the Commission to examine unused transmission capacity in the Western Interconnection and perform audits where there are large disparities between actual flows and posted Available Transfer Capacity (ATC). This study could guide reforms to Order 888 to more efficiently utilize existing transmission lines and support near-term wind development. After the conference, WIEB staff organized a work group of experts and strategic parties to develop a roadmap to study the unused transmission capacity in the West. The work group consisted of experts in the field from SSG-WI, RMATS, NREL, Oak Ridge National Laboratory, Western Electric Coordinating Committee (WECC), WestTrans, the Bonneville Power Administration (BPA), and FERC staff. WIEB staff compiled background documents, researched transmission paths, posted documents on a website, organized conference calls for the work group, collaborated with interested parties on potential methods to fund this study, and drafted a written proposal to pursue this study. The proposal identifies specific tasks, the available data sources, and potential issues in the research. The ATC work group's proposal and working documents can be found at <http://www.westgov.org/wieb/wind/wpriorities.htm>.

WIEB staff continues to actively participate in the transmission-related activities of the National Wind Coordinating Committee (NWCC), including assisting NWCC in holding its Western Transmission Workshop Sacramento on February 1-2.

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

WIEB is developing a web site on best practices for pipeline safety. Little has been done in this area in the past six months. At the San Jose meeting, Tony Usibelli (WA) will be presenting a plan for Board work on energy emergencies and petroleum adequacy.

Carbon Sequestration

In October, staff attended the meetings of the West Coast regional carbon sequestration partnership and the Great Plains partnership. The other two partnerships in the West, Southwest and Big Sky, held their meetings earlier.

In December, the Department of Energy announced a solicitation for Phase II of the Regional Carbon Sequestration Partnership Program. The goal of Phase II is to support DOE's FutureGen Initiative by validating technologies, developing permitting and validation procedures, and identifying locations in the U.S. that can support full-scale geologic carbon sequestration projects. By September, DOE anticipates awarding approximately seven cooperative agreements for \$2 - \$4 million per year for four years.

All of the four regional partnerships in the West submitted Phase II proposals to DOE by the March 15th deadline. The Western Governors' Association endorsed this effort with a letter of support for each of the partnerships. The letter was signed by Governors Rounds (SD) and Richardson (NM), the lead governors on carbon sequestration.

WIEB staff is also participating in the monthly conference calls with all seven regional partnerships. During the calls, carbon sequestration researchers and other experts provide presentations and answer questions on current issues.

In May, WIEB staff will attend the annual DOE international conference on carbon sequestration.

WREGIS

On December 4, 2004, the WECC Board of Directors approved the [WREGIS Charter](#). The charter will create a WREGIS Committee which functions as a semi-autonomous WECC Board 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.

WREGIS now has a link to a [new website](#) that is still under development.

[The Interim Committee of the Western Renewable Energy Generation Information System \(WREGIS\)](#) held its kickoff meeting on March 11, 2005, in Sacramento, California. The main purpose of the Interim WREGIS Committee is to

organize and convene the Stakeholder Advisory Committee which will conduct the first election of the Permanent WREGIS Committee.

The California Department of General Services approved the IT Procurement Plan on March 25, 2005. The CEC is currently waiting for the Department of General Services to assign a Procurement Analyst for WREGIS and Energy Commission staff is working with contractors to develop the RFP document. CEC estimates that the RFP will be ready some time in the middle of the third quarter of 2005. Assuming no delays in the process, WREGIS could be operational by late 2006/early 2007.

Abandoned Mine Land Legislation

WIEB staff continues to provide technical support to WGA's Washington, D.C. office on pending legislation, particularly the pending energy legislation and legislation to reauthorize the abandoned mine land fee.

People

- Governor Napolitano has appointed Lori Faeth, Governor's Policy Advisor, to replace George Seitts, former Director of the Arizona Energy Office, as the Board member from Arizona.
- Bill Keese, Chairman and member of the Board from California, has retired.
- With the change in administrations in Montana, Jan Sensibaugh has left state employment. Art Compton continues to be the Alternate from Montana.
- In Utah, the Energy Office has been disbanded and many functions are being assigned to other departments. WIEB Board member Thomas Brill has left. While the organization of energy functions is in flux, it is likely a new position of energy advisor to the governor will be created.
- Paul Wieringa has left the B.C. Ministry of Energy. Peter Ostergaard is representing B.C. on the Board.
- Scott Field joined the Board staff on April 11 to support the work of the HLW Committee. He replaces Tim Holeman who left the Board staff at the end of December.

Funding and Grant Status

- All states and provinces have paid or are in the process of contracting to pay dues in the current fiscal year.
- No new federal grants have been awarded to WIEB since October. Existing outside funding comes from:

- A subcontract with WGA to pass through funds from DOE to evaluate a multi-state regional electricity entity.
- A subcontract with WGA using DOE funds to coordinate Western regional carbon sequestration partnerships.
- A subcontract with the Wyoming Energy Office using DOE funds to support work on transmission for wind issues, including the RMATS process, participation in SSG-WI transmission planning work, linking utility resource plans to regional transmission planning, and investigating potential improvements in the transmission interconnection queuing process. This grant has expired.
- A DOE grant to WIEB on wind issues that supports the Western Interconnection Wind Evaluation Team and related staff work on wind issues.

Other Staff Activities

WIEB staff has been participating in a Keystone Center dialogue on transmission development that includes four case studies, including RMATS.

II. Committee Structure

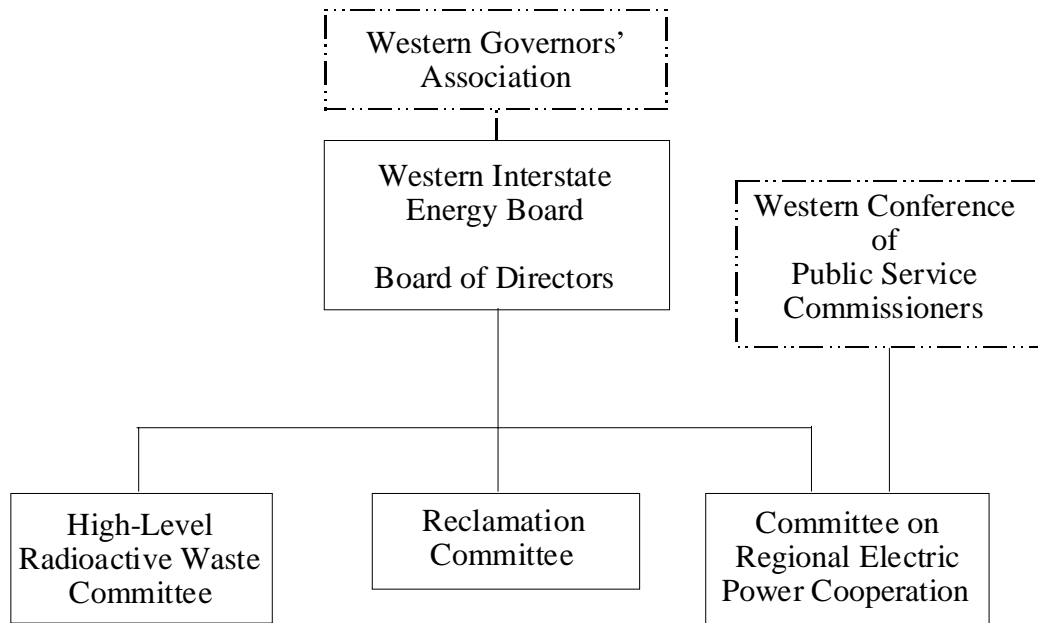
The Board has three committees. The committee structure allows subgroupings of states/provinces to pursue particular issues in depth. One committee, the Committee on Regional Electric Power Cooperation, is a joint committee of the Board and the Western Conference of Public Service Commissioners.

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, proposed western regional transmission organizations, 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 October

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 October

Active coal mine regulation: The Reclamation Committee has focused on trying to make OSM's new applied science funding program applicable to the digital technology needs of Western state regulatory programs. The Committee supported the agency's proposal to create an applied science program in the belief that it would advance the Western states' "Vision" of how to improve implementation of the Surface Mining Act in the West. Unfortunately, OSM appears to have decided that the program is not the place to support expanding Western states' capability to integrate digital technologies (e.g., electronic permitting, application of GPS to reclamation analyses) into their programs. OSM says that resources for such expanded capabilities should be part of state regulatory grants.

The Committee, however, is concerned that OSM documents in support of its FY 06 budget request show a reduction in regulatory grants in every Western state. OSM says that the budget document does not reflect actual state grants. The Reclamation Committee is pursuing this discrepancy.

Abandoned mines: Statutory authorization of the Abandoned Mine Land (AML) fee on coal production expired at the end of September, but has been temporarily extended. 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 Nuclear Waste Office co-chair the Committee. Eleven [states](#) participate in the Committee's activities.]

Activities Since October

The HLW Committee has focused on work with DOE to develop a system for transportation of spent nuclear fuel and high-level radioactive waste to a potential repository at Yucca Mountain. This work is guided by the WGA policy ([Resolution 2-](#)

[05](#)) that is expiring in June. WIEB staff has recommended to WGA that the policy be updated and readopted.

The Committee:

- Met on [November 4-5 in Portland](#) to discuss with DOE actions needed to develop a transportation program and to begin a dialogue with Private Fuel Storage (PFS) on transportation of spent fuel to its proposed storage facility on the Goshute reservation in Utah.
- Has engaged the other three regions (Midwest Council of State Governments, Northeast Council of State Governments, Southern States' Energy Board) in discussions on the implementation of Section 180(c) of the Nuclear Waste Policy Act, including formulas to distribute funds among corridor states.
- Has begun discussions with other regions on reforms to DOE's practices governing the transportation of radioactive materials.
- Participated in three topics groups (security, rail/routing, Section 180(c)) of DOE's Transportation External Coordination Work Group.
- Supported Western state participation in DOE-sponsored training on its routing and risk analysis models in January.

Work by the Committee's contractor to evaluate the utility of a Planning Investment Model Sandia National Lab developed for DOE has slowed because of delays in DOE approval of the release of information on the model.

The Committee is [meeting in Salt Lake City](#) on May 3-4. (The WGA WIPP Technical Advisory Group will meeting on May 5-6.) On May 3, the Committee and WGA will hold a joint workshop on potential shipments of spent fuel to the PFS facility. Unlike shipments to Yucca Mountain under the Nuclear Waste Policy Act, the PFS shipments may not include assistance to states and local communities to prepare for such shipments. Shipments to PFS may also occur in the near-term compared to Yucca Mountain. The Nuclear Regulatory Commission (NRC) is considering a license for the PFS facility. If granted, PFS would then solicit utilities to use the storage facility. By contrast, shipments to a potential repository at Yucca Mountain have been delayed until 2012 at the earliest because of delays by DOE in the submission of the repository license application to the NRC. Additionally, recent revelations about the falsification of data used to support claims that Yucca Mountain would meet containment requirements will likely further delay any opening of the repository.

At the HLW Committee meeting on May 4, the Committee will discuss transportation developments with DOE and the NRC and will explore collaboration opportunities with the other regional groups. The Committee will also discuss progress on implementing the scope of work under a DOE/WIEB cooperative agreement. The third year of the standardized cooperative agreement will begin on July 1. The future funding of such agreements may depend on the future of the DOE transportation program should Yucca Mountain falter further.

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 October

- **Enhanced Regional Electricity Function.** CREPC continues its effort to implement an enhanced regional electricity function for the Western Interconnection. To date, CREPC has presented three reports to Western Governors assessing regional electricity issues. The [June 2004 report](#) concluded that there is not a need at this time for a new interstate compact to address regional electric power issues, but there is an urgent need to build the capacity of states/provinces to address regional power issues. The [December 2004 report](#) evaluated alternative approaches to financing an enhanced regional electricity function. The [February 2005 report](#) examined the status of industry institutions to address interconnection-wide reliability and commercial issues. In June, the Governors may consider a resolution to endorse a proposal to finance work on an enhanced regional electrical function. Under the proposal, revenues would be derived primarily through a voluntary fee on control areas transactions (the same mechanism used to fund WECC). If the Governors' adopt the resolution, there are many additional steps, including securing agreement from control area operators to pay the voluntary fee, Governors deciding the institutional home for an enhanced regional electricity function, and agreement on priorities for expenditures of the funds.
- **Transmission Regulatory Principles Work Group.** The Rocky Mountain Area Transmission Study (RMATS) Phase I report called on the Rocky Mountain States to examine pricing principles and cost recovery issues that impact transmission expansion projects. RMATS recommended that the regulatory commissions for these states develop a memorandum of understanding (MOU) on pricing principles and cost recovery to reduce regulatory uncertainty of new transmission projects. In Vancouver, CREPC responded with the formation of a new work group now called the Transmission Regulatory Principles ("TREG") work group. TREG consists of representatives from regulatory commissions from Wyoming, Utah, Montana, Idaho and Nevada. WIEB staff provides support in coordinating conference calls, drafting documents and setting up a website. Wayne Shirley of the Regulatory Assistance Project has provided valuable assistance in the discussions and contributing to drafts of TREG working documents. To date, the TREG work group is developing an integrated paper that describes the regulatory landscape for transmission projects, provides a historical case study of transmission projects in the five-state region, evaluates regulatory

roles in different types of projects, and proposes a draft set of principles regarding cost allocation decisions. The TREG work group will present an update of their work to CREPC at the San Jose meeting.

- **Data Comparison Project.** WIEB staff and CREPC members are pursuing an examination and review of database information on the list of generators (existing and anticipated) in the Western Interconnection. Currently there is no common public database on generators in the West available for transmission planning efforts at the regional and sub-regional level. WIEB staff compiled generator database information from the publicly available databases from WECC, the California Energy Commission (CEC), and the Northwest Power Council's Genesys database. WIEB negotiated a licensing agreement with PacifiCorp to obtain access to the SSG-WI database. WIEB staff created an integrated comparison database of existing generators in each state and province from three different databases (WECC, CEC, SSG-WI) and the Genesys database for selected states in the Northwest. WIEB sent a comparison database for each state and province to CREPC representative(s) and requested comments on the accuracy and discrepancies among the existing databases. WIEB and the PacifiCorp/SSG-WI modeling team are evaluating the CREPC state/province comments in an effort to update and improve the overall quality of database information on generators in the West. In the future, WIEB staff will pursue a similar review of forecasted generators online by 2008, examine available information from IRPs collected by Andrew Mingst of the Lawrence Berkeley Laboratory (LBL), and seek comments from CREPC state and province representatives.
- **West-wide Resource Adequacy Team (WRAT).** At the Vancouver meeting, CREPC approved two WRAT documents regarding resource adequacy policies: (1) the "Next Steps" document identified specific actions to advance resource adequacy analysis in the West, and (2) the "CREPC Strawman" document outlined seven elements for a resource adequacy program. The WRAT work group has been diligently working to develop a consensus on resource adequacy policies with WECC. WRAT collaborated with three committees at WECC: the Resource Adequacy Work Group (RAWG); the Reliability Subcommittee (RS); and the Planning Coordination Committee (PCC). In March, the PCC passed a motion reassigning the issue of resource adequacy from the RAWG subgroup to the recently-formed Loads and Resources Task Force (LRTF). The LRTF will now have the responsibility to implement the WECC Board's resource adequacy goal based on RAWG consensus recommendations and recommendations contained in a WRAT supported alternative proposal presented to the PCC. The PCC approved a motion to incorporate the previous WSCC Power Supply Design Criteria for the Annual Power Supply Assessment on a sub-area basis, and include an energy assessment where available. Additionally, the motion provides specific guidelines for the LRTF to implement resource adequacy goals.

- **LBL.** WRAT has collaborated with researchers Chuck Goldman and Andrew Mingst at the (LBL) to build upon their work on integrated resource planning to address important issues related to resource adequacy. The LBL researchers examined the reserve margins utilities seek to attain and the rationale behind such margins, the supply gaps to be filled in different time horizons, how utilities quantify efficiency and demand response in their forecasts, and approaches to improve consistency among IRPs and WECC's forecasts.
- **LSE Data Request.** In Vancouver, CREPC approved a proposal which urged regulatory commissions in the Western states and provinces to encourage future resource plans by load serving entities (LSE) to include three informational items: (1) A comparison of the LSE's analysis of generation and transmission plans with applicable sub-regional and interconnection-wide transmission plans; (2) A reconciliation of the LSE's load forecast in the IRP and load forecast submitted to WECC and reconcile the assumptions used for demand efficiency and demand response; and (3) A reconciliation of "committed" resource additions through IRPs or other state processes with resource additions submitted to WECC. At the San Jose CREPC meeting, state/province regulatory commissions will report on steps taken to implement this CREPC proposal.
- **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 several Western state representatives.