Member Construct

James Gaston
General Manager, Energy Services & Development

Mike Paoli
Manager, Public Affairs/Public Information Officer
Objective

• Communicate the changes being made at Energy Northwest (EN) to more effectively and efficiently work together with our member PUDs and Municipalities.

We’re in this together.
How We Got Here

• EN was formed in 1957; driven by public power through Washington Public Utility District Association (WAPUDA)
• Early success with Packwood and Hanford Generating Project (HGP)
• The “Hydro Thermal Power Program (1966)” focused the Northwest on a nuclear power development path causing a singular focus in the JAA
• Energy Business Services was founded in 1994 (now Energy Services & Development)
• ES&D has had both successes and failures since its inception but we have struggled to be relevant—to work hand-in-hand with our members
How We Got Here (continued)

• In 2009 Columbia Generating Station (CGS) was a poorly performing nuclear plant
• By 2014 CGS performance had recovered and is now being sustained at a high level of excellence
• In 2014 Management began looking at the “whole” mission of EN as a Joint Action Agency (JAA)
• Today we present a new Construct to meet the original intent and vision of the Washington public power community
Why Consider a Change?

• EN operates differently than most JAAs
• Emphasis of EN has been nuclear, providing a different focus than other JAAs
• Historical emphasis on nuclear has resulted in EN members developing internal service solutions
  – Caused missed opportunities to become more efficient and effective in serving our members
What Did We Do to Assess The Potential?

• Benchmarked four JAAs to gain perspective on becoming more relevant to our members
  – Municipal Electric Authority of Georgia (MEAG)
  – Nebraska Public Power District (NPPD)
  – Platte River Power Authority (PRPA)
  – Utah Associated Municipal Power Systems (UAMPS)
Benchmarking

• Municipal Electric Authority of Georgia (MEAG)
  – Founded: 1975
  – Number of members: 49 (1 PUD, 48 Munis)
  – Generation: 10,467 GWh
  – Transmission

• Nebraska Public Power District (NPPD)
  – Founded: 1970
  – Number of members: 76 (25 PUDs, 51 Munis)
  – Generation: 19,275 GWh (including Cooper Nuclear Generating Station)
  – Transmission
  – Distribution
Benchmarking (continued)

- **Platte River Power Authority (PRPA)**
  - Founded: 1973
  - Number of members: 4 Munis
  - Generation: 3,937 GWh
  - Transmission

- **Utah Associated Municipal Power Systems (UAMPS)**
  - Founded: 1980
  - Number of members: 45 (4 PUDs, 41 Munis)
  - Generation: 4,012 GWh
  - Transmission
  - Teaming agreement for small modular reactor
JAA Benchmarking Findings

- Members had a strong sense of ownership of and proactive participation in the JAA
- JAA mission focused on end-user needs
- Strategic direction directly from the JAA Board members (typically General Managers)

Take actions to become a comprehensive Joint Action Agency
A Comprehensive JAA

• Member community dedicated to the public power mission
• Provide wholesale power supply and other services to the members
• Create economies of scale by leveraging combined size of their members
JAA Programs and Services

• Safety
  – Accident Investigation
  – Safety Advice and Consultation
  – Safety Inspections, Audit and Meetings
  – OSHA Standards Interpretation
JAA Programs and Services (continued)

• Training
  – Lineman, Sub-station, Underground Career Development
  – General Safety
  – OSHA Compliance
  – Customer Service
  – Technical
  – Key Accounts
  – Smart Grid
  – Elementary School Energy Curriculum
JAA Programs and Services (continued)

- Economic Development
  - Target Marketing
  - Marketing Materials
  - Residential Marketing
JAA Programs and Services (continued)

- Communication
  - Public Power Week Promotions
  - Public Relations, Communication and Media Relations Council
  - Storm Communication
  - Customer Communication
  - Graphic Design and Advertising Services
  - Video Resources
JAA Programs and Services (continued)

- Joint Purchasing
  - Poles/Other Commodities
  - Service Contracts
  - Construction Guidelines
  - Cross Reference Material Database
  - Advanced Metering Infrastructure (AMI) Systems
  - Hosted Supervisor Control and Data Acquisition (SCADA), Customer Information System (CIS)
  - American Public Power Association (APPA, including Demonstration of Energy & Efficiency Developments (DEED) membership
JAA Programs and Services (continued)

- Joint Programs
  - Utility Director/General Manager, Customer Service Manager, Technical Service Manager Forums
  - Annual Performance Indicators
  - North American Electrical Reliability Council (NERC) Compliance
  - Renewable Portfolio Standards (RPS) Compliance
  - Energy Efficiency/Conservation
  - Emergency Assistance/Mutual Aid Program
  - Best Practices
  - Retail Metering and Billing
  - Cyber Security Program, Audits, Testing
  - Outage Management
JAA Programs and Services (continued)

• Energy Services
  – Demand Response
  – Commercial / Industrial (C/I) Power Quality Studies
  – C/I Energy Audits
  – C/I and Residential Solar Projects
  – System Loss Studies
  – Energy Depot Online Toolkit
  – Distribution System Operations and Maintenance
  – Power Supply Planning

• Environmental Services
  – Air and Water Quality Monitoring
  – Forestry; Tree Trimming, Planting, Vegetation Control
JAA Programs and Services (continued)

• Financial Services
  – Financing
  – Credit Compliance/Scoring
  – Financial Audits
  – Retail Rate Studies

• Legal Services

• Generation Projects
  – Utility Scale Solar, Wind, Gas, Nuclear, etc.
What is Our Vision?

• Active engagement with members/participants/customers on what they need
• Complement member and NWPPA efforts, not take them over
• Help us run our businesses more effectively and economically
• Add value and increase member satisfaction
Member feedback on the Construct (so far)

• Joint Work Area Examples
  – Community Solar
  – Cyber Security
  – Demand Response
  – Excellence in Performance/Governance
  – Industrial Safety Assistance
  – Joint Purchasing
Where Will Our New Programs and Services Come From?

• Member requests, regional member meetings, annual meetings and one-on-one conversations
• Reduce costs through clear economies of scale
• Address Federal or State mandates
• Improve quality/effectiveness
• “Straw Man” structures and financial modeling
• Pilot projects to confirm feasibility
• Member feedback regarding scope, benefits and risks
• Member consensus and aggregation
How Do We Make the Transition?

• Continue to focus on safe, reliable, cost-effective operation of all generating resources
• Continue providing strong service and value
• Frank discussions with members on interest in an expanded JAA
• Consolidate feedback and assess interest
• Draft detailed plans
• Board review and endorsement of plan
EN as a JAA – What Next?

• Mark Reddemann “Road Show” to gain initial feedback
  – Member visits
  – WPUDA
  – Public Power Council (PPC)
  – Initiate General Manager Advisory Group
  – TBD; we are starting a new journey with you, the destination is up to all of us
Questions & Answers