

Public Utility District No. 1 of Klickitat County
Board of Commissioners' Meeting
Tuesday, October 26, 2021

AGENDA

Meetings are open to the public, attendees will adhere to the published state COVID-19 related guidelines.

KPUD Commission Meeting Start Time – 2:00 p.m. as Advertised;

Location: 1313 S. Columbus Ave. - Goldendale, WA

➤ **PLEDGE OF ALLEGIANCE**

➤ Approval of Minutes - 10/12/2021 Meeting

➤ Approval of Claims/Vouchers for period ending 10/26/2021 *(Isabelle Carroll)*

➤ Approval of Payroll for period ending 10/10/2021 *(Isabelle Carroll)*

➤ **PUBLIC COMMENT PERIOD**

REPORTS – 10 min. each:

GUESTS:

- Water/Wastewater September update *(Sharon Blodgett)*
- Engineering September update *(Ron Schultz, Mark Garner and Brandon Johnson)*
- Operations September update *(Ron Ihrig)*
- Energy Services Annual update *(Anita Clever)*
- Clean Energy Transformation Act update *(Anita Clever / CETA committee: Brandy Myers & Mike DeMott)*
- Commissioners' Reports
- Manager's Bi-Monthly Report *(Jim Smith)*
-*(see attached report)*

AGENDA ITEMS – (see Manager's Report for further details)

- A.** Bid Award: MA Collins Substation Expansion Construction *(Brandon Johnson)*
- B.** Bid Award: MA Collins Substation Modular Control Building *(Brandon Johnson)*
- C.** Credit Facility Renewal *(Mike DeMott)*
- D.** 2021 Budget Process Review *(Brandy Myers, Cynthia Bruce, Mike DeMott)*

ADJOURNMENT

FOR THE GOOD OF THE ORDER:

- PPC Annual meeting via teleconference November 4, 2021
- Public Utility Risk Management Services Executive Board meeting November 3-4, 2021



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the **October 26, 2021 Meeting**

AGENDA ITEMS:

- A. Bid Award: MA Collins Substation Expansion Construction - Brandon Johnson will be requesting award of the MA Collins Substation construction project to Palouse Power who were the low successful bidder.
- B. Bid Award: MA Collins Substation Modular Control Building - Brandon Johnson will also be requesting award of the MA Collins Modular Control building bid to EP2 who were also the low successful bidder.
- C. Credit Facility Renewal - Mike DeMott will review the provided Bank of the West credit facility renewal proposal.
- D. 2021 Budget Process Review - Brandy Myers and Mike DeMott will discuss the budget time line and where we are with the budget process to date.

NON-AGENDA ITEMS:

- 1. Energy Northwest Forum - October 28
- 2. Columbia River System Operations Legal Dispute - I had reported last month that Klickitat PUD portion of the PPC efforts to insert public power into the Federal case was \$1,500. My quick math was in error and I missed a decimal point. Our share would be \$15,000. I still believe this is a fundamental battle that needs to be supported. There are updates I will provide at the meeting regarding seeking injunctive relief.
- 3. PacifiCorp's Integrated Resource Plan - as a look into the future from PacifiCorp's eyes, their draft 2021 Integrated Resource Plan is calling for the addition of 1,300 MW of new solar, 1,800 MW of new wind and 700 MW of storage by the end of 2024. Most of the storage is paired with solar and wind projects, we I assume they are battery installations. They are planning the conversion of the Jim Bridger coal generation facility units 1 & 2 to natural gas fired peaking facilities in 2024. They are about 600 MW each. Closure of units 3 and 4 are in their longer range plans. They are also showing their TerraPower sodium nuclear project on line in 2028 at 500 MWs. It is planned to be located alongside a retiring coal generation facility in Wyoming. The IRP is now under review by the various public utility commissions in their service territory.

4. California System 2022 Summer Capacity - Governor Newsom has now issued 3 separate emergency orders in recent months that provide for the suspension of air permitting requirements, expediting amendments to existing requirements and issuing new licenses to emergency and temporary generators that can reduce the anticipated energy shortfall. These actions have been supported by United States Department of Energy, California Independent System Operator (CAISO) and the California Air Resources Board. Despite these efforts, CAISO still forecasts a significant shortfall during some operating hours next summer.

5. California Public Utility Commission Generation Portfolio Forecast - I am also including the following table showing the work CPUC has done with tabulating resourcing planning documents from load serving entities in 2020. Note the solar and battery storage components and the relatively low pumped storage component. This is interesting to ponder. Remember that the California issue is still the very fast, very large and very predictable evening ramp, along with fairly predictable solar production, which is different from our load and generation profiles.

Resource Type	2022	2023	2024	2025	2026	2028	2030	2032
Gas	-	-	-	-	-	1	1	1
Biomass	34	65	83	107	107	134	134	134
Geothermal	14	114	114	114	184	1,160	1,160	1,160
Wind	1,719	1,741	2,071	3,553	3,553	3,553	3,553	3,553
Wind on New Out-of-State Transmission	-	-	-	-	0	0	1,500	1,500
Offshore Wind	-	-	-	-	120	195	195	1,708
Utility-Scale Solar	3,094	6,549	7,750	11,000	11,000	11,397	14,457	18,883
Battery Storage	2,565	4,604	10,617	12,553	12,553	13,609	14,086	14,751
Pumped (Long-Duration) Storage	-	-	-	-	196	1,000	1,000	1,000
Shed Demand Response	151	151	353	441	441	441	441	441
Total	7,577	13,224	20,988	27,768	28,154	31,489	36,527	43,131

Proposed new resource buildout to meet a 38-MMT greenhouse gas reduction target by 2032. Source: CPUC