

**MINUTES OF  
ENERGY NORTHWEST  
SPECIAL EXECUTIVE BOARD MEETING  
RED LION HOTEL – ICE HARBOR/McNARY ROOM  
802 GEORGE WASHINGTON WAY  
RICHLAND, WASHINGTON  
MARCH 26, 2008**

The special meeting of the Executive Board of Energy Northwest was called to order by Chairman Morrison at 7:30 p.m.

**Roll Call:**

Sid Morrison, Chairman  
Tom Casey  
Ted Coates  
K. C. Golden  
Bill Gordon  
Dan Gunkel  
Jack Janda  
Larry Kenney  
Dave Remington  
Tim Sheldon  
Kathy Vaughn

**Others Present:**

Participants' Review Board members K. Denison, Mason County PUD No. 1; S. Nelson, Franklin County PUD; S. Reese and J. Rowland; Legislative Liaisons; Representative P. Kenney; and C. Imhoff, PNNL.

**Staff Present:**

J. W. Baker, S. K. Gambhir, K. A. King, A. E. Mouncer, A. D. Smith, C. J. Wheeler and C. M. Whitcomb.

Chairman Sid Morrison introduced the guest speaker, Carl Imhoff, Pacific Northwest National Laboratory (PNNL) Electricity Infrastructure Market Sector Manager.

Mr. Imhoff presented on the topic of Smart Grid. The convergence of several strategic messages (e.g. e-commerce capabilities, technological advancements, utility and consumer value streams, and carbon policy expectations) makes Smart Grid an emerging topic with real implications for the Northwest.

Mr. Imhoff provided a snapshot of today's reality. Nuclear energy is a long-term solution, renewable energy is a limited solution, hydrocarbon is challenged by gasification, demands on the electric infrastructure are increasing, and energy efficiency efforts are on the rise.

Mr Imhoff provided a summary of the Olympic Peninsula Demonstration. Project team participants included several organizations (e.g., U.S. Department of Energy (DOE), Bonneville Power Administration (BPA), Whirlpool, Portland General Electric, Clallam County PUD) and included 200 homes. Three retail contract types were offered and compared: fixed price, time of use, and real time.

Appliances can be built or retrofitted at minimal cost with a controller device that autonomously detects under-frequency events and, with a half-second response time sheds the power load (i.e., turns off the appliances) for a few minutes.

Important insights learned from the Northwest demonstration project include:

- Residential customers will respond to five-minute real-time prices if provided an opportunity to save 10 percent with user-friendly technology
- Demand response plus distributed generation provided sustained, local distribution peak load reduction
- A rating portfolio may be optimal
- Real time and time of use pricing can be implemented without an actual rate change and with no losers
- Load shedding by Grid Friendly appliances was reliable and not noticed by users
- A carbon benefit (i.e., savings) is realized by shifting the peak load.

BPA is looking to start a major regional demand response demonstration this summer. They will be seeking partners to bring four feeders into the demonstration project (i.e., mix of publics, privates, east and west).

Mr. Imhoff opened the floor for questions and discussions.

Chairman Morrison thanked Mr. Imhoff for his presentation and adjourned the meeting at 8:22 p.m.

Respectfully submitted,

C. J. Wheeler, Manager  
Boards & Marketing