

DRAFT
Water and Light Advisory Board
May 29, 2013

A meeting of the Water and Light Advisory Board was held Wednesday, May 29, 2013 at 8:05 a.m. in Water and Light Conference Room 4A, 701 E. Broadway. The meeting was attended by:

John Conway, Chair
Tom O'Connor, Member
Hank Ottinger, Member
Dick Parker, Vice Chair
Bob Roper, Member
Tad Johnsen, Water and Light Director
Ryan Williams, Assistant Director of Water and Light
Christian Johannningmeier, Power Production Superintendent
Carol Schafer, Management Support Specialist
Jim Windsor, Manager, Rates and Fiscal Planning
Rose Wibbenmeyer, Assistant City Counselor
Connie Kacprowicz, Communications and Marketing Supervisor
Tina Worley, Utility Services Manager
David Storvick, Engineering Manager
Frank Cunningham, Energy Services Supervisor/Commercial
Kiah Harris, Burns & McDonnell
Tracy Frevert, Administrative Support Assistant

APPROVAL OF THE MAY 1, 2013 MEETING MINUTES

The May 1, 2013 meeting minutes were approved by voice vote on a motion by Hank Ottinger and a second by Dick Parker.

DIRECTOR'S REPORT

a) Review Update of Integrated Resource Plan – Tad Johnsen introduced Kiah Harris, Burns & McDonnell, who summarized the Final draft Report on the Integrated Resource Plan (IRP) – 2013 Update. The overall objective of the analysis was to review the supply side resource changes since the 2008 study and impacts from existing demand side programs offered by Columbia Water and Light (CWL) to determine if any revisions were warranted to the more attractive supply side options in meeting CWL forecasted demand and energy requirements recommended in the 2008 study. Mr. Harris reviewed:

- Existing conditions – load forecast (below 2008 IRP forecast), current DSM programs (residential and commercial), existing generation resources, balance of loads and resources, transmission issues
- Supply side analysis – general assumptions, fuel considerations/forecasts, traditional options, power purchase agreements, Strategist analysis, renewable resources (potential biomass options)
- Demand side analysis – methodology, 2008 IRP demand side analysis, DSM update analysis, active DSM program projections, passive DSM programs, demand side management, the future of DSM, and DSM conclusions
- DSM and supply side considerations – DSM impacts on supply side decisions, sensitivities and conclusions

The analysis offers the following conclusions:

- CWL's base load forecast is lower than the base load forecast provided in the 2008 study.
- The existing demand side management (DSM) programs appear to be providing positive benefit with regards to CWL's load requirements and should be continued. The Commercial HVAC program should be reviewed to determine if its benefit can be increased.
- CWL should continue to work with the City to improve the application and enforcement of more efficient building codes across the commercial and residential sectors.
- Due to the number of existing and to be implemented federal efficiency standards and the rising cost of electricity, expansion into new DSM programs does not appear to be warranted.
- CWL's supply side expansion options are essentially limited to natural gas fired and renewable energy resources. The need to add these resources, with the expected load forecasts, does not occur until approximately 2019. CWL should monitor the cost of capacity from the area market to determine if the actual construction of resources is more economical.
- Should CWL determine that the CWL Controlled resource future is the course it desires to take, a detailed engineering analysis of the costs to expand the Columbia Energy Center to a combined cycle operation should be developed.
- The potential impact to the electric utility industry of solar PV achieving retail parity is significant. For CWL, a significant expansion of net metered solar PV would have a large impact on its MISO energy purchases, its sales from its generation and the capacity necessary to meet its load plus reserve obligations. Rose Wibbenmeyer summarized state and federal net metering regulations and will provide the Board with several websites regarding the regulations.
- CWL should continue to review its rate structure to review the impact of declining sales from DSM and the potential impact due to increasing use of net metered solar PV.
- An increase in the cost of wholesale electricity through a carbon tax or natural gas prices increasing will expand the value of DSM and net metered solar PV to CWL customers.

Tad Johnsen noted that the intent of the IRP review is to solicit comments from the Board before a report goes to Council. Bob Roper commended Kiah Harris for his work on the IRP. Dick Parker distributed a handout summarizing three concerns with the IRP: the way capacity is handled for intermittent renewable energy sources, misleading graphs of MISO real-time generation, and the fact that the possibility of not retiring turbines 5 and 7 is not included in the IRP. Kiah Harris, Tad Johnsen and Staff will take Mr. Parkers recommendations into account and make necessary modifications.

Dick Parker noted that the City Council will be discussing building codes before the Board meetings again, and distributed a sample letter noting the recommendations in the IRP regarding the need for more efficient building codes. Dick Parker made a motion, seconded by Hank

Ottinger, to send a letter to Council with the building code recommendations from the Integrated Resource Plan 2013 Update. Motion passed.

NEW BUSINESS

a) Data transfer and communication equipment rate – Tad Johnsen noted that in response to a customer request, Staff developed a data transfer and communication equipment structure rate which allows communications providers to install small communication equipment, distributed throughout the community without the infrastructure needed to meter electric use. This new rate is designed for distributed communication equipment that will have small and predictable electric use at a high load factor. Monthly charges are to be modeled off the small general service rate. Dick Parker made a motion, seconded by Bob Roper, to recommend to Council to approve the new service rate. Dick Parker, Bob Roper, Hank Ottinger and John Conway voted yes, and Tom O'Connor voted nay.

b) Annual Water Quality Report – Connie Kacprowicz said the report will go to customers with the June utility bills.

CHAIRMAN'S REPORT

John Conway urged all to participate in the rain barrel program offered by the Public Works Department through the Stormwater Utility Education and Outreach Program, partnered with Rain Water Solutions Inc.

The next regularly scheduled Board meeting will be June 12, 2013 at 8:05 a.m. in Water and Light Conference Room 4A, 701 E. Broadway.

VISITOR COMMENTS

No visitor comments.

The meeting adjourned at 11:21 a.m.

Respectfully submitted,