

# External Affairs 2008 Overview

November 26, 2007

# External Affairs Overview

- Introduction
- Mission and Objectives
- Approach
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- 2008 Focus
- Questions

# Mission

“To obtain optimal strategic position for the District by helping to shape public policy and anticipating emerging issues and trends”

# Objectives

- Monitor, analyze and participate in the development of laws and regulations
  - Legislative
  - Regulatory
  - Judicial
- Develop strategies to respond to new laws and regulations
- Maintain and enhance relationships with key constituents and customers

# District Approach

- Develop innovative solutions that demonstrate environmental stewardship and improve regulatory processes
- Be pro-actively engaged in federal and state legislative issues and rulemakings
  - Responsive to policy maker requests for input
  - Utilize comment periods and review opportunities

# District Reputation

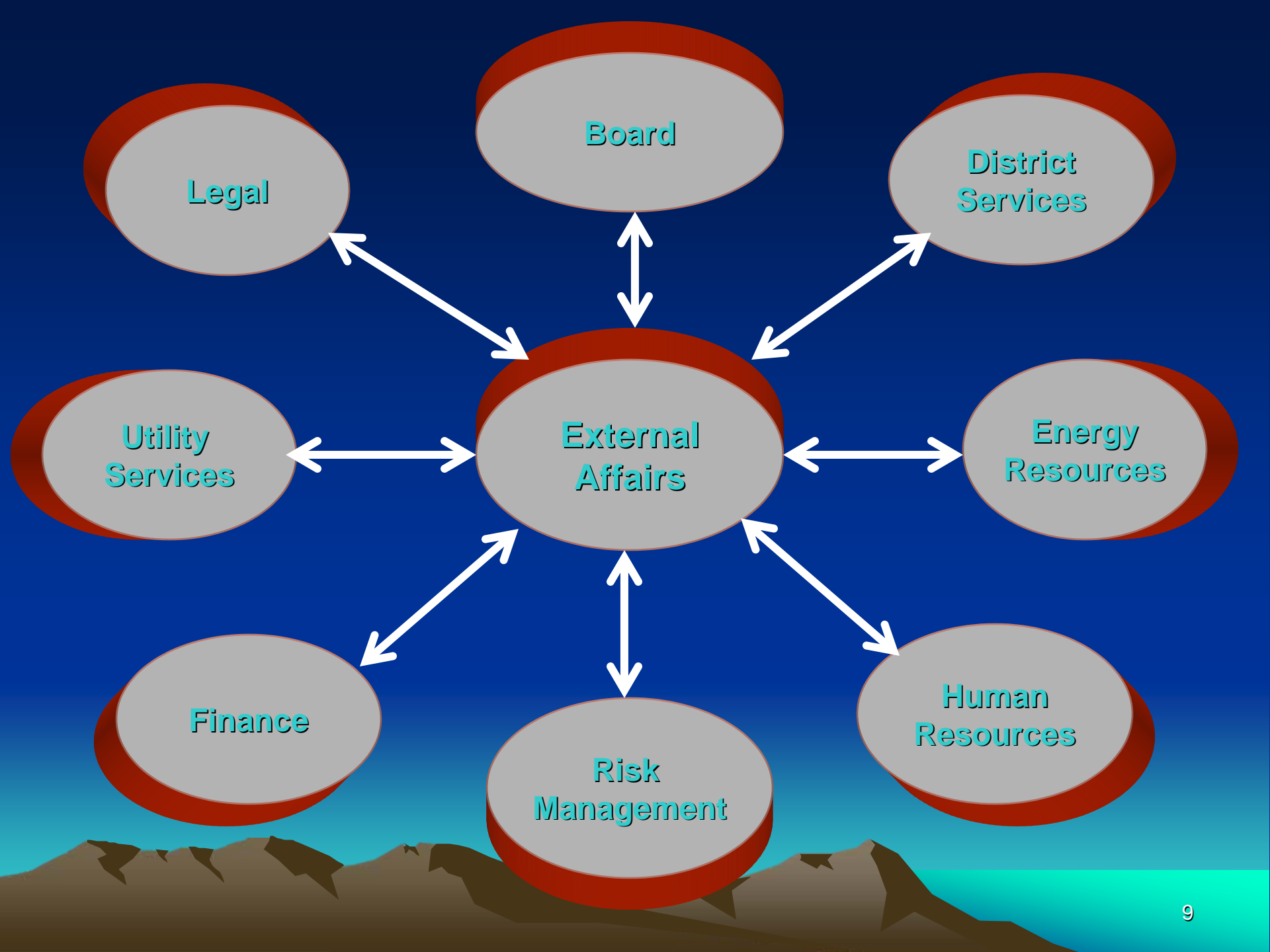
- Effective Communications
  - Value of hydropower, public power & local control
- Leadership in energy policy issues
  - Developing new markets for environmental attributes
  - Hydropower's role in climate change debate
  - Licensing improvements in EPCRA 2005
- Enhancing Relationships

# Multi-pronged Approach

- PUD Team
- Associations
- Coalitions

# PUD Team

- External Affairs Division
- Input and coordination with:
  - Executive Managers/Legal
  - Directors
  - Technical Staff
  - Consultant Team
- Board Updates



# Consultant Team

- Federal
  - Tim Thompson (Thompson-Smith)
  - Tony Williams (Washington 2 Advocates)
- State
  - Dave Arbaugh (Arbaugh & Assoc.)
  - Rob Makin (Makin Consulting)
- Legal
  - Craig Gannett (Davis Wright Tremaine)
  - Dean Criddle (Orrick)
  - Barb Craig (Stoel Rives)
  - John Iani (Van Ness Feldman)

# Consultant Activities

- HCP
  - Federal, State and legal consultant support
  - All groups at District
- Relicensing
  - Federal, State and legal consultant support
  - All groups at District
- 1937
  - State and legal support
  - Utility Services (conservation) and Energy Resources (renewable energy)
- Contract Bid Limits
  - State support
  - District Services, Utility Services, Energy Resources

# Associations

- Industry Leadership
  - President, NWHHA
  - Board, NHA
  - Chair, APPA Legislative & Resolutions Committee
  - Member, CAT
  - Member, TWG
- Industry Participation
  - WPUA
  - LPPC
  - NWPPA
  - PNUCC

# Coalitions

- Mid-Columbia PUD's
- Utility External Affairs Directors
- Utilities with similar concerns
  - Hydropower Fee

# District Experience

- Existing laws do not easily provide for innovative solutions (outcome-based approach)
- Innovative solutions require support at all levels and branches of the government
  - Administrative, Legislative and Regulatory

# The Challenge

- Unclear status of hydropower in national and regional energy debates
- Changing/conflicting laws
- Overwhelming regulatory burdens
- Uncertain regulatory costs and increased operational costs
- Loss of operational flexibility and local control

# Issues to Watch in 2008

- Climate change policy and regulations
- Renewable Portfolio Standards (RPS) implementation
- Conservation requirements
- State procurement statutes
- Federal fish recovery plans and treatment of hatchery populations
- Water quality compliance
- Regional transmission planning and integration of renewable resources

# Questions?