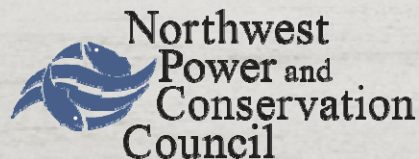


Fiscal Year 2015 Budget and Fiscal Year 2014 Revisions



July 2013

Council Document 2013-08

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A. MISSION, CORE VALUES AND STRATEGIC GOALS STATEMENT

(The Council's mission and goals are derived from Public Law 96-501,
The Pacific Northwest Electric Power Planning and Conservation Act of 1980)

MISSION

To ensure, with public participation, an affordable and reliable energy system while enhancing fish and wildlife in the Columbia River Basin.

CORE VALUES

- **We take the long view.** We work for the wellbeing of future generations, not just our own
- **We have a regional perspective.** We address the interests of the region as a whole
- **We serve the public.** We listen to their concerns and we strive to bring insight to the issues affecting them
- **We are independent.** We tell people what they need to know because trust is the basis of partnership and the key to progress
- **We embrace learning.** We're open to change and diverse views because it sparks opportunity

STRATEGIC GOALS

In the next two to three years, the Council will complete the two major planning activities required under the Power Act: developing a fish and wildlife program and a 20-year regional power plan.

The question to consider is: What do we want to achieve, beyond the strict legal requirements of the act, through these planning processes?

Our goals should respond to the many changes in our planning environment: the evolving science about the Columbia Basin ecosystem; the Northwest's economy; the availability of BPA funding for fish and wildlife restoration; the cost of generating resources; the political engagement of the public; and the operation of the Columbia River power system.

Given these challenges, the Council will pursue the following strategic priorities:

Energy

- Strengthen the Council's position as a recognized, credible, and objective hub for regional power planning information and analysis
- Make the Seventh Northwest Power Plan relevant and useful to the region, while also meeting the statutory requirements of the act
- On an ongoing basis, update and adapt the Council's power planning methods, processes, and analytical tools to the changing characteristics and needs of the Northwest power system

Fish and Wildlife

- Strengthen the Council's position as a recognized, credible, and objective hub for regional fish and wildlife planning information and analysis
- Continue to improve the effectiveness and cost-effectiveness of the region's restoration actions through fish and wildlife program amendments and project reviews
- Work aggressively to implement habitat improvements that benefit fish and wildlife in the mainstem, tributaries, and estuary
- Continue the work to reform artificial production practices so that they are effective in improving production above Bonneville Dam while protecting, and benefitting where possible, naturally spawning populations

Public Affairs

- Continue the focus to communicate effectively with stakeholders and the public to create engagement

B. BUDGET HISTORY

BUDGET HISTORY

COUNCIL FUNDING BACKGROUND

The Northwest Power Act, as passed by Congress in 1980, establishes a funding mechanism to enable the Council to carry out its functions and responsibilities. The Bonneville Power Administration provides this funding through ratepayer revenues. The Act establishes a formula to determine a funding limitation threshold, and authorizes the Council to determine its organization, and prescribe practices and procedures to carry out its functions and responsibilities under the Act.

The Act further provides that the funding limitation applicable to annual Council budgets will be calculated on a basis of 0.02 mill multiplied by the kilowatt hours of firm power forecast to be sold by the Bonneville administrator during the year to be funded. The limitation may be increased to .10 mill, provided the Council makes an annual showing that such limitation will not permit the Council to carry out its functions and responsibilities under the Act.

The basis of the funding methodology (firm power forecast to be sold) embraces authorities set forth in other sections of the Act that describe the Congressional expectation that Bonneville will serve all anticipated load growth for the region in the future. As such, the Act authorizes Bonneville to supply all of the

incremental electricity needed in the future for the region, if so desired by its customers and others.

FISCAL YEAR 2015

The Council has determined that the 0.02-mill limitation will not allow the Council to carry out its functions and responsibilities under the Power Act in Fiscal Year 2015. As detailed in Appendix C of this report, the Council determined that an amount equal to 0.087 mill, which totals \$10,794,000, will be required in Fiscal Year 2015.

ANNUAL BASELINE BUDGETS

Since 1997, the Council has negotiated annual budget ceilings with Bonneville that cover specific Bonneville rate periods. These negotiated agreements incorporate various budgetary constraints such as:

- Current-level service budgets from the preceding budget period.
- Restrictive cost-of-living adjustments for personal services expenditures.
- Cost-cutting actions to cushion the impact of inflation.
- Program improvements individually cost-justified.

By applying these budgeting principles on an annual basis, the Council has been able to successfully confine budget growth to an average of less than 3 percent per year over the last 15 years (1998-2014).

BUDGET VERSUS ACTUAL EXPENDITURE CONSIDERATIONS

The Council attempts to project workloads and resource requirements two years in advance with some opportunity for budget revisions occurring prior to the beginning of each fiscal year.

During each annual budget cycle the Council:

- Manages overall expenditures to the most cost-effective level.
- Conserves unanticipated cost savings in a prudent manner.
- Reprioritizes the allocation of funding and staff resources to accommodate new workloads and unanticipated responsibilities.

Actual expenditures in one budget year may not necessarily be reliable indicators of funding requirements in future budget cycles because:

- Changes in Council workloads, programs, and responsibilities are difficult to anticipate and are often initiated by external events in the region or by requests from the Congressional delegation or the states' governors.

- Programs and activities that are budgeted but deferred because of new and emerging higher priorities are often re-budgeted in succeeding years because of their continued need and importance.

FISCAL YEARS 2014 - 2015 DRAFT BUDGETS

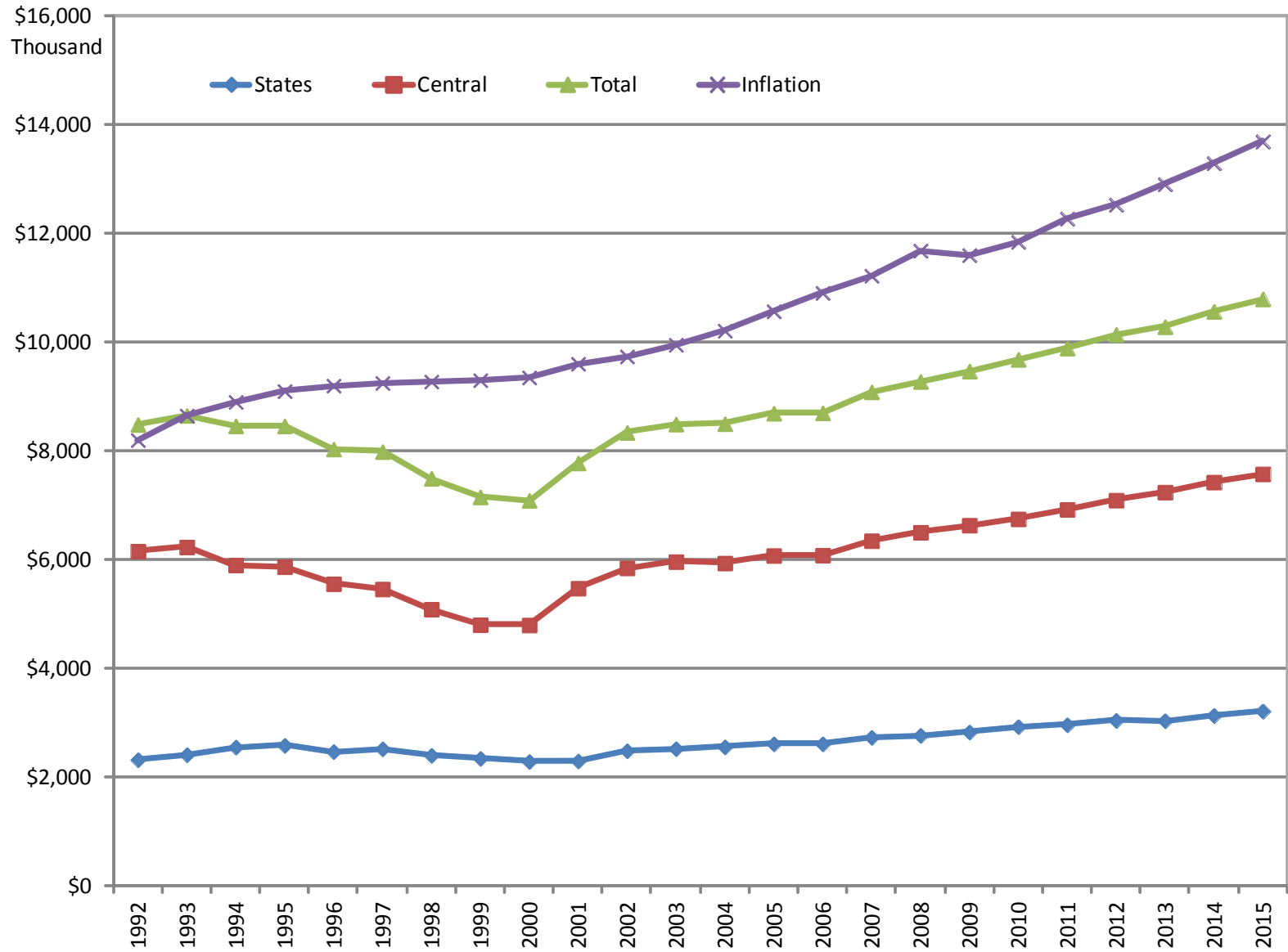
The Council's draft budget reflects the proposed budget for Fiscal Year 2015 and the recommended revisions to the Fiscal Year 2014 budget. In addition, the draft budget contains the out-year budget projection for fiscal years 2016 and 2017. The Council is committed to carrying out its current responsibilities and workloads within these projected funding levels.

A summary of the draft budgets for the last five budget years follows. These projections show budget growth of less than 12 percent over the five-year period, 2010 – 2015.

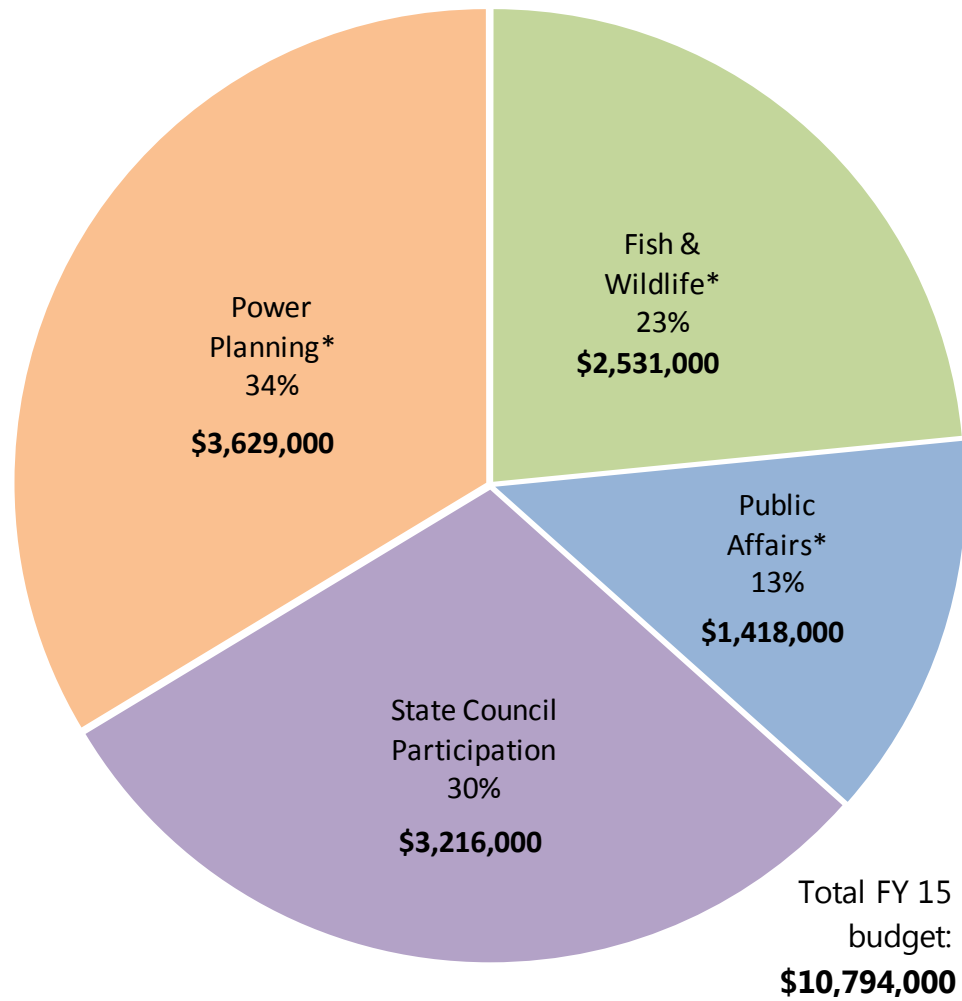
Fiscal Year 2010	\$9,683,000	
Fiscal Year 2011	\$9,891,000	(2.1%)
Fiscal Year 2012	\$10,114,000	(2.3%)
Fiscal Year 2013	\$10,283,000	(1.7%)
Fiscal Year 2014	\$10,565,000	(2.7%)
Fiscal Year 2015	\$10,794,000	(2.2%)

The Council showing, required by the Act, for Fiscal Year 2015 is contained in Appendix C.

Budget History by Function (Figure 1)



Budget by Function (Figure 2)



* Includes central office administration burden for executive management, as well as legal, fiscal and administrative services.

FISCAL YEAR 2014/FISCAL YEAR 2015 BUDGET STRATEGY

The Council is aware of the current economic challenges facing the four-state region, and the need to maintain healthy financial conditions for the Bonneville Power Administration. In an effort to be responsive, the Council in Fiscal Year 2014 and Fiscal Year 2015 will continue to adhere to the budget constraints initiated in 1998.

To accomplish this, the Council will:

1. Continue to identify efficiencies in operations and administration in order to limit inflationary increases to below 3 percent during fiscal years 2009-2015.
2. Reallocate staffing where possible to absorb new workload without increasing FTEs.
3. Re-prioritize resources as necessary to respond to new requests for technical analysis. Reschedule or postpone work anticipated during the budget-development process in order to respond to the most essential requests for studies and analyses.

FISCAL YEAR 2015 PROPOSED BUDGET REQUEST

Based on the major issues and levels of effort discussed on the preceding pages and described in more detail in other sections of this document, the Council has determined that the proposed budget expenditures are necessary and appropriate for the performance of its functions and responsibilities as authorized by the Northwest Power Act, Section 4(c)(10)(A). The Council further has determined that the 0.02 mill per kilowatt-hour limitation on

expenses will not permit the Council to carry out its functions and responsibilities under the Act, Section 4(c)(10)(A). (See Appendix C for a detailed description of the Council's showing under the Act.) The Council proposes that the projected budget in the amount of \$10,794,000 for Fiscal Year 2015, equal to 0.087 mills per kilowatt-hour for the estimate of forecasted firm power sales, be included in the Bonneville administrator's Fiscal Year 2015 budget submittal.

FISCAL YEAR 2014 PROPOSED BUDGET REVISIONS

The Council's Fiscal Year 2014 revised budget of \$10,565,000 includes a \$206,000 increase from the previously submitted Fiscal Year 2014 budget request of \$10,359,000. The Council's budget for Fiscal Year 2015 and Revised Fiscal Year 2014 is based on current-year expenditure levels plus adjustments for shifting workloads, certain program improvements, and cost-of-living adjustment factors as provided by the U.S. Department of Energy (Bonneville) and the Oregon Economic and Revenue Forecast. A number of cost-containment measures for personal services, travel, contracts, and services and supplies have been incorporated in the budget.

Budget/Expenditure Summary (Table 1)

(000s omitted)

	FY12	FY12	FY13	FY13	FY14	FY14	FY15	FY16	FY17	FY18	FY19
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
Expenditures:											
Personal Services*	\$5,432	\$5,091	\$5,411	\$5,325	\$5,507	\$5,629	\$5,829	\$5,977	\$6,127	\$6,249	\$6,374
Travel	223	228	237	247	248	\$253	261	270	274	280	284
Contracts	353	412	491	476	383	\$428	358	383	383	368	368
Other Operating Expenses	<u>1,088</u>	<u>1,109</u>	<u>1,104</u>	<u>1,166</u>	<u>1,107</u>	<u>\$1,118</u>	<u>1,130</u>	<u>1,159</u>	<u>1,165</u>	<u>1,208</u>	<u>1,208</u>
	\$7,096	\$6,840	\$7,243	\$7,214	\$7,245	\$7,428	\$7,578	\$7,789	\$7,949	\$8,105	\$8,234
SUBTOTAL	<u>3,046</u>	<u>2,796</u>	<u>3,040</u>	<u>3,033</u>	<u>3,114</u>	<u>3,137</u>	<u>3,216</u>	<u>3,305</u>	<u>3,389</u>	<u>3,463</u>	<u>3,547</u>
State Budgets											
	<u>\$10,142</u>	<u>\$9,636</u>	<u>\$10,283</u>	<u>\$10,247</u>	<u>\$10,359</u>	<u>\$10,565</u>	<u>\$10,794</u>	<u>\$11,094</u>	<u>\$11,338</u>	<u>\$11,568</u>	<u>\$11,781</u>
TOTAL											

* Authorized positions represent full staffing. Underutilization of authorized positions can occur during the fiscal year and result in an under-expenditure in the personal services budget. Also, costs associated with payroll taxes, insurance, and benefits can be different than budget projections because of staffing changes and inflationary effects. Some positions are filled on a part-time basis.

FY 2014 Revised Program Forecast (Table 2)

(000s omitted)

	Power Planning	Fish & Wildlife	Public Affairs	Legal	Admin	Total
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Compensation	\$1,326	\$913	\$498	\$265	\$827	\$3,829
Other Payroll Expenses	623	429	234	125	389	1,800
Travel	87	61	55	23	27	253
Contracts	225	165	0	8	30	428
Other Operating Expenses	86	8	108	18	898	1,118
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
SUBTOTAL	\$2,347	\$1,576	\$895	\$439	\$2,171	\$7,428
State Budgets:	<u>(000s)</u>					
Idaho	\$777					
Montana	768					
Oregon	766					
Washington	826					
	<hr/>					
SUBTOTAL	\$3,137					3,137
						<hr/>
TOTAL						\$10,565
						<hr/> <hr/>

FY 2015 Program Forecast (Table 3)

(000s omitted)

	<u>Power Planning</u>	<u>Fish & Wildlife</u>	<u>Public Affairs</u>	<u>Legal</u>	<u>Admin</u>	<u>Total</u>
Compensation	\$1,375	\$943	\$514	\$275	\$858	\$3,965
Other Payroll Expenses	\$646	\$443	\$242	\$129	\$403	\$1,864
Travel	\$92	\$61	\$55	\$24	\$29	\$261
Contracts	\$155	\$165	\$0	\$8	\$30	\$358
Other Operating Expenses	<u>\$83</u>	<u>\$28</u>	<u>\$108</u>	<u>\$8</u>	<u>\$903</u>	<u>\$1,130</u>
SUBTOTAL	\$2,351	\$1,640	\$919	\$444	\$2,223	\$7,578
State Budgets:	<u>(000s)</u>					
Idaho	\$804					
Montana	\$784					
Oregon	\$784					
Washington	<u>\$844</u>					
SUBTOTAL	\$3,216					<u>\$3,216</u>
TOTAL						<u>\$10,794</u>

C. INTRODUCTION

BACKGROUND

The Northwest Power and Conservation Council was authorized by Congress in 1980 through the Pacific Northwest Electric Power Planning and Conservation Act and held its first meeting on April 28, 1981. The Council is an interstate compact agency of Idaho, Montana, Oregon, and Washington, not an agency of the U.S. government. (Section 4 (a)(2)(A)). The four state legislatures created the Council in response to the Power Act.

The principal duties of the Council under the Northwest Power Act are to: 1) develop a regional power plan to assure the Northwest an adequate, efficient, economical and reliable power; 2) develop a fish and wildlife program to protect, mitigate, and enhance fish and wildlife affected by hydroelectric development in the Columbia River Basin and make annual funding recommendations to the Bonneville Power Administration for projects to implement the program; and 3) provide for broad public participation in these processes and inform the public about regional energy and fish and wildlife issues (Sections 2(1)(A) and (B), (3), (3)(A)). Bonneville, the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers, and the Federal Energy Regulatory Commission are the principal agencies charged with implementing the fish and wildlife program (Sections 4(h)(10), (11)(A)). Bonneville implements the Council's conservation and electric power plan (Sections 4(d)(2), 6(b)(1)).

Funding for the Council is provided by Bonneville, a self-financing federal agency, not by the Federal Treasury or by any state government in the region. The Northwest Power Act directs that expenses of the Council (subject to certain limits described in Appendix C of this report) shall be paid from funds available to the Bonneville administrator and shall be included in Bonneville's annual budget submitted to Congress pursuant to the Federal Columbia River Transmission System Act (Section 4(c)(10)(A) of the Power Act).

The goals of the Power Act – assuring an adequate, efficient, economical, and reliable power supply; encouraging conservation and renewable resources; and protecting, mitigating, and enhancing the fish and wildlife resources of the Columbia River Basin – are of vital importance to the social and economic welfare of the Northwest.

COUNCIL RESPONSIBILITIES

NORTHWEST CONSERVATION AND ELECTRIC POWER PLAN

The Power Act directs the Council to develop and periodically amend a plan to ensure the Pacific Northwest of an adequate, efficient, economical, and reliable electric power supply (Section 4(d)). The Council adopted the first version of its Northwest Power Plan in 1983 and amended the Plan in 1986, 1989, 1991, 1996, 1998, 2004 and 2010.

At the time Congress passed the Power Act, wholesale electricity sales were regulated. Since the mid-1990s, however, wholesale power has been sold competitively. While federal law changed the nature of electricity sales, the Power Act goals of assuring reliable and affordable electricity remain an important focus and responsibility of the Council's regional power planning. The Council continues its efforts to accomplish the goals of the Northwest Power Act in ways that are consistent with the changing electricity market.

The 2010 revision of the Power Plan, called the Sixth Northwest Power Plan, focused on maintaining the adequacy and reliability of the power system within the current market structure, recommending a future resource strategy that minimizes costs while ensuring appropriate levels of resource diversity and risk management, and balancing the interactions between fish and power. To reach these goals, the Council views its power planning responsibilities to include, in addition to preparing and periodically amending the Power Plan:

1. **Promoting Implementation of the Council's power plan.** Working with regional interests to devise ways of providing guidance in meeting the region's conservation and generating resource goals consistent with the power plan and tracking regional progress through staff analysis, the Regional Technical Forum and other advisory committees.
2. **Analyzing the Regional Electricity Market.** Providing information, evaluation, and analyses of evolving electricity issues. A new area of focus is on the evolving need to analyze the capacity and flexibility of the power system to

meet peak electricity needs and integrate variable generation resources.

3. **Analyzing the Power System.** Providing valuable, high-quality, and timely analyses of electricity issues and interactions between fish and the electric power system, including enhanced analytical models that more accurately capture the effects of changes in the configuration and operation of the power system, and energy system reliability.

The Council is currently focusing on implementation of the Sixth Power Plan which was adopted in April 2010, and on early stages of development for the Seventh Power Plan.

COLUMBIA RIVER BASIN FISH AND WILDLIFE PROGRAM

The Power Act (Section 4(h)) directs the Council to develop, adopt, and periodically amend a program to protect, mitigate, and enhance fish and wildlife affected by the development and operation of hydroelectric projects in the Columbia River Basin and also review Bonneville's progress in implementing the program (Sections 4(h and i)). In addition, the Council monitors the efforts of the Corps of Engineers, Bureau of Reclamation, and Federal Energy Regulatory Commission to take into consideration the fish and wildlife program in decision-making.

The Council adopted its first Columbia River Basin Fish and Wildlife Program in November 1982. The Council amended the Program in 1984, 1987, 1992, 1994/95, 2005, and most recently in February 2009. The Program incorporates a basinwide vision,

biological objectives, strategies, and a scientific framework in a unified plan for fish and wildlife recovery.

With the assistance of the Independent Scientific Review Panel, the Council also reviews and makes recommendations concerning projects proposed for funding by Bonneville to implement the Fish and Wildlife Program.

The 2000 revision included a multi-species approach for decisionmaking, and the 2003 mainstem amendments included a plan for the operation of the federal hydrosystem. An initiative to develop subbasin plans throughout the Columbia Basin began in 2003. Those 59 plans, adopted in 2004 and 2005, will help define the environmental and biological goals specific to fish and wildlife within the basin.

The 2009 revision incorporated several NOAA-Fisheries and U.S. Fish and Wildlife Service Biological Opinions as well as several Columbia Basin Fish Accords executed with certain Indian Tribes and states. The entire suite of Accords, Biological Opinions, subbasin plans, mainstem amendments and the basic elements of the Fish and Wildlife Program is intended to be implemented in an integrated, consistent manner throughout the Columbia River watershed.

In addition to preparing the Fish and Wildlife Program, the Council views its fish and wildlife planning responsibilities to include:

1. **Utilizing Best Available Scientific Information.** Through two panels of independent scientists, ensuring that the best available science is applied in the development of regional fish and wildlife recovery measures.

2. **Economic Analysis.** Through the Independent Economic Analysis Board, bringing more rigorous economic analysis to the development and evaluation of fish and wildlife measures.

PUBLIC INVOLVEMENT

The Power Act requires the Council to develop and maintain comprehensive programs to inform the public of major regional power and fish and wildlife issues, and obtain feedback from the public, Bonneville, Bonneville's customers, fish and wildlife agencies, Indian tribes, and others for consideration in its decision-making (Section 4(g)). The Council also is required to report to Congress annually on actions taken to implement the Power Act (Section 4(h)). In addition to these activities, the Council views its public involvement responsibilities to include:

1. **Encouraging Regional Cooperation.** Fostering regional cooperation and coordination on activities that support the goals of the Power Act.
2. **Educating the public about the Council's decision-making and involving the public in those processes.** The Public Affairs Division arranges public meetings and public hearings, arranges for transcription of these meetings when necessary to create a legal record of proceedings, distributes information about decision-making processes, receives comments from the public and distributes them to the Council members, staff, and the public, and performs other duties to ensure public participation in decision-making.

D. ORGANIZATION FUNCTIONS

COUNCIL ORGANIZATION

The governors of Idaho, Montana, Oregon, and Washington each appoint two members to the Northwest Power and Conservation Council. The eight-member Council sets policy and provides overall leadership for Council activities.

The Council's work is performed, depending on the tasks, by the Council's professional staff (including staff in a central office and in each state), consultants under contract, or by public agencies and Indian tribes under intergovernmental agreements. The Council's executive director is responsible for coordinating with the eight member Council, supervising the central office staff, administering the contracts, and overseeing the day-to-day operations of the Council. The Council approves major contracts and the overall work plan.

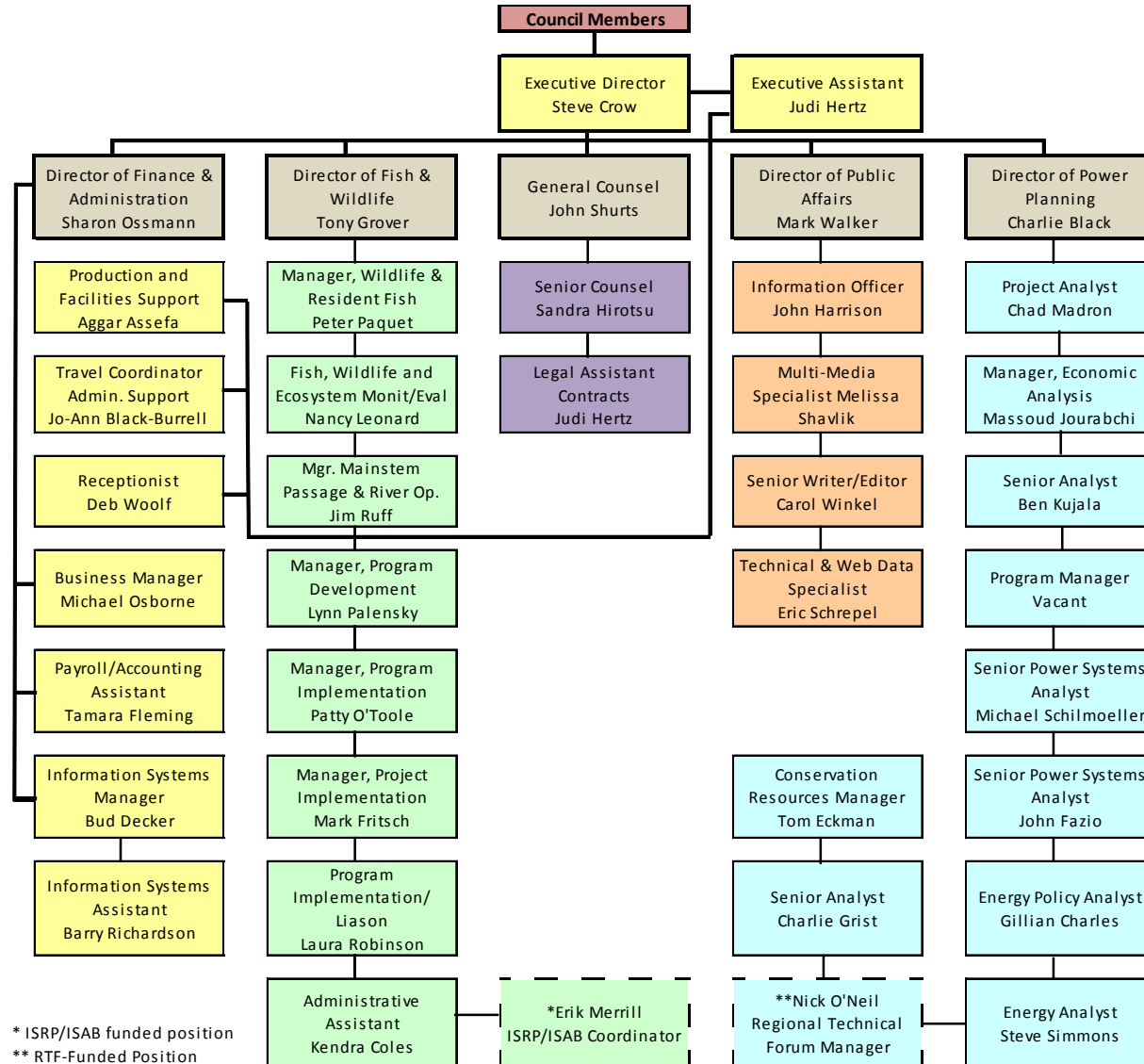
STATE OFFICE ORGANIZATION

Professional staff in each state provide technical review and assistance to Council members in evaluating matters before the Council. State staff also participate in designing and developing public involvement programs that focus on the implementation of the Power Plan and Fish and Wildlife Program in their particular states. This support is provided through existing state agencies or by individuals directly under Council member direction.

CENTRAL OFFICE ORGANIZATION

The central staff, under the leadership of the executive director, has been organized into five divisions: Power; Fish and Wildlife; Public Affairs; Legal; and Administrative.

Divisional Organization Chart (Figure 3)



E. POWER DIVISION

The efforts of the Power Division in Fiscal Year 2013 and Fiscal Year 2014 will include promoting and implementing the Council's Sixth Power Plan, as well as initial activities to develop the Seventh Power Plan.

Each Council Power Plan determines a resource strategy for the Pacific Northwest to ensure an adequate, reliable, and economical power system. The strategy seeks to minimize the expected cost of the region's electricity supply while addressing the risks posed by future uncertainties such as economic activity, growth in demand for electricity, fuel prices, and environmental policies.

IMPLEMENTATION OF THE COUNCIL'S SIXTH POWER PLAN

The Sixth Power Plan identifies improved efficiency in the use of electricity as the region's predominant new resource choice. Efficiency is far cheaper than any other alternative, and it provides protection against risks of fuel price volatility and policies to mitigate climate change. The Sixth Power Plan finds that 85 percent of the region's long-term growth in energy needs can be met with cost-effective efficiency improvements.

The Sixth Power Plan assumes that renewable generating resources consisting mainly of wind power will be developed to meet existing renewable energy standards, including renewable portfolio standards enacted by three Northwest states. The plan

also finds that meeting remaining needs for new resources should be based on natural gas-fired generating technologies.

Implementing the Sixth Power Plan will enable the region's electricity sector to reduce its emissions of carbon dioxide. There are two keys to achieving these reductions: achieving the plan's efficiency improvements and reduced regional reliance on coal-fired generation. While coal provides only 20 percent of the region's electricity, it is the source of over 85 percent of the regional power system's carbon dioxide emissions.

In early 2010, Portland General Electric announced its intent to close by 2020 the Boardman coal plant, a 600 megawatt coal plant located in Morrow County, Oregon. Then in 2011, TransAlta announced its intent to close one 670 megawatt unit at its Centralia Coal Plant located in Lewis County, Oregon in 2020, and to close the other 670 megawatt unit in 2025. These closures would help achieve further reductions in carbon dioxide emissions from the region's electric utility sector.

The Sixth Power Plan also addresses the challenges of integrating growing amounts of variable wind power into the power system, upgrading and expanding the transmission system, developing new sources of renewable generation, and promoting new technologies for generation, efficiency, and operation of the power grid.

The Council is working with Bonneville, utilities, state regulators, and others in the following areas:

- Develop improved efficiency resources. Developing conservation in a sustained manner will reduce long-run cost and risk for the power system and yield environmental benefits.
- Explore and demonstrate the potential of smart-grid technologies to improve power system reliability and efficiency. Such technologies have the potential to facilitate customer efficiency investments and demand response.
- Evaluate demand response resources. Demand response is the ability to voluntarily reduce loads in response to high prices or tight supplies. The Plan identifies the potential value of demand response for meeting peak demand requirements and helping integrate variable output wind generation.
- Take necessary steps to implement generating resources when needed including:
 - Resolve uncertainties regarding the ability to site large wind-power developments in the region and the cost of integrating large amounts of wind generation into the power system.
 - Develop generating resources to meet capacity needs and provide the flexibility reserves necessary to successfully integrate growing variable generation sources. This may require near-term investments in generation resources to provide reliable electricity supplies in specific utility balancing areas.
 - Assess regional resource adequacy by refining and applying the resource adequacy standards the Council adopted in 2008.
 - Encourage load-serving entities to use effective resource planning methods that incorporate consideration of risk.
 - Encourage the development of institutions and mechanisms for effective planning, expansion, operation, and management of the region's transmission system.
 - Encourage the identification and development of cost-effective local renewable generation potential.
 - Continue efforts to encourage consideration of cost-effectiveness in fish and wildlife planning and better integrate fish and wildlife mitigation and power planning.
 - Monitor and evaluate the state of the science and policy of climate change and adjust resource planning accordingly.

MID-TERM ASSESSMENT

In March 2013, the Council adopted its Mid-Term Assessment of the Sixth Power Plan. The assessment reached the following key conclusions:

1. The region is making good progress implementing the Sixth Power Plan, and the region is well positioned to meet the plan's five-year goal of 1,200 average

megawatts of energy efficiency for 2010-2014. Actual costs for energy efficiency acquisitions have remained well below the cost of other types of new resources.

2. Development of renewable resources, mainly wind power, has continued, including for export out of the region, although changes in California's renewable policies may slow its pace. Efforts to mitigate oversupply events are proceeding.
3. Actual market and electric industry conditions during the first three years of the plan's implementation period have differed from expected-case assumptions: slower than anticipated economic and electricity demand growth and low market prices for natural gas and wholesale power, for example.
4. Soft economic conditions during the last several years have limited new construction and spending on consumer durables. Meanwhile, new federal standards and state codes are expected to capture more energy efficiencies in the future. These changes are reducing the amount of lost-opportunity resource potential that can come from utility programs. In order to increase availability and reduce costs for programmatic lost-opportunity measures, continued focus on emerging technologies will be important.
5. Conditions vary across the region and from utility to utility. Some have growing loads, others are flat or have lost large customers. Some have surplus resources and others face deficits. These differences affect utilities' incentives to acquire resources, including energy efficiency.
6. The Northwest power system has the lowest greenhouse gas emissions intensity of any region in the country. Recent announcements that the Boardman and Centralia coal plants will be closed indicate that the region's GHG emissions will become even lower.
7. An updated analysis shows that with existing resources and projected energy efficiency, the region's adequacy will fall short of the desired level by 2017. While new resources are expected to close this gap, the Council will continue to monitor regional resource adequacy.
8. The character of the region's power system is changing. Historically, needs for new resources were driven mostly by energy deficits. Today, however, needs for peaking capacity and system flexibility are also emerging, expanding the focus of the region's planning and development of new resources to address peaking capacity and system flexibility.
9. Updated information is needed about the patterns of consumer uses of electricity and how they affect power system needs for energy, peaking capacity, and system flexibility. Information is also needed about how different types of energy efficiency measures could help meet these needs.
10. Spot market prices for wholesale power continue to be quite low, due to increasing penetration of renewable resources with low variable operating costs and low natural gas prices, and do not provide an accurate representation of the avoided cost of new resources.
11. Regional power supply planning matters are becoming increasingly linked with electric transmission and natural gas matters, requiring greater coordination.

SEVENTH NORTHWEST POWER PLAN

The Council has begun work in preparation for development of its Seventh Northwest Power Plan. Initial preparation includes identifying key topics to be addressed, and creating of a work plan and schedule for plan development.

The Mid-Term Assessment identified the following topics as candidates for consideration in the Seventh Power Plan:

1. Making the power plan useful for all regional utilities, including utilities that face differing circumstances
2. Regional needs for energy, peaking capacity, and system flexibility; strategies to help meet those needs
3. Avoided cost benchmarks to evaluate new resources
4. Energy efficiency – how can different types of measures help meet needs for energy, peaking capacity and system flexibility
5. Changing paradigm for energy efficiency; its impact on assessing cost-effectiveness
6. Renewable resources development and integration; impacts on the regional hydro system
7. Customer demand response, including its potential as a source of peaking capacity and system flexibility
8. Distributed generation
9. Greenhouse gas – regional emissions outlook, regulatory and social costs

10. Incorporating intra-regional transmission constraints in regional power system planning
11. Growth in use of natural gas for electric generation; intersection of planning for the regional power and gas systems
12. Inter-regional power system and market linkages, including Northwest and California

The schedule for the Seventh Power plan has not been determined. However, it is currently anticipated that the draft plan will be issued for public comment near the end of the first quarter of calendar 2015, with plan adoption late in the third quarter of 2015.

PARTICIPATION IN REGIONAL AND WESTERN ENERGY POLICY DEVELOPMENT FORUMS

- The Northwest is increasingly part of a West-wide power system. Actions elsewhere in that system can have profound implications for the Northwest. This has necessitated dedicating increasing amounts of staff time to activities like Columbia Grid, Northern Tier Transmission Group, the Western Electricity Coordinating Council (WECC) and many of its committees and, the Committee on Regional Electric Power Cooperation (CREPC). Division staff will continue to be involved in these activities in the coming years to the extent our resources can support it.

- In addition, the Power Division will continue its involvement with the activities of the Bonneville Power Administration to carry out its responsibilities in power supply. The thrust of those changes is to:
 - provide power beyond the capability of the existing system only to those who request it and who agree to bear the costs of the additional resources acquired through tiered rates or a similar mechanism; and
 - continue to facilitate cost-effective conservation and renewables development.
- The Council formed the Northwest Resource Adequacy Forum to develop resource adequacy standards and measures. The adopted standards will continue to be refined and implemented over the next two years.
- The Council will manage the new Northwest Wind Integration Forum to complete the activities recommended in the Wind Integration Action Plan.
- The Council will also manage a regional process to advance the development of demand response resources, The Pacific Northwest Demand Response Program.
- Council staff will participate in utility integrated-resource planning processes by providing data and advice.
- The staff will continue to manage the Regional Technical Forum and actively work with conservation organizations

such as the Northwest Energy Efficiency Alliance and the Oregon Energy Trust.

PROVIDE INFORMATION AND ANALYTICAL SUPPORT TO THE REGION, INCLUDING:

- Support efforts to develop cost-effective energy efficiency initiatives and renewable resources, through the Regional Technical Forum (RTF), activities related to Bonneville's conservation programs and conservation planning and acquisition of the Northwest Energy Efficiency Alliance (NEEA), Energy Trust of Oregon, and individual utilities throughout the region.
- Sponsor and convene the RTF. The RTF has become the primary regional source of technical information on cost-effective efficiency measures and the verification of their savings. In response to recommendations from the Northwest Energy Efficiency Taskforce, the RTF upgraded its management and operations with assistance from a new policy advisory committee created by the Council to place its funding and operation on a more stable and predictable basis.
- Support the activities of the Independent Economic Analysis Board.
- Provide analysis of the effects of fish recovery initiatives on the power system, and of power system operations on fish and wildlife.

- Periodically evaluate future power supply adequacy.
- Provide analyses to promote understanding of the carbon footprint of the Northwest power system and to inform implementation of regional carbon-reduction goals.
- Provide information and data on the regional energy system in response to requests.
- Provide specialized energy analyses to support other regional organizations.

MAINTAIN AND ENHANCE THE COUNCIL'S PLANNING AND ANALYTICAL CAPABILITY:

- The Council staff must devote substantial time and resources to maintain and enhance its modeling and analysis capabilities. During Fiscal Year 2013 and Fiscal Year 2014, this will include:
 - Maintain and enhance data bases for all areas of planning including loads, resources, prices, and technologies.
 - Refine and apply the new demand forecasting capability
 - Refine the Regional Portfolio Model, the Council's integrated resource planning and risk analysis model.
 - Enhance the GENESYS model of hydroelectric and other generating resources.

- Further develop analytical capabilities for the Western power and transmission grid.
- Staying abreast of emerging efficiency and generating technologies and their costs.
- Improving the ability to assess electricity capacity.
- Exploring methods to assess and measure existing flexibility reserves and to predict how the needs for these could change over time.

These activities will form the core of the Power Division's activities over the next two years. The work plan and staffing of the Power Division reflect the following functions:

1. **Power System Analysis and Generating Resources (Contracts \$95,000)**

- Carry out system analyses of power issues.** Assess and inform the region regarding adequacy of the power supply, implications for power system reliability, and alternatives for maintaining an adequate and reliable power supply. Evaluate resource strategies and perform issue-specific analyses (contract support is required to maintain the Council's license to the AURORA™ price forecasting model and assistance in the staff's own modeling efforts).
- Maintain data on existing and potential generating resources.** The Council has become a source for reliable data on both existing and potential new generating resources. Division staff will continue to research new

technologies and their costs and maintain publicly available databases containing this information.

- C. **Maintain and enhance the GENESYS Model for evaluation of the Northwest power system.** This model is widely used for understanding the operations of the hydroelectric system in the context of other generating resources. It is also the primary tool for assessing the adequacy of the regional power system and for estimating the effects of operational constraints for fish and wildlife on the capability of the power system.
- D. **Analyze the carbon emission of the Northwest power system and the broader Western power system.**
- E. **Carry out analyses of the effects of fish and wildlife initiatives on the power system.** The Council provides the states and the people of the Northwest the capability to independently analyze and evaluate the interactions between the power system and fish and wildlife. Division staff will continue to provide this analytical capability and, in particular, will perform analyses in support of the Council's amendment of its Fish and Wildlife Program.

2. **Energy Efficiency (Contracts \$45,000)**

- A. **Support the Regional Technical Forum to identify cost-effective efficiency actions and to document their savings through utilities' and others' actions.** The Regional Technical Forum will be updating information in its conservation database and website, and will be monitoring, evaluating, and documenting

utility conservation savings. The Division provides management and guidance for the Regional Technical Forum.

- B. **Research and maintain data on energy efficiency technologies and their costs.** The Council is a key source of this information. The Council's information is widely used in utility integrated resource plans and in other forums addressing conservation opportunities and policies.
 - C. **Work with Bonneville, regional utilities, regulators, and legislators to help achieve the efficiency targets in the Council's Power Plan.** The conservation staff participates actively in many regional forums where decisions affecting conservation are made, providing data, advice, and analysis.
- ## 3. **Economic Assessment and Forecasting of Electricity Demand (Contracts \$15,000)**
- A. **Maintain information and data bases on the regional economy, fuel and electricity prices, and electricity demand.**
 - B. **Provide analysis in support of conservation and demand response resource potentials and consumer response.**
 - C. **Continue to support the efforts of the Independent Economic Analysis Board.**

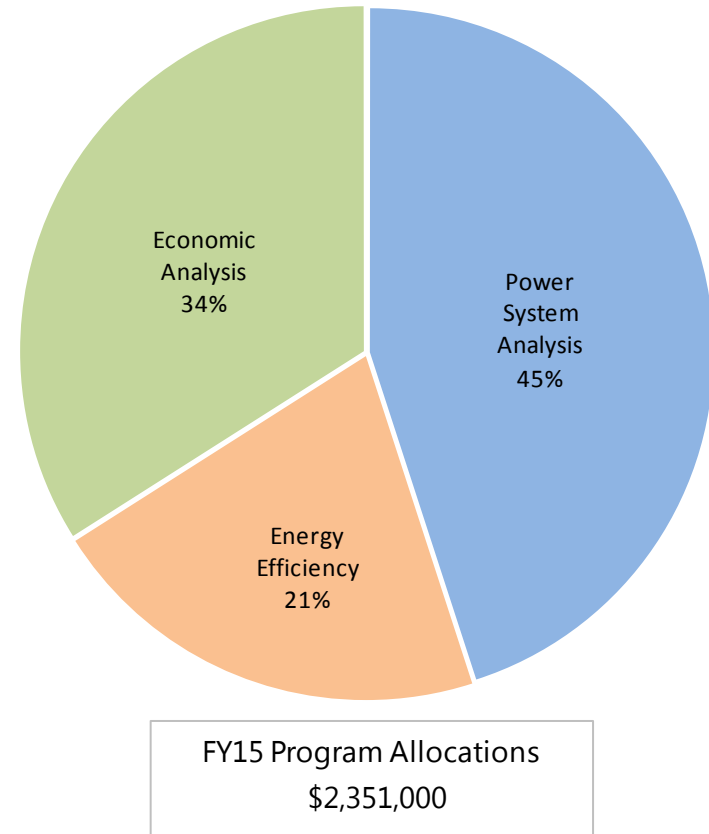
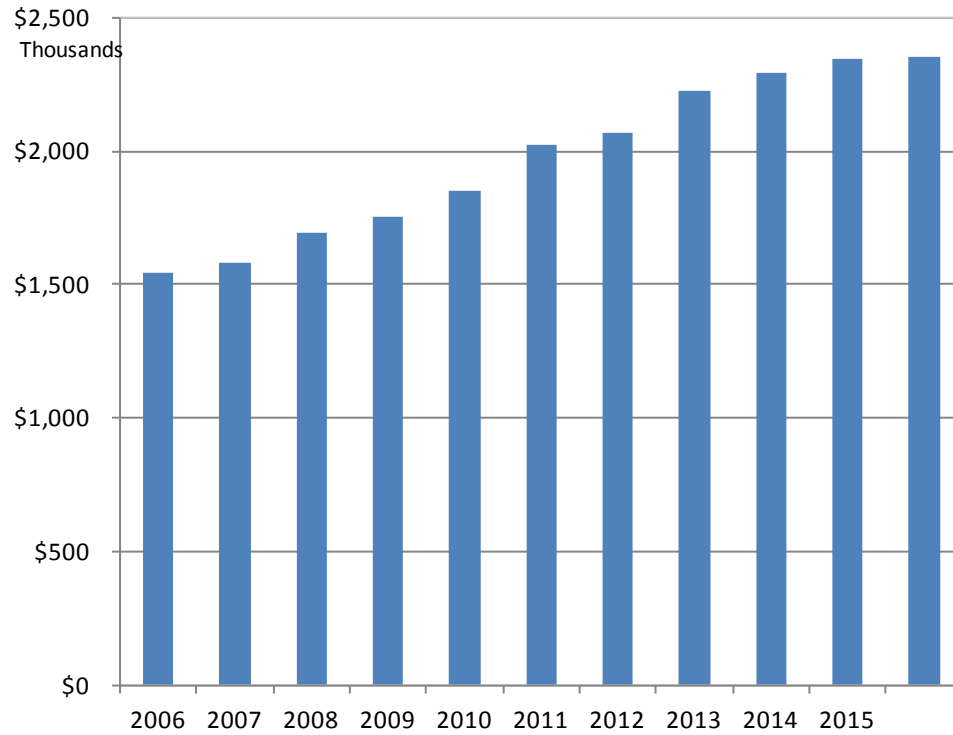
TRAVEL

In Fiscal Year 2013 and Fiscal Year 2014 travel costs for Power Division staff will increase in anticipation of more Council meetings outside of Portland. Efforts to increase the use of web-based meeting will make the increase smaller.

STAFFING

In 2013, recruiting will take place to fill one senior staff vacancy. In addition, the division will add one FTE to assist with the Regional Portfolio Model (RPM), as recommended by the RPM Review Panel, and recruiting for that position is expected to be complete in 2013.

Budget History (Figure 4)



Expenditures by Category (Table 4)

(000s omitted)

	FY12 Actual	FY13 Budget	FY13 Estimate	FY14 Budget	FY14 Revised	FY15 Budget
Compensation	\$1,128	\$1,292	\$1,215	\$1,272	\$1,326	\$1,375
Taxes, Insurance & Benefits	496	581	581	572	623	646
SUBTOTAL	\$1,624	\$1,873	\$1,796	\$1,844	\$1,949	\$2,021
 TRAVEL						
Staff	\$66	\$80	\$80	\$82	\$85	\$90
Advisory Committees	1	2	2	2	2	2
SUBTOTAL	67	82	82	84	87	92
 CONTRACTS						
(See detail Table 5)	214	263	263	180	225	155
 OTHER OPERATING EXPENSES						
(See detail Table 5)	105	76	98	76	86	83
 TOTAL	<u><u>\$2,010</u></u>	<u><u>\$2,294</u></u>	<u><u>\$2,239</u></u>	<u><u>\$2,184</u></u>	<u><u>\$2,347</u></u>	<u><u>\$2,351</u></u>

Supplemental Expenditures (Table 5)
(000s omitted)

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Estimate</u>	FY14 <u>Budget</u>	FY14 <u>Revised</u>	FY15 <u>Budget</u>
I. CONTRACTS						
A. Power System Analysis	\$92	\$45	\$115	\$45	\$95	\$95
B. Energy Efficiency	81	88	88	45	45	45
C. Economic Assessment & Forecasting	16	60	60	60	25	15
D. Transitional Staffing Support	0	0	0	0	60	0
E. Hydro Data Analysis	25	70	0	30	0	0
TOTAL	<u>\$214</u>	<u>\$263</u>	<u>\$263</u>	<u>\$180</u>	<u>\$225</u>	<u>\$155</u>
II. OTHER OPERATING EXPENSES						
A. Data Subscription Service	\$31	\$38	\$38	\$38	\$38	\$38
B. Staff Development and Training	7	3	25	3	13	10
C. Advisory Committee Meetings Expense	1	1	1	1	1	1
D. Services and Supplies	14	9	9	9	9	9
E. Temp Services	27	0	0	0	0	0
F. Modeling Service	25	25	25	25	25	25
G. Power Plan - Printing	0	0	0	0	0	0
TOTAL	<u>\$105</u>	<u>\$76</u>	<u>\$98</u>	<u>\$76</u>	<u>\$86</u>	<u>\$83</u>

F. FISH AND WILDLIFE DIVISION

The Council's continuing role in protecting, mitigating and enhancing fish and wildlife affected by hydropower dams of the Columbia River Basin is reflected in the budget proposed for the Fish and Wildlife Division for 2012-2013. The primary Fish and Wildlife Division activities for Fiscal Years 2012 and 2013 include:

1. **Plan, prepare, and develop tools to support the Fish and Wildlife Program amendment process.** The next amendment process will begin in earnest in early 2013. Substantive changes have occurred since the last amendment in partner organizations, regional agreements and digital information collection, management and sharing tools. Staff worked with regional partners and Bonneville staff to move to a completely web-enabled process to gather recommendations, involve and incorporate the independent science board and panel suggestions, seek involvement from co-managers and others, resulting in a highly transparent outcome. Prior to the next Program amendment all projects funded through the program will have been fully reviewed both categorically and geographically, and will have Council recommendations.
2. **Initiate the process to amend the Council's Fish and Wildlife Program,** including a formal recommendation submittal period, releasing those recommendations for public comment, drafting an updated fish and wildlife program, responding to requests for consultations, briefing, meetings, holding formal public meetings throughout the region, working with Council members individually and at

Council meetings and others to create a draft, and finalizing that draft for consideration and adoption by the Council.

3. **Conduct independent scientific and staff reviews** by category and geographical location of all projects funded by Bonneville through the Fish and Wildlife Program.
4. **Continue implementing the 2009 Fish and Wildlife Program, including subbasin plans.** The Council adopted the current Fish and Wildlife Program in February 2009. The Program establishes an overall framework for the fish and wildlife mitigation effort, organizing the Columbia River Basin into provinces and, within each province, subbasins. The Program establishes a basinwide vision, biological objectives, and strategies. The revised Program incorporates several NOAA-Fisheries and U.S. Fish and Wildlife Service Biological Opinions as well as several Columbia Basin Fish Accords executed with certain Indian Tribes and states. This work will require staff support for coordination with other funding and implementation processes and the continued integration of scientific review, monitoring integration, and implementation assistance (**Contracts \$65,000**).
5. **Begin preparation to update subbasin plans and associated limiting factors, objectives and actions.** This will initially be a staff led process to convert all important subbasin plan related information to an on-line format to support the activity described in 3, above. A few example

subbasins will be brought up to date by staff, who will work in collaboration with co-managers and others.

6. **Work with regional partners, Bonneville and others to complete the evaluation of the Program effectiveness and cost effectiveness of all fish tagging projects funded by Bonneville.** The Fish Tagging Forum was chartered by the Council in 2011 and will complete its work in 2013. The Forum has identified 19 management questions and 117 indicators that are informed by the results of fish tagging. The recommendations of the Fish Tagging Forum have been compiled, along with explanations and background information from subject matter experts for consideration by the Council. The Council will then work with Bonneville and relevant entities to recommend efficiencies and possible cost savings among all fish tagging efforts.
7. **Consider standards for maintaining both integrated and segregated hatchery programs,** and standards for the proportion of wild fish returning to spawn that are necessary to maintain the genetic integrity of local populations, based on the recommendations of the Hatchery Scientific Review Group, which were delivered in early 2009. The Council will consider, among other things, the U.S. v. Oregon Management Plan, the Pacific Salmon Treaty, tribal trust and treaty rights and recovery plans in deciding whether to incorporate HSRG recommendations into the Program.
8. **In consultation with fish and wildlife managers, Bonneville, and other interested parties, the Council will complete follow-up synthesis strategy development work resulting from the research monitoring, evaluation**

category review in the areas of: the ocean, estuary, lamprey, white sturgeon and regional habitat monitoring . These synthesis strategies will result collaborative efforts for each topic area involving project sponsors and other critical partners. The result is expected to be a greater level of information sharing, cooperation and planning of future activities involving all projects of a similar nature within the Columbia River basin.

9. **Monitoring, Evaluation, Research and Reporting** - The Council has involved a wide range of parties in the region to develop a draft Monitoring, Evaluation, Research and Reporting (MERR) strategy. After the MERR is completed, the Council will oversee and periodically adjust guidelines for monitoring and evaluation efforts coordinated through the Program. This involvement will occur with representatives from the Council, Bonneville, federal and state fish and wildlife agencies, Tribes, the Army Corps of Engineers, the Bureau of Reclamation and others as necessary. More specifically:
 - The methods and protocols used in data collection and evaluation must be consistent with guidelines approved by the Council. Periodically, the Council will adopt or update relevant monitoring and evaluation methods and protocols.
 - The Council, in collaboration with the parties listed above, will identify research priorities to resolve critical ecosystem or biological uncertainties and will update its research plan, which identifies major research topics and establishes priorities for research funding.

- The Council, with the assistance of fish and wildlife managers and others, will adopt and periodically update high-level indicators (HLIs) for the purpose of reporting success and accomplishments to Congress, the region's governors, legislators and citizens of the Northwest. The first tier of these HLIs have been adopted and a prototype HLI report will be released for public comment.
 - The Council, with assistance from the parties listed above, will adopt and periodically update a set of reporting metrics and protocols for tracking the accomplishments of individual and multiple projects.
 - The Council, with assistance from the parties listed above, will also develop and adopt protocols to monitor status and trends of fish populations and to assess environmental conditions.
10. **Work cooperatively with Bonneville and the federal operating agencies to produce an annual report that will provide an accounting of fish and wildlife expenditures and hydropower operation costs.** The Council will also continue collaboration with all interested parties in the region and will report annually on how well projects implemented through the Program are being adapted to focus on high-priority limiting factors and focal species in priority areas. The annual report will include a discussion of any data gaps, redundancies, and recommended changes to achieve greater efficiencies.
11. **Identify regional data needs.** Through reports and analyses developed within the Council's Program, a data management and coordination category review and in

collaboration with others in the Columbia River Basin, the Council will continue to work to modernize and streamline data management in a way that helps answer priority management questions, is useful for making Program related decisions and supports adaptive management.

12. **Facilitate the review of the performance of the Fish Passage Center (FPC).** The FPC oversight board has conducted an annual review of the performance of the Fish Passage Center and has developed a goal-oriented implementation plan to assure regional accountability and compatibility with the regional data management system, as well as Program consistency. The oversight board has worked with the Center and the ISAB to organize a regular system of independent and timely science review of analytical products. The Oversight Board determined the requirements for peer review of analytical products before dissemination to an audience broader than the manager(s) requesting the analysis.
13. **Oversee, with the assistance of the ISRP, a categorical and geographic review process to review projects proposed for funding by Bonneville.** The ISRP reviews proposed projects and make recommendations to the Council as to whether these proposals are based on sound scientific principles, benefit fish and wildlife, have a clearly defined objective and outcome with provisions for monitoring and evaluation of results, and are consistent with the priorities in the Program. The ISRP also reviews the results of prior-year expenditures. The Council must allow for public review and comment on the ISRP's recommendations. The Council then makes final

recommendations to Bonneville on projects to be funded. In doing so, the Council is required to fully consider the ISRP's recommendations, explain in writing its reasons for not accepting ISRP recommendations, consider the impact of ocean conditions on fish and wildlife populations, and determine whether the projects employ cost-effective measures to achieve Program objectives.

- All wildlife category projects have been reviewed.
- All research, monitoring and evaluation, artificial production and some other system-wide projects have been reviewed.
- All Resident fish, data management and coordination projects have been reviewed.
- Habitat projects, organized geographically, are being reviewed in 2012 and 2013, and will be inclusive of all previous category review information.

14. **Continue to utilize the Step Review process.** As one element of project review, the Council developed a Step Review process for review of major investments, including new artificial production programs. Step Review allows for review of scientific soundness, possible fish or wildlife benefits, environmental impacts, and design and fiscal considerations at appropriate stages in project development.
15. **Conduct a review of U.S. Army Corps of Engineers capital construction program.** This Council and ISRP review, an addition to the Council's review of projects directly funded by Bonneville, was mandated by Congress in 1997 and made

a responsibility of the Council and the Independent Scientific Review Panel. It requires a review of the major U.S. Army Corps of Engineers' capital expenditures in the Columbia River Basin, which collectively have a multi-million dollar annual budget, preparation of Council recommendations, and reports to Congress.

16. **Participate, as available, on the NOAA Fisheries/National Marine Fisheries Service Regional Forum Implementation Team, System Configuration Team, and the in-season Technical Management Team.** These entities advise the federal operating agencies on dam and reservoir operations during the April-through-August fish migration season to optimize passage conditions for juvenile and adult salmon.
17. **Gather biological and program related objectives.** Staff worked with the fish and wildlife agencies, tribes, and others to complete a process specifically aimed at gathering objectives in relevant documents and processes, and has compiled and summarized those objectives into a condensed, consistent package for Council and regional consideration and discussion. If useful, the Council may consider adopting all or part of the condensed objectives into the next amended program.
18. **Performance metrics.** Consider metrics that are consistent with the biological opinions and productivity metrics that measure adult fish returns relative to juvenile outmigration (i.e. fish in/fish out). The metrics selected should minimize the risk to wild fish from tagging and handling. The Council will then consider adopting revised quantitative objectives in a future amendment process.

19. **Assess resident fish losses.** As they are completed by co-managers, consider the assessments of resident fish losses resulting from the development and operation of the hydrosystem, when and where there is agreement on the appropriate methodology and prioritization of an assessment. When available, the Council will consider adopting the loss assessments into the Program.
20. **Emerging issues.** Continued work on specific measures to deal with emerging issues such as non-native species, predation, ecological interactions, climate change, and toxics that are addressed in the Mainstem Plan and in many of the subbasin plans.
21. **Research Plan.** Staff developed an updated draft fish and wildlife research plan in collaboration with the Independent Scientific Advisory Board. The research plan is available for consideration by entities considering recommendations to amend the fish and wildlife program and will be modified after the amendment process is completed to identify, prioritize and generally guide the scientific research conducted within the Program to respond to priority issues within a meaningful timeframe.
22. **Science and policy Predation workshop.** Staff organized a Predation science and policy workshop, to consider how to address predation of salmon and steelhead within an ecosystem function perspective.
23. **Dam operations.** Recommend to the federal operating and fish and wildlife agencies, if required, operations that differ from those in the Biological Opinions if the Council concludes the different operations provide the same or greater benefits to listed fish and wildlife than current operations at a lower cost.
24. **Experiments.** If required for decision making, design experiments and ensure that they are implemented. In some cases this may require the Council to work with fish and wildlife agencies and tribes to establish project teams that can develop and oversee appropriate tests while assuring opportunities for public input.
25. **Implementation coordination.** The Council will pursue opportunities to implement the Program in coordination with other federal, state, tribal, Canadian, and volunteer fish and wildlife restoration programs. The Council also will continue to work with national programs that influence our work in the basin, such as the Clean Water Act, and the Endangered Species Act. A significant step forward is being developed now in collaboration with regional partners through development of strategic plans for each category of work under the program.
26. **Monitor trends that are relevant to the Program.** Coordinate with organizations that track and monitor data on non-native species distribution, predation, the food web, climate change, and human population change at the Northwest regional scale. There are also ongoing efforts to monitor trends in Northwest habitat quality, ocean conditions, and fish and wildlife that the Council will continue to track and participate in as described in the Monitoring, Evaluation, Research, and Reporting section of the Program. Continued coordination with these larger efforts is important, as their products and reports can

directly influence our work in the basin and help to guide decision-making.

27. **Federal Energy Regulatory Commission proceedings.** The Council will monitor the Federal Energy Regulatory Commission licensing and relicensing proceedings and comment or intervene where appropriate.

28. **Provide analysis of fish and wildlife impacts resulting from power system operations.** Council staff continue to provide basic analysis of the potential fish and wildlife impacts under various operating scenarios for the Columbia River power system and to provide recommendations for minimizing those impacts. In fiscal years 2010 and 2011 the staff will continue to provide analysis of new operational proposals and to present evaluations of experimental operations to the Council and the region.

29. **Independent Economic Analysis Board (IEAB) (Contracts \$100,000).** The Council established the IEAB to assist in evaluating economic impacts of current and proposed Program measures. The IEAB is working on a major effort to evaluate the cost effectiveness of fish tagging in the fish and wildlife program through modeling and conversations with subject matter experts from the Fish Tagging Forum. The IEAB is also working on an update the previous IEAB report on economic considerations that may arise if Quagga mussels become established in the Columbia River Basin.

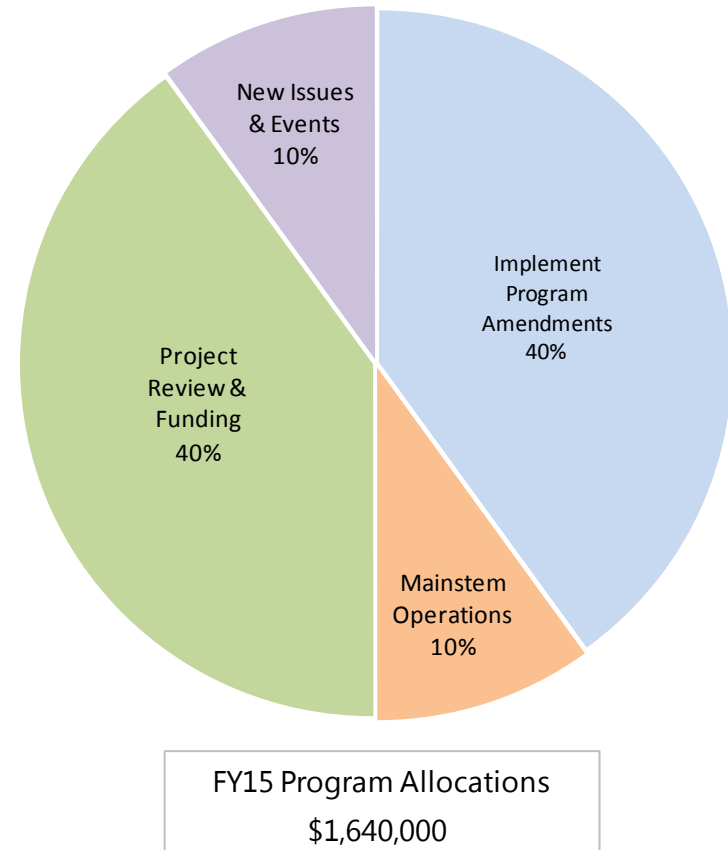
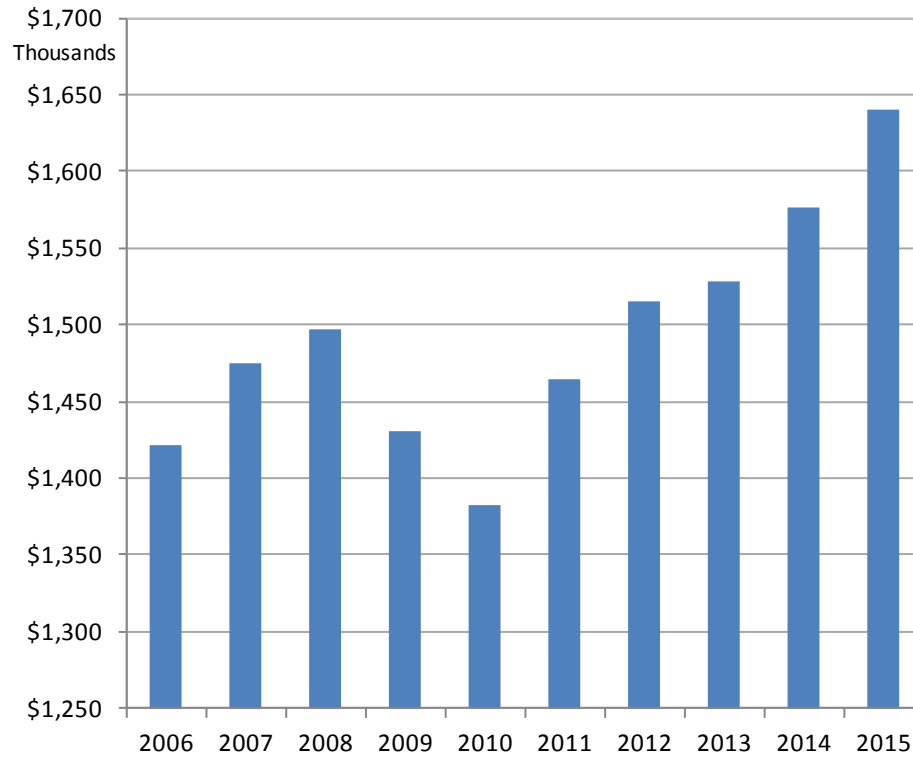
The IEAB is a panel of five economists whose expertise improves the cost-effectiveness of fish and wildlife recovery policies. The IEAB charter has been expanded by the Council. The panel now also provides economic advice and

analysis of other fish, wildlife and energy issues at the Council's request. Staff is assisting with gathering and synthesizing information and coordination between the IEAB and the Council.

STAFFING

No changes in staffing.

Budget History (Figure 5)



Expenditures by Category (Table 6)

(000s omitted)

	FY12 Actual	FY13 Budget	FY13 Estimate	FY14 Budget	FY14 Revised	FY15 Budget
Compensation	\$865	\$894	\$889	\$923	\$913	\$943
Taxes, Insurance & Benefits	393	402	402	415	429	443
SUBTOTAL	\$1,258	\$1,296	\$1,291	\$1,338	\$1,342	\$1,386
TRAVEL						
Staff	\$67	\$55	\$55	\$57	\$57	\$57
Advisory Committees	0	4	4	4	4	4
SUBTOTAL	67	59	59	61	61	61
CONTRACTS (See detail Table 7)	156	165	165	165	165	165
OTHER OPERATING EXPENSES (See detail Table 7)	38	8	8	8	8	28
SUBTOTAL	\$1,519	\$1,528	\$1,523	\$1,572	\$1,576	\$1,640

Supplemental Expenditures (Table 7)

(000s omitted)

	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Budget</u>	<u>FY13</u> <u>Estimate</u>	<u>FY14</u> <u>Budget</u>	<u>FY14</u> <u>Revised</u>	<u>FY15</u> <u>Budget</u>
I. CONTRACTS						
A. Fish Tagging Forum	82	0	0	0	0	0
B. Program Amendment	0	20	20	20	20	20
C. Monitor Prgrm Implementation	6	15	15	15	15	15
D. Project Review	0	30	30	30	30	30
E. GIS Database	0	0	0	0	0	0
F. IEAB	68	100	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$156</u>	<u>\$165</u>	<u>\$165</u>	<u>\$165</u>	<u>\$165</u>	<u>\$165</u>
II. OTHER OPERATING EXPENSES						
A. Staff Development	\$2	\$4	\$4	\$4	\$4	\$4
B. Computer Equip/Software	0	0	0	0	0	0
C. Temp. Services-Data Dev.	0	0	0	0	0	0
D. Wildlife Coordination	0	0	0	0	0	0
E. Meeting Room Rent/Minutes	2	4	4	4	4	4
F. Meetings/Hearings	0	0	0	0	0	0
G. Temporary Services	29	0	0	0	0	0
H. Other Services & Supply	5	0	0	0	0	20
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$38</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>	<u>\$28</u>

G. PUBLIC AFFAIRS DIVISION

The Public Affairs Division's primary task is to fulfill the directive of the Northwest Power Act to inform and involve Northwest citizens about the Council's activities. Section 2(3) states a purpose of the Act is "to provide for the participation and consultation of the Pacific Northwest states, local governments, consumers, customers, users of the Columbia River System (including federal and state fish and wildlife agencies and appropriate Indian tribes), and the public at large within the region" in the Northwest's planning for electrical power and protection of fish and wildlife resources. Section 4(g)(1) of the Act requires the Council to develop "comprehensive programs" to ensure public involvement and to "inform the Pacific Northwest public of major regional power issues."

The Division carries out this mandate in two important ways. First, it assists the Council members, state offices, Power Division, and Fish and Wildlife Division in informing and involving the public of Council activities. Second, the Division develops and carries out public information and involvement activities on major issues pertaining to the Council and the Columbia River Basin. Accordingly, the Division is the Council's primary contact with the media and with the public. The Division's publications are sources of information for interest groups and the general public. The Council's website (www.nwcouncil.org) is updated regularly with Council meeting agendas and minutes, all publications released by the Council, as well as a host of other information including subbasin planning materials, fish and wildlife project information, Power Division reports, current

reports by the Independent Scientific Advisory Board, the Independent Economic Analysis Board, the Independent Scientific Review Panel, and the Regional Technical Forum. The public is invited to comment on all reports and issue papers relevant to the Council's decision making process.

The Public Affairs Division carries out the following activities:

1. **Public involvement, outreach, and government relations.** The public affairs staff develops public involvement and communication plans and supports Council members and staff in carrying out public involvement activities. These include drafting and, when needed, delivering speeches; writing, editing, and proofreading; design and graphics; PowerPoint slides; video production; and handling logistics for meetings, hearings, etc. This function also includes outreach and liaison activities to Congress, federal agencies, state legislatures, other government entities, groups interested in the Council's work, relevant entities in the Canadian portion of the Columbia basin, and the general public.
2. **Printed and electronic publications.** Publication production by the Public Affairs Division is one of the principal ways to increase public awareness and involvement in Council issues. Printed and electronic publications include the *Council Quarterly*, a newsletter about the Council's activities published four times a year; a

monthly electronic newsletter, *Monthly Spotlight*, for the Council's primary constituents, including members of Congress and their staffs; the Council's *Annual Report to Congress*; brief summaries of issue papers, agenda items, and larger publications; and special publications such as issue brochures and reports to governors and legislators. The Division also edits and publishes the *Northwest Power Plan*, *Columbia River Basin Fish and Wildlife Program*, *Annual Report to the Northwest Governors on Expenditures of the Bonneville Power Administration* (pertaining to fish and wildlife), and other major Council documents. The majority of the Division's operating expense budget covers publishing costs (printing, postage, graphics, etc.) for Council documents.

All printed publications and documents, including brochures, newsletters, important letters, memoranda and Council decision documents are posted on the Council's website. The website also contains general information about the Council's history, statutory obligations, bylaws, Council members and staff, conflict of interest rules, the Council's budget, and other information. In addition, users of the Council's website can communicate with the Council via e-mail, Facebook and Twitter.

3. **Media relations.** The Division responds to numerous media requests, briefs editors and reporters on major issues, distributes news releases, and places feature stories about the Council and its work in a variety of publications. Media activities include work with newspapers, general and trade magazines, radio, and television. The Division

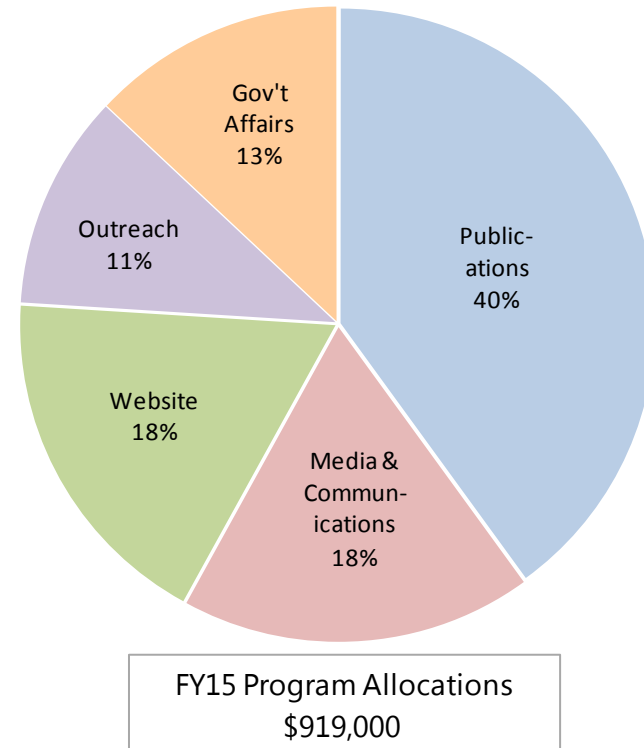
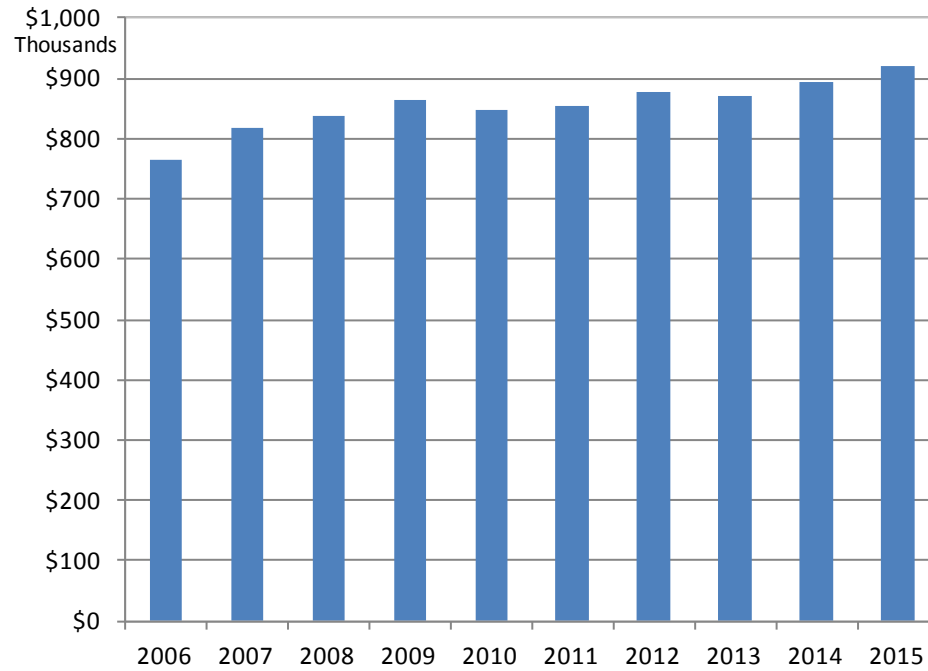
monitors all media to keep the Council informed on the type of coverage it is getting on major issues.

4. **Public meetings.** The Council meets monthly throughout the region. In addition, public hearings, consultations with interested parties and appearances before governmental entities are scheduled on a regular basis to ensure public involvement. Staff support for Council meetings includes writing statements and presentations, preparing audio/visual aids, developing handout materials, preparing media packets, announcing public hearings, making major documents available, and summarizing agenda items and Council actions for the website.
5. **Information services.** The Public Affairs Division answers most general information calls and correspondence from the public. Information requests handled by the Division range from phoned-in questions to preparing complete reports. The Division also provides information to schools, civic organizations, and other interested parties.

STAFFING

Staffing is unchanged.

Budget History (Figure 6)



Expenditures by Category (Table 8)

(000s omitted)

	FY12 Actual	FY13 Budget	FY13 Estimate	FY14 Budget	FY14 Revised	FY15 Budget
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Compensation	\$466	\$480	\$484	\$494	\$498	\$514
Taxes, Insurance & Benefits	<u>213</u>	<u>216</u>	<u>216</u>	<u>222</u>	<u>234</u>	<u>242</u>
 SUBTOTAL	 \$679	 \$696	 \$700	 \$716	 \$732	 \$756
 TRAVEL						
Staff	\$21	\$28	\$28	\$30	\$30	\$30
Advisory Committees	<u>35</u>	<u>20</u>	<u>30</u>	<u>20</u>	<u>25</u>	<u>25</u>
 SUBTOTAL	 \$56	 \$48	 \$58	 \$50	 \$55	 \$55
 CONTRACTS						
(See detail Table 9)	0	0	0	0	0	0
 OTHER OPERATING EXPENSES						
(See detail Table 9)	<u>89</u>	<u>125</u>	<u>119</u>	<u>125</u>	<u>108</u>	<u>108</u>
 TOTAL	 <u><u>\$824</u></u>	 <u><u>\$869</u></u>	 <u><u>\$877</u></u>	 <u><u>\$891</u></u>	 <u><u>\$895</u></u>	 <u><u>\$919</u></u>

Supplemental Expenditures (Table 9)

(000s omitted)

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Estimate</u>	FY14 <u>Budget</u>	FY14 <u>Revised</u>	FY15 <u>Budget</u>
I. CONTRACTS						
A. Annual Report Printing	\$0	\$0	\$0	\$0	\$0	\$0
B. Public Info/Invol Project	0	0	0	0	0	0
C. Writing/Editing	0	0	0	0	0	0
D. Distribution F & W Film	0	0	0	0	0	0
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
II. OTHER OPERATING EXPENSES						
A. Publications						
1. Illustrations	\$0	\$2	\$2	\$2	\$2	\$2
2. Publish Newsletter	28	28	28	28	28	28
B. Other Printing	0	30	25	30	14	14
C. Photos/Processing	3	0	3	0	3	3
D. Public Meetings	0	0	0	0	0	0
E. Staff Development	0	1	1	1	1	1
F. Postage and Mailing	7	8	8	8	8	8
G. Information Services	24	24	24	24	24	24
H. Subscriptions/Reference	23	20	20	20	20	20
I. Temporary Services	0	4	0	4	0	0
J. Other Services & Supply	4	8	8	8	8	8
K. Public Notice Media Buys	0	0	0	0	0	0
TOTAL	<u>\$89</u>	<u>\$125</u>	<u>\$119</u>	<u>\$125</u>	<u>\$108</u>	<u>\$108</u>

H. LEGAL DIVISION

The Legal Division provides legal advice and representation to the Council and its staff. The Division supports the power planning, fish and wildlife, and administrative divisions in the development of Council plans, programs, policies, rules and procedures, in the negotiation of major agreements, and in the development of contracts involving substantial expenditures or significant legal issues. The Division also develops and assists in administering the Council's conflict-of-interest policies, Freedom of Information Act requests, personnel issues, and other matters.

The Legal Division is an important participant in overseeing the implementation of the Power Plan and Fish and Wildlife Program by Bonneville, the U.S. Army Corps of Engineers, the Bureau of Reclamation, the Federal Energy Regulatory Commission, and other agencies and utilities. The Division will also continue to represent the Council in appeals of its Plan, Program or other actions. The Division also assists in implementation of legal requirements for review of proposed fish and wildlife expenditures and in analyzing issues and options in the implementation of the power plan's resource strategies.

The Legal Division practices preventive law by anticipating legal issues and resolving problems in lieu of litigation, where appropriate.

The Division also participates in conferences and educational programs related to energy and fish and wildlife.

Legal Division activities include the following:

1. **Fish and Wildlife Program implementation.** The Legal Division assists the Council and the Fish and Wildlife Division in every phase of the Council's work to oversee the implementation of the 2009 Fish and Wildlife Program by other entities. This includes assisting the Council through the process of developing recommendations to the Bonneville Power Administration for how to use its fund in a manner consistent with the Council's Program. Under Section 4(h)(10)(D) of the Power Act, added in 1996, the Council conducts extensive reviews of projects proposed for funding with Bonneville fish and wildlife funds, with the assistance of its Independent Scientific Review Panel. In addition to considering independent scientific advice, the Council must make new determinations regarding the cost-effectiveness of measures and the impact of ocean conditions on salmon survival. The Legal Division plays an active role in analysis and in documenting the Council's determinations. The Legal Division also plays an important role in assisting with the integration of the Council's Fish and Wildlife Program to satisfy the requirements of the Northwest Power Act with the plans and programs developed by others to address other adverse effects on fish and wildlife species or to meet other legal requirements, most notably the

federal Endangered Species Act. In addition, the Division works with federal and state agencies, reservoir operating agencies, Indian tribes, and utilities in carrying out Program measures, and represents the Council in regional Columbia salmon litigation and in Federal Energy Regulatory Commission proceedings to the extent appropriate.

2. **Power Plan implementation.** The Legal Division played a significant role in the Council's development of the Sixth Northwest Conservation and Electric Power Plan during 2009-10. The Legal Division is also representing the Council to resolve one petition filed in the Ninth Circuit Court of Appeals to challenge the Power Plan decision. The Legal Division also assists the Council and the Power Division by identifying and addressing legal issues associated with the implementation of the Sixth Power Plan and with other issues concerning the electric power industry and regulation, including Bonneville's evolving role in regional resource development.
3. **Administrative law.** The Legal Division will continue to assist the Council and the Executive Director and the Administrative Division in the development and implementation of administrative rules and procedures of the Council. This includes continuing assistance in contracting, personnel matters, FOIA requests and other disclosure of information, the use of advisory committees, the application of open meeting rules, financial reporting and disclosure, conflicts of interest, and similar matters. The Legal Division advises the

Council on the interpretation and revision of its bylaws and other rules and procedures. The Legal Division also participates in the preparation of all staff analysis and recommendations to the Council to ensure consistency with the requirements of the Northwest Power Act and the laws governing administrative agencies. The Council has included in the budget of the Legal Division an amount for outside legal counsel to provide expertise and counsel in areas of the law relevant to the Council's administrative needs but not within the expertise of the Legal Division. These include areas such as personnel and labor law.

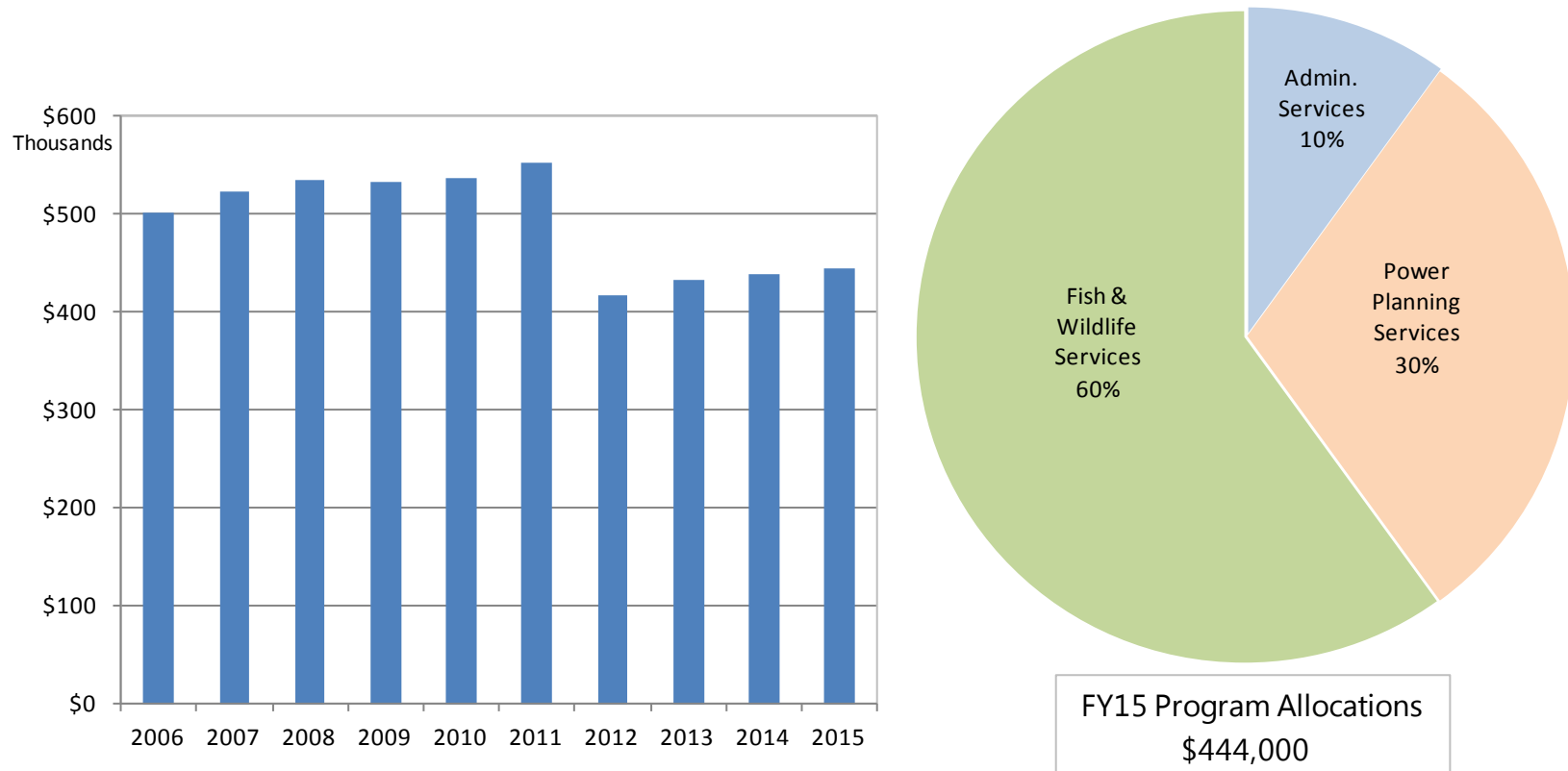
4. **Litigation.** The Division monitors and participates in litigation of the Council, with the assistance of outside counsel if needed. The Division does not foresee the need to employ outside counsel during Fiscal years 2014 and 2015, although participation in litigation requiring the help of outside counsel is hard to predict. To address potential needs, the Council has an agreement with the Bonneville Power Administration that litigation costs will be met by using any available uncommitted contract funds, unused funds from other budget categories and/or by submitting a supplemental budget request to Bonneville. In the past, litigation costs have been met in part by reallocating uncommitted contract funds. The Legal Division also devotes an increasing amount of time to monitoring ongoing litigation that affects the Council's interests and advising the Council on those implications. This especially includes litigation over the federal agencies'

efforts to comply with the Endangered Species Act, a legal conflict not expected to conclude anytime soon.

STAFFING

Staffing is unchanged.

Budget History (Figure 7)



Expenditures by Category (Table 10)

(000s omitted)

	FY12 Actual	FY13 Budget	FY13 Estimate	FY14 Budget	FY14 Revised	FY15 Budget
Compensation	\$244	\$259	\$256	\$270	\$265	\$275
Taxes, Insurance & Benefits	92	117	117	122	125	129
SUBTOTAL	\$336	\$376	\$373	\$392	\$390	\$404
 TRAVEL						
Staff	\$17	\$21	\$21	\$24	\$23	\$24
SUBTOTAL	\$17	\$21	\$21	\$24	\$23	\$24
 CONTRACTS						
(See detail Table 11)	0	8	8	8	8	8
 OTHER OPERATING EXPENSES						
(See detail Table 11)	15	28	28	28	18	8
 TOTAL	<u>\$368</u>	<u>\$433</u>	<u>\$430</u>	<u>\$452</u>	<u>\$439</u>	<u>\$444</u>

Supplemental Expenditures (Table 11)

(000s omitted)

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Estimate</u>	FY14 <u>Budget</u>	FY14 <u>Revised</u>	FY15 <u>Budget</u>
I. CONTRACTS						
A. Hearings	\$0	\$5	\$5	\$5	\$5	\$5
B. Outside Legal Counsel	0	3	3	3	3	3
C. Litigation Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$0</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>	<u>\$8</u>
II. OTHER OPERATING EXPENSES						
A. Continuing Education	\$2	\$2	\$2	\$2	\$2	\$2
B. Reference Materials	7	6	6	6	6	6
C. Federal Register Notices	0	0	0	0	0	0
D. Other Services & Supply	<u>6</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>10</u>	<u>0</u>
	<u>\$15</u>	<u>\$28</u>	<u>\$28</u>	<u>\$28</u>	<u>\$18</u>	<u>\$8</u>

I. ADMINISTRATIVE DIVISION

The Administrative Division provides executive direction for all Council staff operations. In addition, financial, administrative, and human resources services are provided to the Legal Division, Power Planning Division, Fish and Wildlife Division, and the Public Affairs Division.

OFFICE OF THE EXECUTIVE DIRECTOR

Staff work for all Council activities is directed from this office. In addition, the coordination of Council activities with regional energy and fish and wildlife entities, as well as with congressional delegations and regional organizations, is undertaken.

FINANCE AND ADMINISTRATION

1. **Financial management.** Activities in this area include the operation of monthly accounts payable, payroll, Bonneville funding awards and general ledger accounting systems. Budget development (Section 4(c)(4) of the Power Act) and administration, as well as arranging for annual audits (Section 4(c)(10)) of the Council's financial records, are part of this function.
2. **Contract administration.** This responsibility (Section 4(a)(4)) includes establishing contract administrative records, reviewing and approving contractor invoices, and monitoring contractor costs in relation to work accomplished. Other responsibilities include amendments

to contracts, review for conflict of interest and arbitration of contractor performance issues.

3. **Information system support.** The Council has strengthened its overall system analysis capability through the use of more advanced computerized modeling methods and database management techniques. The Council also has improved productivity with computerized business systems, Internet access, website development and desktop publishing. Related costs include two full-time staff who assist all divisions, provide state office computer support, oversee equipment maintenance agreements software leases, installation of data-storage devices, computer systems, and various computer supplies. Projected computer support requirements are studied for each division's anticipated workloads over three to five-year periods. See Appendix B for additional detail regarding the information systems budget.
4. **Human resource services.** This function includes responsibility for the administration of employee insurance and benefit programs, grievance procedures, Equal Employment Opportunity practices, and staff development policies. Development of salary administration procedures, employee performance appraisal policies, and the Council compensation plan (Section 4(b)(3)) also are included.
5. **Administrative support.** The Administrative Division provides support for Council meetings and hearings, including scheduling, room arrangements, recording, and

transcription requirements. Contract funds (\$25,000) are allocated for preparing minutes of meetings. The Division also prepares the *Directory of Organizations*, a comprehensive listing of the organizations and agencies that are involved with the Council's work.

Mail and copying services, maintenance of the Council's mailing lists, and office reception activities also are provided by the administrative staff.

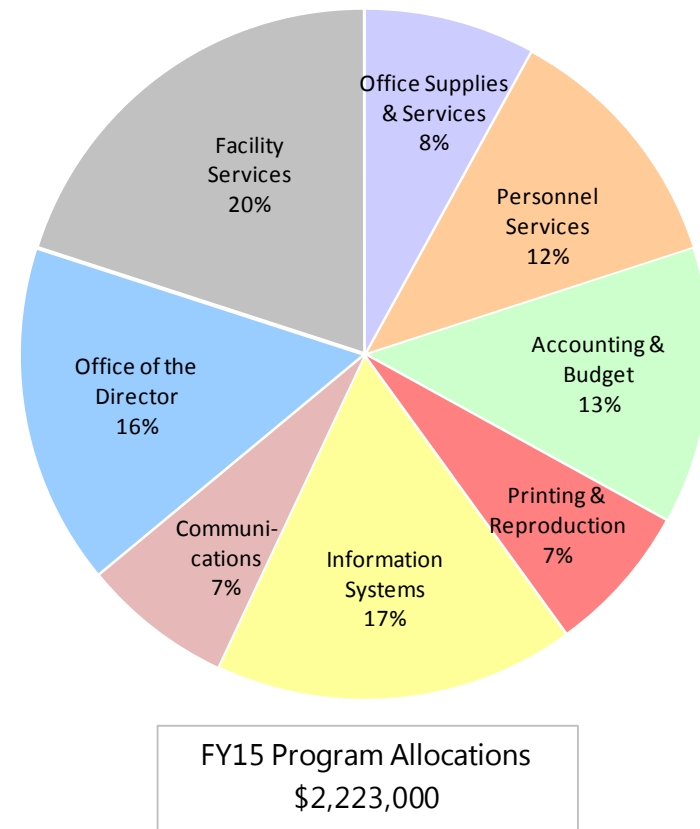
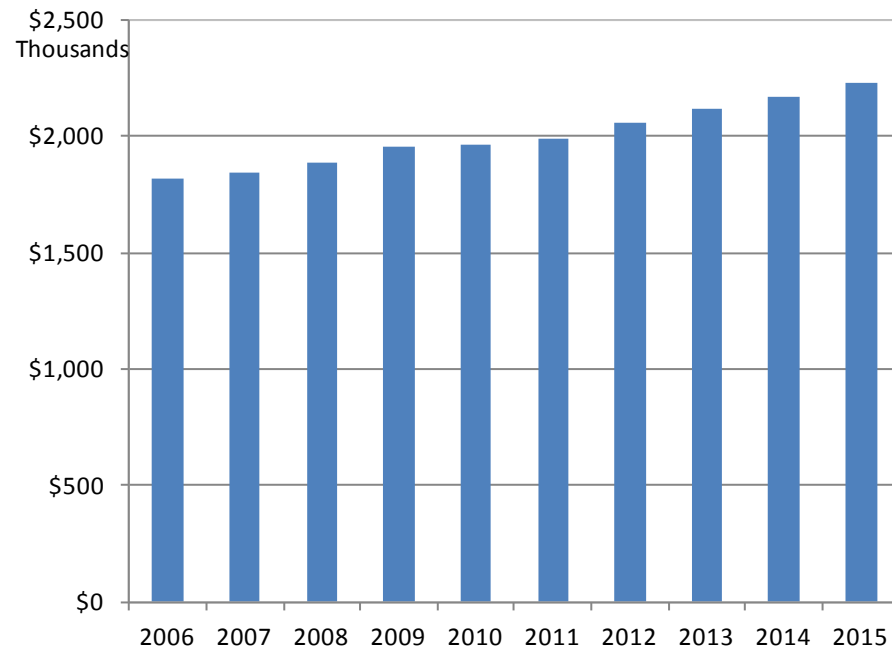
Contract funds (\$5,000) are used for administrative audits and studies, office systems analysis, retirement/pension plan matters, compensation/benefits planning, management audits, and information systems support.

The Administrative Division also is accountable for planning office space, communication systems, office equipment systems such as mailing, copying, and computer systems, and administrative records.

STAFFING

Staffing levels remain the same in Fiscal Year 2014 and 2015.

Budget History (Figure 8)



Expenditures by Category (Table 12)

(000s omitted)

	FY12 Actual	FY13 Budget	FY13 Estimate	FY14 Budget	FY14 Revised	FY15 Budget
Compensation	\$755	\$807	\$802	\$839	\$827	\$858
Taxes, Insurance & Benefits	439	363	363	378	389	403
SUBTOTAL	\$1,194	\$1,170	\$1,165	\$1,217	\$1,216	\$1,261
TRAVEL						
Staff - Admin	\$18	\$24	\$24	\$26	\$24	\$26
Staff - Data Processing	3	3	3	3	3	3
SUBTOTAL	\$21	\$27	\$27	\$29	\$27	\$29
CONTRACTS						
(See detail Table 13)	42	55	40	30	30	30
OTHER OPERATING EXPENSES						
(See detail Table 13)	862	867	913	870	898	903
TOTAL	\$2,119	\$2,119	\$2,145	\$2,146	\$2,171	\$2,223

Supplemental Expenditure (Table 13)

(000s omitted)

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Estimate</u>	FY14 <u>Budget</u>	FY14 <u>Revised</u>	FY15 <u>Budget</u>
I. CONTRACTS						
A. Meeting Minutes	\$16	\$25	\$25	\$25	\$25	\$25
B. Records Management	0	25	0	0	0	0
C. Outside Legal Services	26	5	15	5	5	5
TOTAL	<u>\$42</u>	<u>\$55</u>	<u>\$40</u>	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>
II. OTHER OPERATING EXPENSES						
A. Employee Recruiting	\$41	\$5	\$25	\$5	\$5	\$5
B. Staff Development	12	5	5	5	5	5
C. Office Supplies	25	23	23	23	23	23
D. Freight	7	8	8	8	8	8
E. Telephone	47	55	50	55	50	50
F. Postage	8	10	8	11	10	10
G. Payroll Processing Services	12	11	11	12	12	12
H. Reference Materials	2	1	1	1	1	1
I. Meetings	34	55	55	55	55	55
J. Rent	398	378	398	379	398	398
K. Insurance	3	20	20	20	20	20
L. Equipment Rental	45	45	45	45	45	45
M. Repair and Maintenance	24	25	25	25	25	25
N. Accounting Software/Support	0	5	3	5	3	5
O. Audit and Accounting	48	52	52	52	52	52
P. Mailing Services	0	0	0	0	0	0
Q. Furniture and Equipment	13	15	10	15	15	15
R. Record Storage	0	0	0	0	0	0
S. Temporary Services	11	10	30	10	27	30
T. Computer Serv. & Supply	132	140	140	140	140	140
U. Computer Staff Development	0	4	4	4	4	4
TOTAL	<u>\$862</u>	<u>\$867</u>	<u>\$913</u>	<u>\$870</u>	<u>\$898</u>	<u>\$903</u>

J. STATE BUDGETS

STATE COUNCIL OFFICE ORGANIZATION

Idaho, Montana, Oregon, and Washington passed enabling legislation authorizing state participation on the Council. Two Council members are appointed by the governor of each state (Section 4 (a)(2)(B) of the Power Act). Each state Council office is an entity of its respective state government. The central office of the Council provides the budgeting, accounting, payroll and benefits administration for state Council offices. Supplemental budget requests, if required, would be subject to the formal budget amendment process of the Council. The states of Oregon and Washington have Council offices in both the eastern and western portions of their respective states.

Each state individually budgets for those activities necessary to carry out that state's participation and responsibilities under the Act. These funds provide for the Council members' compensation, travel, staff support, and office expenses. Each state has the option to hire staff, to use outside contractors or the technical services of other state agencies to analyze the impact of the Plan and Program on the state, to develop state public information and involvement programs, and for administrative support. State budgets can vary both in the "personal services" category and the "contracts" category, depending upon the type of Council organization in each state. Use of state energy agency and/or fish and wildlife agency staff provides Council members with technical support on state

policies and issues related to the Council's Fish and Wildlife Program and the Power Plan. Council members use their own staff for most technical review activities.

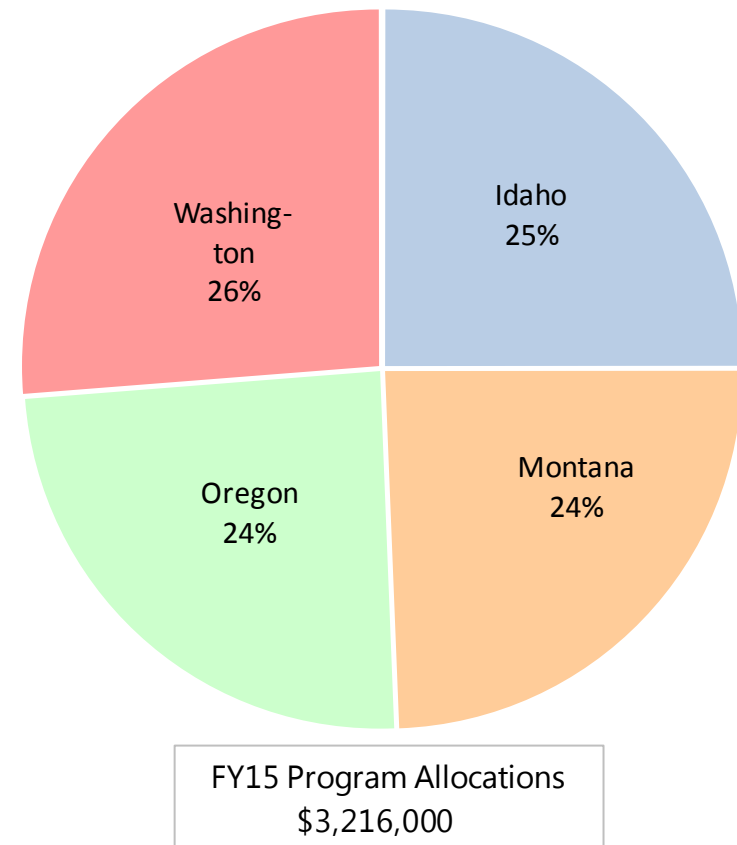
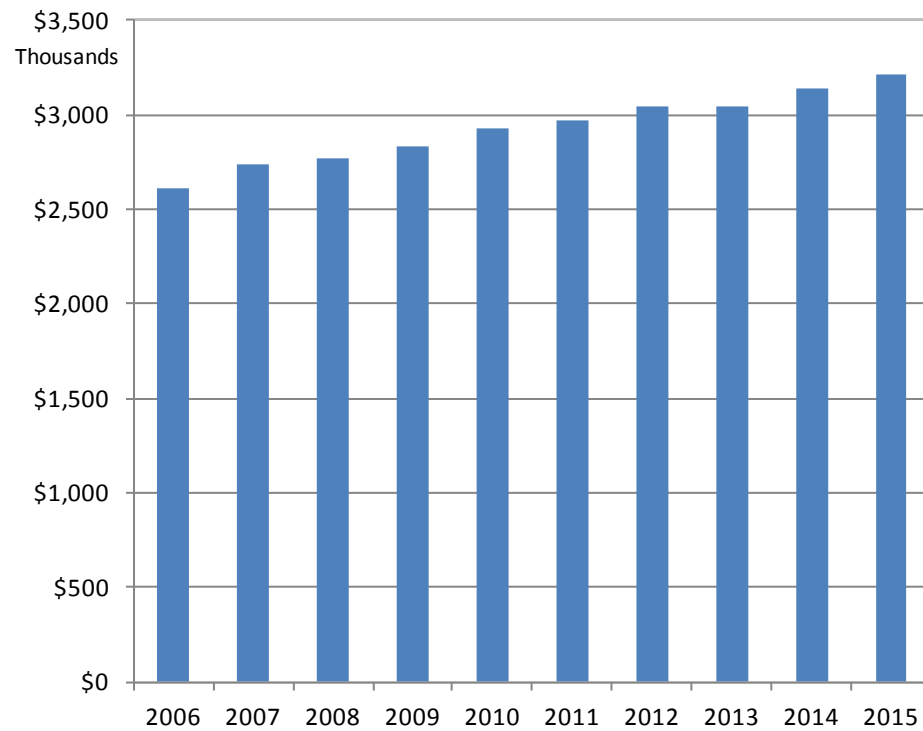
State Council offices carry out the following activities:

1. **Represent state interests.** Council members represent state interests as well as regional interests in all fish and wildlife and energy system matters. This involves establishing and maintaining close working relationships with entities within their states that have a stake in the outcome of the Council's planning efforts. These include, but are not limited to, entities that are operators of hydroelectric projects, public and private utilities, groups concerned with protection of the environment, state fish and wildlife agencies, energy regulatory agencies, and legislative and local government rulemaking bodies.
2. **Technical review.** Council members may require technical assistance and review capability to assess the impacts of regional issues that come before the Council on their state programs, laws, and practices. This technical review is provided by state Council staff and/or other state agency staff. Examples of regional Council issues that can affect each state differently include: implementation of the protected-areas rules in the Fish and Wildlife Program, hatchery and habitat projects, wildlife mitigation projects, and Columbia River operations for salmon recovery.

3. **Public information and involvement.** While the Council's central office is responsible for developing material for the Council's public information and involvement programs, each state implements public involvement activities that are focused on Council issues that have a specific impact in that state. In addition, each state may use local advisory committees and town hall meetings for consultations on certain aspects of the Council's planning. This also can involve preparation of information regarding statewide energy and fish and wildlife issues. State public information and involvement activities are provided by state Council staff or with the assistance of other state agencies.
4. **Administrative support.** Council members and their secretarial/clerical staff are provided office space and office services (telephone, supplies, copier, and computer support) sometimes by a state agency such as the governor's office or energy office. Fiscal services such as payroll, accounts payable, budget, and audit also can be provided, although these are often provided by the Council's central office. Administrative support services are provided either on a direct-charge basis or through an approved indirect overhead rate.

Detailed budgets for each state Council office are shown in Tables 14 through 18.

Budget History (Figure 9)



Fiscal Year 2015
State Budgets (Table 14)
(000s omitted)

	Idaho	Montana	Oregon	Washington	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
PERSONNEL					
Salaries	\$427	\$411	\$443	\$479	\$1,760
Taxes, Insurance & Benefits	<u>200</u>	<u>193</u>	<u>188</u>	<u>203</u>	<u>784</u>
SUBTOTAL	\$627	\$604	\$631	\$682	\$2,544
TRAVEL	81	85	70	75	311
CONTRACTS	30	40	10	20	100
OTHER OPERATING EXPENSES	<u>66</u>	<u>55</u>	<u>73</u>	<u>67</u>	<u>261</u>
TOTAL	<u><u>\$804</u></u>	<u><u>\$784</u></u>	<u><u>\$784</u></u>	<u><u>\$844</u></u>	<u><u>\$3,216</u></u>

Idaho (Table 15)

(000s omitted)

	FY12 Actual	FY13 Budget	FY13 Estimate	FY14 Budget	FY14 Revised	FY15 Budget
Compensation	\$395	\$406	\$401	\$420	\$411	\$427
Taxes, Insurance & Benefits	196	190	188	197	193	200
SUBTOTAL	\$591	\$596	\$589	\$617	\$604	\$627
TRAVEL	55	79	79	79	79	81
CONTRACTS	18	30	30	30	30	30
OTHER OPERATING EXPENSES						
A. Employee Training	0	1	1	1	1	1
B. Office Supplies	2	8	8	8	8	8
C. Telephone	8	14	14	14	14	14
D. Postage	1	1	1	1	1	1
E. Office Rent	28	32	32	32	32	34
F. Dues/Subscriptions	1	1	1	1	1	1
G. Meeting Room Rental	0	1	1	1	1	1
H. Miscellaneous Expense	0	1	1	1	1	1
I. Repair/Maintain Equipment	2	5	5	5	5	5
J. Equipment Rental	0	0	0	0	0	0
SUBTOTAL	\$42	\$64	\$64	\$64	\$64	\$66
TOTAL	\$706	\$769	\$762	\$790	\$777	\$804

Idaho Council members receive technical and administrative support from three full-time positions. The positions primarily include energy and rates analyses, administrative program management, and secretarial support. Contract services provide for legal counsel and technical assistance when necessary. The Council offices are in Boise and Coeur d'Alene.

Montana (Table 16)

(000s omitted)

	FY12 Actual	FY13 Budget	FY13 Estimate	FY14 Budget	FY14 Revised	FY15 Budget
Compensation	\$356	\$375	\$375	\$391	\$392	\$411
Taxes, Insurance & Benefits	180	176	176	183	184	193
SUBTOTAL	\$536	\$551	\$551	\$574	\$576	\$604
TRAVEL	63	85	85	85	85	85
CONTRACTS	56	60	60	52	52	40
OTHER OPERATING EXPENSES						
A. Employee Training	1	2	2	2	2	2
B. Office Supplies	5	8	8	8	8	8
C. Telephone	8	10	10	10	10	10
D. Postage	1	3	3	3	3	3
E. Office Rent	25	27	27	28	28	28
F. Dues/Subscriptions	1	1	1	1	1	1
G. Meeting Room Rental	0	1	1	1	1	1
H. Miscellaneous Expense	0	1	1	1	1	1
I. Repair/Maintain Equipment	1	1	1	1	1	1
J. Equipment Rental	0	0	0	0	0	0
SUBTOTAL	42	54	54	55	55	55
TOTAL	\$697	\$750	\$750	\$766	\$768	\$784

Council members receive administrative and technical support on energy, fish and wildlife, public information and involvement activities from one part-time and two full-time positions. Other specialized services are contracted for and utilized on an as-needed basis. The Council office is located in Helena.

Oregon (Table 17)

(000s omitted)

	FY12 Actual	FY13 Budget	FY13 Estimate	FY14 Budget	FY14 Revised	FY15 Budget
Compensation	\$401	\$426	\$421	\$438	\$431	\$443
Taxes, Insurance & Benefits	151	181	178	186	183	188
SUBTOTAL	\$552	\$607	\$599	\$624	\$614	\$631
TRAVEL	67	67	70	67	70	70
Contracts	2	12	12	11	10	10
OTHER OPERATING EXPENSES						
A. Employee Training	1	1	1	1	2	2
B. Office Supplies	2	2	2	2	2	2
C. Telephone	5	10	5	10	6	6
D. Postage	0	1	0	1	0	0
E. Office Rent	38	36	41	36	42	43
F. Dues/Subscriptions	1	1	1	1	1	1
G. Meeting Room Rental	0	0	0	0	0	0
H. Temporary Staffing Expenses	18	12	18	12	18	18
I. Repair/Maintain Equipment	0	1	1	1	1	1
J. Equipment Rental	0	0	0	0	0	0
SUBTOTAL	65	64	69	64	72	73
TOTAL	<u>\$686</u>	<u>\$750</u>	<u>\$750</u>	<u>\$766</u>	<u>\$766</u>	<u>\$784</u>

Oregon Council members are state employees. They receive technical support through services from two full-time positions. One additional full-time position provides administrative/secretarial support to the Council members. Some support services are provided by other state agencies. Council offices are located in Portland.

Washington (Table 18)

(000s omitted)

	FY12 Actual	FY13 Budget	FY13 Estimate	FY14 Budget	FY14 Revised	FY15 Budget
Compensation	\$379	\$453	\$435	\$470	\$452	\$479
Taxes, Insurance & Benefits	216	193	204	200	212	203
SUBTOTAL	\$595	\$646	\$639	\$670	\$664	\$682
TRAVEL	69	70	70	70	75	75
CONTRACTS						
A. Contract Services	3	5	5	0	5	5
B. EWU Indirect	12	15	12	15	15	15
SUBTOTAL	15	20	17	15	20	20
OTHER OPERATING EXPENSES						
A. Employee Training	2	1	1	1	1	1
B. Office Supplies	3	5	5	5	5	5
C. Telephone	7	8	8	9	9	9
D. Postage	1	1	1	1	1	1
E. Office Rent	14	15	15	16	16	16
F. Dues/Subscriptions	1	1	1	1	1	1
G. Meeting Room Rental	0	1	1	1	1	1
H. Temporary Staffing Expenses	0	0	10	0	30	30
I. Repair/Maintain Equipment	0	2	2	2	2	2
J. Equipment Rental	0	0	0	0	0	0
SUBTOTAL	28	35	45	37	67	67
TOTAL	\$707	\$771	\$771	\$792	\$826	\$844

Council members represent individually the eastern and the western sides of the state with one member being paid through Eastern Washington University, Cheney, Washington. Some support services are provided by other state agencies. Three full-time and one half-time positions provide research analysis, energy policy, economics, fish and wildlife analysis, technical and administrative support. Council offices are in Olympia and Spokane.

K. FISCAL YEAR 2014 REVISED BUDGET

The Fiscal Year 2014 revised budget total is increased from the budget adopted in 2013 by \$206,000.

CENTRAL COUNCIL BUDGET

PERSONAL SERVICES

Personal services for the central staff have increased by \$95,000 in Fiscal Year 2014 due to the addition of one FTE in the Power Planning Division. This new position will support the regional portfolio model work and is being added in response to the Regional Portfolio Model Review Panel recommendation.

TRAVEL

The Fiscal Year 2014 travel budget increases by \$13,000,.

CONTRACTS

The Fiscal Year 2014 contracting budget increases by \$49,000 to reflect increased contracting needs in the power division as they update models to prepare for the next Plan development.

OTHER OPERATING EXPENSES

This category illustrates an overall increase of \$49,000. This increase reflects increased training costs for the power division,

increased office space rental costs, and temporary administrative support services.

STATE BUDGETS

The Idaho Office revised budget for Fiscal Year 2014 decreases by \$13,000 to reflect a decrease in staffing and contracting costs.

The Montana Office revised budget for Fiscal Year 2014 increases by \$2,000 to reflect an increase in staffing costs.

The Oregon Office revised Fiscal Year 2014 budget remains the same reflecting a decrease in contracting and staffing costs, and an increase in other operating costs.

The Washington Office revised budget for Fiscal Year 2014 increases by \$34,000 to reflect an increases in temporary administrative support services in the Western Washington office, increases in travel and contracting, and a decrease in staffing costs.

Table 19 shows in detail the Fiscal Year 2014 budget revisions by expenditure category for each division and the state offices.

Categorical Comparisons (Table 19)

(000s omitted)

	COMPENSATION			TRAVEL			CONTRACTS			OTHER OPERATING			Total Change
	FY14	FY14	Change	FY14	FY14	Change	FY14	FY14	Change	FY14	FY14	Change	
	Budget	Revision		Budget	Revision		Budget	Revision		Budget	Revision		
<u>Central Office Divisions:</u>													
Power Planning	\$1,844	\$1,949	\$105	\$84	\$87	\$3	\$180	\$225	\$45	\$76	\$86	\$10	\$163
Fish and Wildlife	1,338	1,342	4	61	61	0	165	165	0	8	8	0	\$4
Public Affairs	716	732	16	50	55	5	0	0	0	125	108	(17)	\$4
Legal	392	390	(2)	24	23	(1)	8	8	0	28	18	(10)	(\$13)
Administration	1,217	1,216	(1)	29	27	(2)	30	30	0	870	898	28	25
Subtotal - Central	\$5,507	\$5,629	\$122	\$248	\$253	\$5	\$383	\$428	\$45	\$1,107	\$1,118	\$11	\$183
<u>State Offices:</u>													
Idaho	\$617	\$604	(\$13)	\$79	\$79	\$0	\$30	\$30	\$0	\$64	\$64	\$0	(\$13)
Montana	574	576	2	85	85	0	52	52	0	55	55	0	2
Oregon	624	614	(10)	67	70	3	11	10	(1)	64	72	8	0
Washington	670	664	(6)	70	75	5	15	20	5	37	67	30	34
Subtotal-State Office	\$2,485	\$2,458	(\$27)	\$301	\$309	\$8	\$108	\$112	\$4	\$220	\$258	\$38	\$23
TOTAL	\$7,992	\$8,087	\$95	\$549	\$562	\$13	\$491	\$540	\$49	\$1,327	\$1,376	\$49	\$206

APPENDIX A. FISCAL YEAR 2014 REVISIONS

	(000s omitted)		
	BUDGET	REVISION	CHANGE
Compensation	\$3,798	\$3,829	\$31
Other Payroll Expenses	<u>1,709</u>	<u>1,800</u>	<u>91</u>
Total Compensation/Payroll	\$5,507	\$5,629	\$122
Travel	248	253	5
Contracts	383	428	45
Other Operating Expenses	<u>1,107</u>	<u>1,118</u>	<u>11</u>
Total Travel/Contract/Other	\$1,738	\$1,799	\$61
Idaho	\$790	\$777	(\$13)
Montana	766	\$768	2
Oregon	766	\$766	0
Washington	<u>792</u>	<u>\$826</u>	<u>34</u>
Total States	<u>3,114</u>	<u>3,137</u>	<u>23</u>
TOTAL	<u><u>\$10,359</u></u>	<u><u>10,565</u></u>	<u><u>\$206</u></u>

APPENDIX B. INFORMATION SYSTEMS

The Council began to develop its information systems capability in 1982 with the installation of the comprehensive computer models necessary to draft the first Power Plan. Since then, the Council has continued to invest in computing equipment and software programs to support power system and fish and wildlife computer models and databases, as well as the Council's growing reliance on computers for business operations and on desktop publishing, networking, and the Internet for public information and involvement activities.

The Council has integrated computers extensively into its planning activities and support services. Computers give the Council the planning capability it needs to carry out its functions and responsibilities with minimum staffing levels and limited outside contracting, as well as the communications power to interact with interested individuals, agencies, and entities around the world. Power Division staff use the Council's networking capabilities to develop, monitor, and support complex computer models and extensive databases for system analysis, decision analysis, and statistical analysis. Fish and wildlife staff coordinate with related agencies, monitor recovery programs, real-time river information, and Bonneville spending, and run fish-production and fish-passage models as well as river-reach and system-production planning databases. The Council also has developed computer networking capability with links to Bonneville, certain agencies and tribes, utility organizations, state Council offices, and the Internet.

MAJOR APPLICATIONS

Examples of major information systems include:

- Fish-recovery projects monitoring process
- Council website, electronic mail service and ftp document access
- System Analysis Model and its descendents
- GENESYS resource analysis model - to evaluate system reliability.
- OLIVIA economic portfolio risk analysis
- Data bases - conservation measures, river reaches, hydropower system, administrative records, and mailing lists.

EQUIPMENT

The Council uses a network of personal computers and a cluster of Windows servers and data storage devices to support Council programs. Several laser and color printers support the Council's publication activities. These systems communicate through a network that also connects, via the Internet, to the outside world.

The state offices also use networked personal computers for both administrative and technical support to their Council members and

staff. All the state offices have access to the Internet for electronic mail and data exchange with each other and with other state agencies.

Council staff continue to be mobilized throughout the region by use of mobile technologies such as wireless networking, remote e-mail and file access, cell phones, and smartphones.

SOFTWARE

The Council staff uses computers in nearly all aspects of daily work. To maintain and improve the value of staff involvement in regional planning and evaluation efforts, data processing staff plan regular updates to operating system and application software to ensure compatibility with other regional entities.

Over the past several years, staff members have exchanged single-focus, server-based applications for more powerful, Windows-oriented, multitasking hardware and software packages that improve staff productivity and enhance the quality of Council products. In recent years, these improvements have extended to the World Wide Web, which the Council uses extensively to make data, models, and issue papers available to anyone with Internet access. Even with these upgrades, staff still retains the ability to use existing data bases and models on which the planning function still relies.

COMPUTER SYSTEMS PLANNING

The Council staff identifies long-range data systems support requirements based on three-year data processing plans. Recent data processing plans included oversight of a major facilities upgrade to Council mailroom and public meeting space, upgraded website

servers, and complete migration to Windows 7. Recent upgrades to computer room power and distribution are the first steps toward virtualization of the Council's servers towards greater energy efficiencies, reliability, and availability while reducing cost of ownership and administration. The current data processing plan focuses on stabilizing the integration of and training in these new technologies then looking forward to determine the next direction in upcoming and new technologies to best leverage existing systems and infrastructure to meet the Council's future needs.

All costs associated with information systems are aggregated in the following tables. The budgets for Fiscal Year 2014 revised and Fiscal Year 2015 reflect current-level staff services with some adjustment for contracted software/hardware support. Any costs associated with the replacement of current hardware/software systems will be accomplished within existing computer funding levels and/or by Council authorization for reprogramming of unexpended funds in other budget categories.

Expenditures by Category (Table B-1)

(000s omitted)

	FY13 Estimate	FY14 Revised	FY15 Budget
Compensation	<u>\$168</u>	<u>\$174</u>	<u>\$180</u>
Taxes, Insurance & Benefits	<u>79</u>	<u>82</u>	<u>85</u>
 SUBTOTAL	 \$247	 \$256	 \$265
 TRAVEL			
Regional	4	3	3
Out-of-Region	<u>0</u>	<u>0</u>	<u>0</u>
 SUBTOTAL	 \$4	 \$3	 \$3
 CONTRACTS			
(See detail Table B-2)	0	0	0
 OTHER OPERATING EXPENSES			
(See detail Table B-2)	<u>140</u>	<u>140</u>	<u>140</u>
 TOTAL	 <u><u>\$391</u></u>	 <u><u>\$399</u></u>	 <u><u>\$408</u></u>

Supplemental Expenditures (Table B-2)

(000s omitted)

	<u>FY13 Estimate</u>	<u>FY14 Revised</u>	<u>FY15 Budget</u>
I. CONTRACTS			
A. Hardware/Software Support	<u>0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
II. OTHER OPERATING EXPENSES			
A. Equipment Maintenance Agreements	\$15	\$17	\$18
B. Staff Development	4	4	4
C. Space	5	5	5
D. Supplies	23	25	28
E. Communications	15	15	17
F. Capital Investments:			
1. Hardware	54	60	50
2. Software	24	14	18
3. Site	0	0	0
G. Temporary Technical Support	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$140</u></u>	<u><u>\$140</u></u>	<u><u>\$140</u></u>

APPENDIX C. FISCAL YEAR 2015 BUDGET COUNCIL SHOWING

I. THE NORTHWEST POWER ACT

Section 4(c)(10)(A) of the Northwest Power Act directs the administrator of the Bonneville Power Administration to pay the expenses the Council determines are necessary or appropriate for the performance of its functions and responsibilities, including reimbursement to those states with members on the Council. This section also establishes a funding limitation equal to 0.02 mills multiplied by the kilowatt-hours of firm power forecast to be sold by Bonneville during the year to be funded. Upon an annual showing by the Council that such limitation will not permit the Council to carry out its functions and responsibilities under the Act, the administrator may raise such limit to any amount not in excess of 0.10 mills. The literal interpretation of the word “showing” requires that the Council provide evidence that: 1) substantiates that annual funding in the amount provided by the 0.02 mills of firm forecast power sales will not be adequate to carry out its functions under the Act; and 2) explains the basis on which additional funding is required. The Council’s budget document is intended to provide sufficient information to meet these criteria. The organization of the budget document and the level of detail provided shows how the Council intends to use the funding provided to carry out its major responsibilities under the Act.

In Fiscal Year 2015, based upon Bonneville’s forecast of firm power sales (as of 07/14/2011), the 0.02-mill funding level is

\$2,514,240. The 0.10-mill funding limit is \$12,571,200. The funding requirement, as determined by the Council, for Fiscal Year 2015 is \$10,794,000, which is equal to 0.087 mills of forecast firm power sales based on the following Council functions and responsibilities.

II. COUNCIL FUNCTIONS/RESPONSIBILITIES

The Council’s minimum responsibilities under the Act fall into five general categories:

1. **Northwest Power Plan.** Adopt and periodically amend a regional conservation and electric power plan that includes: energy conservation programs, 20-year forecasts of electric energy demands, 20-year power resource forecasts, cost-effective methods for providing regional reliability and reserves, and methods for determining quantifiable environmental costs and benefits (Sections 4(d) and 4(e) of the Act).
2. **Columbia River Basin Fish and Wildlife Program.** Develop, adopt, and periodically amend the Program to protect, mitigate, and enhance fish and wildlife affected by development and operation of hydroelectric projects in the Columbia River Basin. Report annually to Congress on the effectiveness of the Program and the extent to which the Program is being implemented, and assist development of Program amendments (Sections 4(h), 4(g) and 4(i)).

3. **Public information and public involvement.** Provide for the participation of the Pacific Northwest states, local governments, consumers, customers, users of the Columbia River system (including federal and state fish and wildlife agencies and appropriate Indian tribes), and the public at large in planning for the Northwest's electric power and protection of Columbia River Basin fish and wildlife affected by hydropower. Develop and maintain comprehensive programs to inform the public of major regional power and fish and wildlife issues (Sections 2(3) and 4(g)).
4. **Other responsibilities.** In addition to the above responsibilities, the Council is directed to establish voluntary advisory committees it determines are necessary to assist in the development, collection, and evaluation of statistical, biological, economical, social, and environmental information relevant to the Council's development and amendment of a regional conservation and electric Power Plan and Fish and Wildlife Program (Section 4(c)(11) and (12)).
5. The Council is required to conduct **public meetings** throughout the region as part of its process for developing and amending the regional Power Plan and Fish and Wildlife Program (Section 4(d)(1)).
6. **Organization requirements.** In addition to the Council determining its funding requirements, the Act also provides that the Council shall determine its organization and prescribe its practices and procedures for carrying out

its functions and responsibilities under the Act (Section 4(c)(4)). As part of its budget-development process, the Council publishes for public review and comment its organization chart, practices, procedures, and funding requirements associated with the above responsibilities. The Council also distributes for public review and comment its annual work plans for power planning and Fish and Wildlife Program activities. Following public comment, an annual report describing the Council's activities is published and forwarded to Congress.

III. STATES' PARTICIPATION

The first component of the Council's budget is the funding necessary to support each state's participation as provided by the Act. This portion of the Council's budget covers the funding for the Council members' operation of their state offices, local public involvement efforts, and technical support necessary to provide a suitable state review capability of those energy and fish and wildlife issues having a particular impact on the respective states. Oregon and Washington require that the Council offices be established in both the eastern and western portions of the states.

The states' portion of the budget for Fiscal Year 2015 is \$3,216,000, equivalent to 0.026 mills in firm power sales. The line item expenditure projections and a description of state Council activities are contained in Section J of this budget document.

IV. CENTRAL COUNCIL – POWER DIVISION

The regional electric power and conservation planning responsibilities established by the Act are carried out by a centralized technical staff. The Power Division analyzes changing conditions and monitors implementation of the Power Plan. Outside contracting occurs to a limited extent to augment research done by other entities or to provide technical capability that the Council does not possess. The Council conducts independent regional analysis by using computer modeling and analytical methods with data collected by outside sources (advisory committees are utilized to the extent appropriate).

The power planning portion of the Council's Fiscal Year 2015 budget is \$2,351,000, equivalent to 0.019 mills in firm power sales. The line item expenses for power planning and a description of program actions are described in Section E of this budget document.

V. CENTRAL COUNCIL – FISH AND WILDLIFE DIVISION

The activities necessary for implementing of the Fish and Wildlife Program, reviewing actions of Bonneville and others to determine consistency with the Program, and developing Program amendments are conducted by a central staff of fish and wildlife specialists (excluding management and administrative support). The fish and wildlife planning efforts of the staff focus on mainstem passage and flows, system/subbasin production planning, research coordination, new hydropower development and actions by the Federal Energy Regulatory

Commission, wildlife mitigation, resident fish and fish substitutions, and habitat and tributary passage. Monitoring and evaluation of Fish and Wildlife Program effectiveness, as well as facilitating the resolution of barriers to implementation of specific Program measures, are two of the most significant activities of the Fish and Wildlife Division.

The fish and wildlife portion of the Council's budget for Fiscal Year 2015 is \$1,640,000, equivalent to 0.013 mills in firm power sales. The line item expenditure projections and a description of the Fish and Wildlife Division programs are contained in Section F of this budget document.

VI. CENTRAL COUNCIL – PUBLIC AFFAIRS DIVISION

The Council's Public Affairs Division develops and maintains comprehensive programs to inform and involve the public in major regional power and fish and wildlife issues. This includes consultations with Bonneville, Bonneville customers, fish and wildlife agencies, Indian tribes, and others. Public affairs staff also: 1) coordinate contacts with Congress; 2) monitor federal appropriations and budget committee actions to implement the Fish and Wildlife Program and the energy plan; 3) provide information to congressional committees; and 4) coordinate Council testimony before House and Senate committees.

The Council maintains an extensive mailing list (more than 15,000 individuals and organizations) as a major part of its outreach efforts to inform interested parties and to solicit their participation in the Council's regional planning activities.

The principal way in which the Council attempts to reach the public is through its publications. These include a quarterly publication, *Council Quarterly*, an annual report to Congress, an annual report to the Governors on Bonneville spending to implement the Fish and Wildlife Program, summaries of current Council issues, and the Council's public meeting agenda. The Council also reaches the public through the various media, including briefings for editors/reporters, Council meeting press packets, news releases, feature stories in a variety of publications and advertising the availability of the Council's major documents. The Council maintains a website (www.nwcouncil.org) where agendas, summaries of issues and activities, and all major Council publications are available.

The Public Affairs Division portion of the Council budget for Fiscal Year 2015 is \$919,000, equivalent to 0.007 mills in firm power sales. Line item expenditure projections and program descriptions for public affairs are contained in Section G of this budget document.

VII. CENTRAL COUNCIL – LEGAL DIVISION

Legal services are provided by three attorneys who provide administrative support and general legal advice, as well as support for the power planning, fish and wildlife, and public information and involvement programs.

Legal advice and representation, as well as the development of Council rules and procedures, including the negotiation of contracts, are provided by the Legal Division. The division participates in scheduled revisions of the energy plan and the Fish and Wildlife Program by providing legal counsel at public

hearings and consultations with interested parties, assisting and drafting amendments, and maintaining the administrative record of Council actions and rulemakings.

The Legal Division serves a necessary role in helping oversee the implementation of the Power Plan and the Fish and Wildlife Program by Bonneville, the U.S. Army Corps of Engineers, the Bureau of Reclamation, the Federal Energy Regulatory Commission, and other agencies and utilities. Legal representation of the Council in appeals of its Plan, Program, and other actions is provided, although no funding is provided for unanticipated litigation.

Administrative law support is necessary for administrative proceedings and addressing institutional legal questions, as well as ensuring that the Council adheres to the provisions of the Sunshine Act, the Freedom of Information Act, Administrative Procedures Act, government contracting practices, administrative record, and advisory committees.

The legal services portion of the Council's budget for Fiscal Year 2015 is \$444,000, equivalent to 0.004 mills of forecast firm power sales. The Legal Division projection of line item expenditures and a description of specific activities are presented in Section H of this budget document.

VIII. CENTRAL COUNCIL – ADMINISTRATIVE DIVISION

The Administrative Division provides the executive direction for all central Council operations and administrative and financial support for the Council.

The office of the executive director provides the direction for all staff work on Council programs and for program support services. Financial and administrative services are provided, including budget development, audits, contract management, accounting/payroll systems, and personnel administration.

The cost of management services and supplies that are applicable to all divisions are aggregated in the Administrative Division budget. The major expense components are office rent, telephone, office supplies, postage/mailing, equipment rental, audit fees, insurance, and computer support services.

The Administrative Division portion of the Council's budget for Fiscal Year 2015 is \$1,816,000 equivalent to 0.015 mills of firm power sales. The Administrative Division line item expenditure projection and activity descriptions are contained in Section I of this budget document.

IX. CENTRAL COUNCIL – INFORMATION SYSTEMS

The Council has fostered a high degree of computer integration with its planning activities and support services. Computer systems and software are necessary to give the Council the capability to carry out its functions and responsibilities with minimal staffing levels and limited outside contracting. Complex computer models and extensive data bases are operated and maintained for system analysis, decision analysis, load forecasting, and statistical analysis, as well as for hydropower system, power resource and conservation data bases. Fish and wildlife planning uses fish-production and fish-passage models, as well as river reach and system-production planning databases.

The Administrative Division uses the Council's computer systems for maintaining administrative records requirements, word processing and for all accounting/budget tasks. The Council also has developed a computer communications network capability that allows computer linkage with Bonneville, certain agencies and tribes, utility organizations, state Council offices, and the Internet.

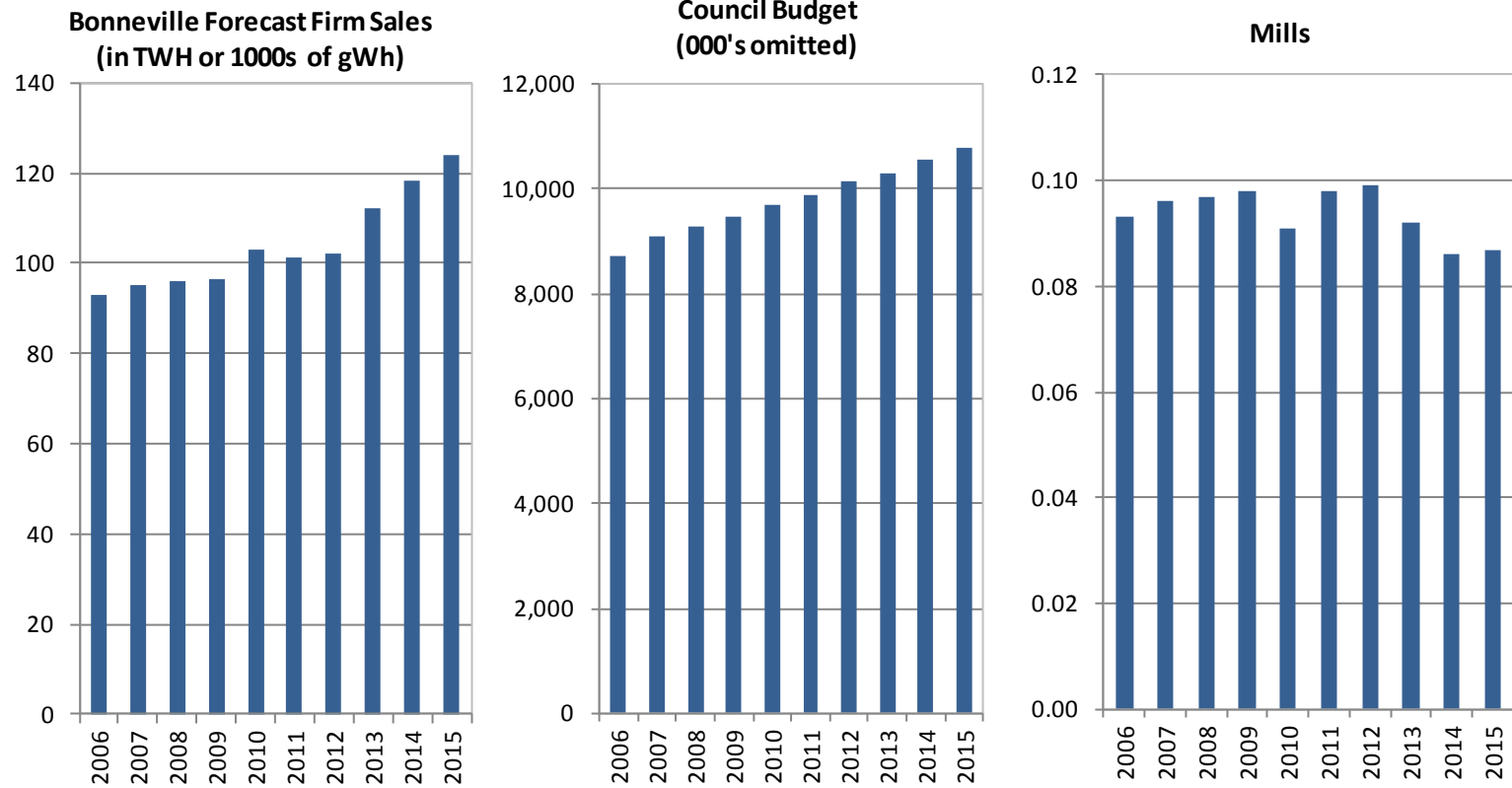
The information services portion of the Council's budget for Fiscal Year 2015 is \$408,000, equivalent to 0.003 mills of forecast firm power sales. These costs are included in the Administrative Division's budget. A more detailed description of the information systems function is contained in Appendix B of this budget document.

X. SUMMARY

Based on this showing and the supporting detailed information contained in this budget document, the Council has determined that the 0.02 mill limitation will not allow the Council to carry out its functions and responsibilities under the Act and that the following budget expenditures proposed for Fiscal Year 2015 are necessary and appropriate.

	FY 2015	
States participation	\$3,216,000	0.026 mills
Central Council:		
Power Planning	2,351,000	0.019 mills
Fish and Wildlife	1,640,000	0.013 mills
Public Affairs	919,000	0.007 mills
Legal	444,000	0.004 mills
Administrative	<u>2,224,000</u>	<u>0.018 mills</u>
TOTAL	<u>\$10,794,000</u>	<u>0.087 mills</u>

Budget History (Figure 10)



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