

February 24, 2021 Unapproved

The Idaho Falls Power Board of the City of Idaho Falls met Thursday, Feb. 24, 2022, at the Idaho Falls Power Large Conference Room, 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 (left at 10:48 a.m.)
Board Member Jim Francis
Board Member Jim Freeman
Board Member John Radford
Board Member Lisa Burtenshaw

Also present:

Bear Prairie, Idaho Falls Power (IFP) General Manager
Stephen Boorman, IFP Assistant General Manager
Mike Squires, UAMPS Director of Government Affairs
Wilson Lin, IFP Engineer
Randy Fife, City Attorney
Linda Lundquist, IFP Board Secretary

Mayor Casper called the meeting to order at 7:06 a.m.

Calendar Announcements, Events and Updates

Mayor Casper announced that the Idaho National Laboratory (INL) has purchased an all-electric bus. She said the United States Nuclear Industry Council (USNIC) is sponsoring a reactor summit in Sun Valley, Idaho the first week of April and noted that NuScale and Utah Associated Municipal Power Systems (UAMPS) are sponsors of the event. Mayor Casper added that the USNIC has invited the board to become members and that she would take care of the application process. She asked if it was appropriate to transfer her American Public Power Association's (APPA) voting credentials to Councilman Radford for the next week's legislative meetings. Board Member Radford mentioned APPA's resolution in support of hydro and General Manager (GM) Prairie pointed out that the resolution doesn't dig too deep into fish and biology or what the economics might look like on replacing the four lower snake dams. Mayor Casper continued to give the legislative event schedule for her trip to Washington, D.C. GM Prairie reviewed the items for the City Council agenda that evening and noted the utility hit an all-time peak load of 151 MW in January.

Annual Service Policy Review

IFP Engineer Wilson Lin reviewed the proposed changes to the service policy. Assistant General Manager (AGM) Boorman explained that for consistency, the service for mobile home parks is being changed from a commercial type of service to residential, to better align with how Rocky Mountain Power (RMP) treated recently annexed parks. GM Prairie pointed out that power bills for singlewide mobile homes can cost up to four times that of large single-family homes and added that the utility will likely need to upgrade the old and failing infrastructure that was recently purchased from RMP. AGM Boorman explained the classic weatherization and energy inefficiency issues with mobile homes. Mayor Casper asked if there are additional assistance programs available to help mobile home residents offset their high energy costs and GM Prairie said that the utility provides information on our energy efficiency programs, LED lightbulbs and low-flow shower heads to all newly connected RMP buyout customers. Mr. Lin continued to outline the updates proposed in the policy. Board Member Freeman asked if it was a general practice to install

February 24, 2021 Unapproved

transformers in front yards opposed to backyards and GM Prairie answered yes, that is usually the design for new residential installs and added that the transformer location is also dependent on the age of the neighborhood and whether the homes have alleyways. He explained some issues with elevation and grading in new construction, particularly after transformers have already been placed. AGM Boorman gave an example of how a builder didn't follow the grading design and raised the road elevation after the transformers had already been placed, which then put them below elevation. Subsequently, they had to be moved at the expense to the builder. There was a discussion about an Idaho senate bill that would protect utility employees.

Q4 and Q1 Power Supply Report

GM Prairie explained how UAMPS charges day-ahead and real-time energy prices and pointed out if there is an error in billing they have 18-months to resettle the bill. He pointed out that the high pricing in July was due to several consecutive hot days and explained how the power cost adjustment (PCA) is derived and said that the PCA will be discussed in more detail in next months' annual review discussion. He explained that conservative forecasting is based on a critical water year and added that the snowpack isn't looking good, therefore prior years' reporting will be considered in current forecasting. He pointed out that the July loads were up 31%, and noted that August came in a little lower because the prior August was very hot. GM Prairie explained how cold winters and hot summers are causing higher peak loads. He said that 116 MW was the historic all-time high for July and pointed out the hot week last July increased loads to 126 MW. AGM Boorman added that the utility will see more load growth as some of the high-density housing builders are installing all-electric units. GM Prairie pointed out a jump in the Bonneville Power Association (BPA) bill and Board Member Burtenshaw asked how far in advance BPA makes their projections. GM Prairie said that BPA does rate cases every two years and added that his analysis and projections also take into consideration the energy needs of key accounts and added that the utility is working with them on energy saving strategies. There was a discussion on electric vehicles, including bussing, which could also lead to future load growth. GM Prairie explained net metering and Board Member Radford asked how solar played into the economics. GM Prairie said that solar has about an 18-year payback and explained their typical daily cycle. He continued to point out that customer growth is up in part due to the RMP buyout and customer cutovers. He reviewed the heavy load hour positions and explained how the market reacts to poor snowpack, which lead to a discussion on prior and current drought conditions. GM Prairie explained the water supply forecasting on the Columbia Basin and showed how natural gas prices are on the rise. Board Member Burtenshaw asked if gas is supplied intercontinentally and GM Prairie said it was becoming more so with liquid natural gas (LNG) terminals being used by global exports and added that most of the U.S. produced liquified gas is sent to Asia. He explained how Germany relies on Russia for at least half of their natural gas supply as a bridge (stop gap) because they've shut down most of their own nuclear and coal plants due to aggressive clean energy policies.

Federal Legislative Update

UAMPS Director of Government Affairs Mike Squires gave a brief overview for some of the 2021 Federal legislation that included the passing of the American Rescue Plan and Infrastructure Bill, but noted that the Build Back Better and Clean Future Acts haven't been passed. He added that UAMPS is sending its opinions and guidance as agencies move forward in applying for grants. Mr. Squires commented that the Biden Administration has fallen short on its nominations when compared to past administrations and reviewed the energy and environment election trends. Mayor Casper asked if APPA talking points were available and Mr. Squires said he will be sending an updated and reduced list that would include climate related issues and wildfire management and noted that he expects to see some movement on tax accessibility and credits this legislative session.

Clean Energy Survey Results

GM Prairie explained the tools and software that were used in the survey development. He reported the outreach was via a press release, information on the city's website and direct text messaging to random customers with a survey link. He commented that the survey participants appeared motivated and that responses seemed spread across the energy spectrum with nuclear and hydro energy sources being priorities. He said the ranking identified reliability, low-cost then clean energy as priorities and Board Member Ziel-Dingman commented that this was the result she was expecting. Mayor Casper commented that the survey isn't statistically valid and cautioned to not base decisions from it. GM Prairie continued to say that the results point toward the majority of customers not willing to pay more than five percent (5%) higher rates for clean energy. He added that Idaho Power did a similar survey years prior that identified similar outcomes. Board Member Francis said he thought the comments reflected customers' misunderstanding of where their energy is currently derived. Board Member Radford lead a discussion about what rates look like in other countries. Board Members Ziel-Dingman and Burtenshaw asked if an "opt in" for clean energy was implemented, would the costs be likely socialized and GM Prairie said he works hard to not socialize costs and gave examples like the smart meter opt-out option. He said that if customers desire a service that not every customer will, then they should expect to pay for it. GM Prairie commented if 10% of the utility's customers signed up for a certified clean energy program, that it would be worth implementing. He reminded the board the last time a similar program was offered, there was zero interest. Board Member Francis asked for clarification on what the utility would be offering since the utility already provides hydro and GM Prairie lead a discussion on what clean energy credits are and how they are administered/sold. He said that Utah and Wyoming have been converting coal to gas as a bridge, but pointed out that the media's narrative is more on wind and solar and they're not talking about gas as being an affordable and lower-emission bridge. He reminded the board that geopolitical forces impact the energy market. There was a discussion on where the energy comes from that is purchased from BPA. GM Prairie asked the board if they would like to continue with annual surveys and Board Member Hally suggested every other year might be appropriate and Board Member Freeman asked how much they cost. GM Prairie said it was primarily staff time and some give away drawings for energy related items and Mayor Casper said she wouldn't mind doing the surveys informally and periodically and asked that suggestions for questions be submitted prior to the next survey.

Power Resource Study Committee Update

GM Prairie reviewed the recommendations to form a committee and pointed out the importance of diversity within a committee. He said he'd like the committee to debate and really consider the issues and maybe even struggle with the right recommendations. Mayor Casper commented that it's better to call it a study committee opposed to an advisory committee, so the board won't be impeded to move forward with a decision. She added that the liaisons should be ex-officiant to the committee and GM Prairie countered that a liaison could carry the voice of the board. A discussion about liaisons on the committee ensued. Board Member Freeman thought a liaison in the meetings could lend guidance and answer questions. Board Member Francis commented that the committee may feel freer to speak without a Council Member present. Mr. Fife advised the board that it's their committee and if there is a clear role for the liaison, then to include it in the resolution/charter. There was a discussion about the *business representative* member. Mayor Casper offered that a *community member* would be better titled than *general member* and recommends the board put some thought in the application language. GM Prairie said he will get the committee process moving forward.

Proposed Yellowstone Peak Generation Plant and Clean Energy Research Park Review

GM Prairie explained the resolution that will be coming before City Council and explained that it's basically the same resolution that Heber and Lehi Cities recently passed, which approves utilities to move forward

February 24, 2021 Unapproved

in their exploration of the peaking/research park concept. Board Member Francis asked what the next steps were if City Council approved the resolution and GM Prairie said that INL will be helping to put out the request for information (RFI). Mayor Casper offered that since Heber, Lehi, INL and the City of Idaho Falls consider this as a viable bridge, it's worth exploring. Mr. Fife advised there would be no obligation once passed and added that Heber and Lehi's constituents may decide not to move forward. He added that at some point City Council may want to revisit the Clean Energy Resolution (CER) and make sure there is clarity for staff and the community moving forward. Board Member Freeman agreed that the resolution is somewhat ambiguous. Board Member Burtenshaw commented that the CER wasn't a driving factor in her decision making and mentioned when the police station decided to be all electric when gas would be a less expensive option for the new station. After a short discussion, it was decided to add the resolution to a future work session for discussion and review on what it means. There was a discussion on the peaking plant white papers and GM Prairie said it's good way to work through all the options. Mayor Casper suggested to consider who the audience is and to keep it two pages as the papers could be a model for other utilities to follow. GM Prairie said he wasn't planning on sharing the white paper with the committee during their work but rather work on it in parallel with information that is being gathered by the committee. He pointed out other supporting articles included in the packet. Mayor Casper brought up interpretation and expediency issues with the Signing Authority Resolution approved by City Council October 2020. A discussion followed as to how the resolution is being interpreted by City Council, directors and legal services. It was noted that the completion of budgeted capital projects across several city departments is increasingly compromised due to the rising costs for material and labor; coupled with supply chain issues. It was decided to review the resolution in a future work session to add more clarity for staff.

There being no further business, the meeting adjourned at 11:26 a.m.

s/ Linda Lundquist _____

Linda Lundquist, BOARD SECRETARY

s/ Rebecca L. Noah Casper _____

Rebecca L. Noah Casper, MAYOR