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The Idaho Falls Power Board of the City of Idaho Falls met Thursday, Jan. 27, 2022, at the Idaho Falls Power Energy Center, 140 S. Capital, Idaho Falls, Idaho at 7:00 a.m.

Call to Order, Roll Call, and Announcements:

There were present:

Mayor Rebecca L. Noah Casper

Board Member Michelle Ziel-Dingman

Board Member Thomas Hally

Board Member Jim Francis

Board Member Jim Freeman (via Zoom)

Board Member John Radford (Via Zoom, joined at 7:17 a.m.)

Board Member Lisa Burtenshaw (Via Zoom, then arrived in person at 8:11 a.m.)

Also present:

Bear Prairie, Idaho Falls Power (IFP) General Manager

Stephen Boorman, IFP Assistant General Manager

Will Hart, Idaho Consumer-Owned Utilities (ICUA) Executive Director (Via Zoom at 8 a.m.)

Richard Malloy, Hydropower & Utility Regulatory Compliance Manager

Randy Fife, City Attorney

Linda Lundquist, IFP Board Secretary

Mayor Casper called the meeting to order at 7:11 a.m.

Calendar Announcements, Events and Updates

Mayor Casper mentioned in speaking with community leaders that she's noticed mutual interest in Idaho Falls peaking plant/clean fuels research park from Idaho National Laboratory (INL), Idaho Environmental Coalition (IEC), Heber and Lehi Cities. She added that INL has hired a net-zero coordinator with plans to bring INL to net-zero by 2031. Board Member Francis said he was surprised by the hard position Mr. Hart took on the four lower snake dam breaching in the recent Idaho Consumer-Owned Utility (ICUA) Legislative Conference. General Manager (GM) Prairie talked about American Public Power Association's (APPA) resolution on hydro support; specific to the four lower dams. He explained that the resolution emphasizes hydro's low cost, no emissions, high output, and extra capacity and pointed out that when the Simpson concept was proposed it projected replacing the energy generation would cost upwards of \$16 billion dollars. Board Member Radford said he was a bit dismayed by the climate presentation at the conference, as it seemed a little one-sided. Board Member Freeman reported on his recent NuScale tour in Oregon and said he was impressed with the intelligence and professionalism of the NuScale group and noted that he has gained some reassurances around the Carbon Free Power Project (CFPP). GM Prairie explained the items that will be presented to City Council this night. He announced that the new hydropower billboard on South Yellowstone is to remind the community that hydropower is a cornerstone in Idaho Falls. He continued to explain that the next sign planned will be about fiber in a few months and a third sign for later in the year will tie power to fiber. GM Prairie said he is adding 2 Ford F-150 electric vehicles to IFP's fleet and noted that the four aging Chevrolet Volts currently in the fleet have required very little if any maintenance. Board Member Ziel-Dingman thought the purchase was a great example to set.

Board Policy No. 3 / Board Training Plan

Mayor Casper said the policy does a good job covering the things the board is responsible for and appreciates that GM Prairie brings them forward for an annual review.

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It was moved by Board Member Ziel-Dingman and seconded by Board Member Francis to approve the updates to Board Policy No. 3 as presented. The motion passed with unanimous approval.

Board Policy No. 2 / City Council Acting as IFP Board

GM Prairie said he'd received no questions or comments on the policy. He reminded everyone this is the annual review of the policy for the board. Since there were no questions or comments received, no future action is needed.

Legislative Update – Will Hart, ICUA Executive Director via Zoom

Mr. Hart thanked the board for participating in the recent ICUA conference in Boise. He gave a brief history of his role as ICUA's Executive Director and explained ICUA's relationship with not-for-profit, Idaho utilities and how lobbying for clean low-cost power has become well received in the Idaho State Legislature. GM Prairie explained that years before Mr. Hart was hired by ICUA, investor-owned utilities were disregarding and trying to delegitimize municipal power and pointed out that through lobbying and education, investor-owned entities are now partnering with ICUA. Mr. Hart highlighted the larger bills in the state legislature that include the largest state tax-cut Idaho has ever seen. He talked about the session's priorities and bills aimed at protecting linemen and utility workers. He presented on some regional and federal updates and pointed out that the U.S. Congress passed the Infrastructure Investment and Jobs Act which authorizes funds for Federal-aid highways, highway safety programs and transit programs. Mr. Hart reminded the Board of the upcoming APPA Legislative Rally in Washington D.C. and mentioned that it's a good opportunity to meet with Idaho legislators. He reminded the Board about COVID-19 mandates in D.C. but said attempts could be made to meet virtually if needed. Mr. Hart mentioned he is comparing numbers derived from current polling by various entities and encourages folks that support public power to run for office.

Peaking Plant Update

GM Prairie said he is working on the peaking plant white paper as a top priority and mentioned that he continues to have good dialog with community members. He announced that he recommends forming a Resource Advisory Committee for a defined period of time that consists of eight members and should include one of IFP's liaisons. GM Prairie said he is hoping to see the request for proposals from Utah Associated Municipal Power Systems (UAMPS) for Horse Butte Wind expansion and explained that while the CFPP project is still moving forward, by the end of 2022 the city will need to take on more risk as the project will no longer be fully refundable and forewarned those costs will likely be increased in his view with the inflation he is seeing in everything else. Mayor Casper said a committee could be useful to inform the board and remarked if there was a general consensus, then she would move forward with committee formation and said that she and GM Prairie will work with city legal to establish a committee with a possibility of populating it by the end of March. GM Prairie pointed out that time is of the essence. Mr. Fife suggested that IFP could form a subcommittee and later formalize into a Title 2 committee if desired. Mayor Casper reiterated that it would be good for the board to have access to an advisory committee and Mr. Fife said if City Council makes a decision about something, it's better to do it with a formal committee and added that it's fine for a department to form a focus group as long as information is presented to City Council formally. Board Member Francis stated that it made sense to formalize it in an ordinance and Mayor Casper added that for consistency, she would like to utilize city applications where the GM reviews them and makes recommendations to City Council. Board Member Ziel-Dingman said that the board members may like to access the committee from time to time and noted that the utility is in a unique position being surrounded by energy experts. Board Member Hally agreed that having a formal committee lends more credibility. Board Member Freeman asked if six members would be a better number to get up to speed with the utility and GM Prairie said that eight seemed more appropriate to lend the right representation. Board

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Member Burtenshaw stated she is in favor of a peaking plant and doesn't want to go through too much extra work with a committee if we end up in the same place. GM Prairie said he is focused on tasking the committee with the priorities of the utility, where resource decisions are likely met with giving up something to get something else. There was a discussion on the process and function of the proposed committee. Board Member Radford said he was in complete agreement with forming a committee and added that he would challenge the committee to look forward to the next 100 years. GM Prairie cautioned that they could get caught up in what is on the horizon but never comes to fruition and prudent utility management requires not being too off in future on theoretical that might never materialize. He shared the resolution that was recently passed by Heber and Lehi Cities. He pointed out this resolution is not binding in any way but simply a measure for each of the utilities' boards to put on a single consistent document that they approve of the utility managers to work together on this project and concept. He reiterated that this is not binding to do anything and that there will be much discussion, deliberation and decision making along with way when more information is gathered from requests for proposals (RFP's) and requests for information (RFI's). Board Member Francis said he would like to see one more recital about collaborating with INL. GM Prairie pointed out the existing recital that speaks to this already, and questioned if this is not accurate or adequate. GM Prairie requested that the board send feedback over the next two weeks. Mayor Casper reiterated that she would like to keep the resolution similar to what Heber and Lehi passed. GM Prairie reminded the board to read through the packet material about emerging hydrogen technologies.

2021 Board Self-Evaluation Results

Board Member Radford stated that he would only be reviewing questions that weren't in 100% agreement. He stated that GM Prairie and Ms. Lundquist have been responding to the *packet reading time* and that they will continue to email items ahead of the packet as they are available. There was a discussion on changing the *board meeting* length, number of meetings per month, time of day, and best day of the week. Mayor Casper reminded the board to look for the airport coming in with some Tuesday morning meetings as a possible conflict. Board Member Radford pointed out that Wednesdays will conflict with Rotary meetings. Board Members Francis and Ziel-Dingman thought that moving the meetings off the same day as city council meetings could make a drastic difference. Mr. Fife said that nothing obligates the board to have the same schedule on a yearly basis as long as it is noticed 48-hours in advance. The board gave GM Prairie a general head nod after discussion to move forward with moving meetings to the second Tuesday, same week as city council meetings, from 8 a.m. to noon. GM Prairie added that he'd be happy to provide lunch if meetings ran until noon if that makes things easier on the board to attend. Board Member Radford talked about the *feedback from rate payers* and Board Member Ziel-Dingman said she only hears from the community if something is wrong and wondered how to communicate that the city council body is also the IFP board. She suggested advertisements that had the council/board on them to remind the community of their role. GM Prairie said the utility has been focused on educating the community about their community-owned power and mentioned the billboards and added that the clean energy survey is wrapping up. Board Member Burtenshaw mentioned that people don't realize that the falls are part of a hydro project. Assistant General Manager (AGM) Boorman introduced the wayfinding signs that the utility has been working on for a couple of years; aimed at helping to educate the community on the city's hydro projects. There was a discussion about the energy survey's feedback. Mayor Casper pointed out there's a difference in being supportive and being willing to pay the price and added that she is hoping the data being received will better inform the decision making. Board Member Radford continued to say the compliance reports and updates on the Federal Energy Regulatory Commission (FERC) are on the agenda this day and may address questions posed in the survey. He continued with the *cybersecurity* question and asked if we should be having annual cyber audits. Mayor Casper added that there is a cybersecurity bill in the house that would protect information. Mr. Fife said the city was instrumental in changing a piece of the Idaho legislation that would allow for redaction of vulnerabilities in reporting. GM Prairie said he would invite Mr. Welch, a

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cybersecurity expert with INL to speak to the board. Board Member Burtenshaw pointed out that the IFP Strategic Plan lists peaking capacity as a weakness. AGM Boorman added that the strategic plan is referenced in every IFP council memo. GM Prairie reminded the board that the full packet, Board Survey, and a document listing potential board topics are all in Dropbox. He forewarned the board about a new Rocky Mountain Power buyout customer that is upset about paying their revenue portion of the buyout. GM Prairie compared the land density usage for solar versus gas peaking plants and shared an article with the board.

FERC Compliance & Licensing / NERC Standards

Mr. Malloy explained that the U.S. Congress directed FERC to develop reliability standards for the electric utility industry in 2005 as a result of the 2003 East Coast blackout. FERC delegated responsibility to North American Electric Reliability Corporation (NERC) to draft the standards. NERC delegated enforcement for the standards to six regional entities, of which this utility resides in the Western Electricity Coordinating Council (WECC) region. He pointed out that 27 of the 96 standards are applicable to IFP and explained that the next audit is expected in 2023, which generally occur every nine years for the utility. Mr. Malloy pointed out that the last two audits yielded no violations. He explained cybersecurity requirements and his role in compliance. He reminded the board that Kleinschmidt was hired to help with relicensing. He explained the process to get the bulbs and Gem State relicensed together. Mayor Casper asked if any pushback is anticipated and AGM Boorman pointed out that the last relicensing occurred nearly 50 years ago and no one with IFP has been through the process, which is why Kleinschmidt was hired and added that FERC will run the meetings. Mr. Malloy said that Joe Lucas has also been hired as an independent consultant who has been through the process to manage stakeholder interests and outreach. AGM Boorman pointed out that part of the presentation is to realize the amount of regulatory compliance the utility is under. Board Member Burtenshaw asked if there have been issues in the past with the tribes and Mr. Malloy said IFP's smaller hydro projects have not been of too much interest to them in the time he has been at IFP. AGM Boorman pointed out that although arduous, 40-year licensing can be a good thing.

There being no further business, the meeting adjourned at 11:00 a.m.

s/ Linda Lundquist

Linda Lundquist, BOARD SECRETARY

s/ Rebecca L. Noah Casper

Rebecca L. Noah Casper, MAYOR