

REGULAR MEETING
OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

August 23, 2022

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. at Grant PUD’s Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 596 502 173# with the following Commissioners present: Judy Wilson, President; Nelson Cox, Vice-President; Tom Flint, Secretary; Terry Pyle, Commissioner and Larry Schaapman, Commissioner.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:07 a.m.

The Commission resumed at 9:30 a.m.

A round table discussion was held regarding the following topics: Sunland HOA visit to discuss fire wise and private property fire protection; several notes of appreciation to Grant employee fair volunteer's, to Public Affairs for the great booth set up, and to all for positively representing Grant PUD; a reminder for the upcoming Employee Appreciation Day scheduled for September 15; and a brief discussion regarding the letter sent to the Grant County Industrial Alliance (GCIA) regarding Open Public Meetings Act (OPMA) regulations.

Kevin Nordt, Chief Resource Officer, presented the SMR Report.

Jordan Rang, Safety Coordinator, presented the Safety Report.

Aaron Kuntz, Manager of EPMO Power Production, provided the PMO Report.

The Commission attended a lunch meeting with Grant County Commissioners.

Consent agenda motion was made by Mr. Schaapman and seconded by Mr. Flint to approve the following consent agenda items:

Payment Number	123591	through	124023	\$18,626,610.85
Payroll Direct Deposit	201566	through	202333	\$2,133,159.96
Payroll Tax and Garnishments	20220811A	through	20220811B	\$914,487.59

Meeting minutes of August 9, 2022.

After consideration, the above consent agenda items were approved by unanimous vote of the Commission.

Resolution No. 8994 relative to filing of a proposed budget for the year 2023 was presented to the Commission. A motion was made by Mr. Flint and seconded by Mr. Cox to approve Resolution No. 8994. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8994

A RESOLUTION PROVIDING FOR THE FILING OF A PROPOSED BUDGET FOR THE YEAR 2023, SETTING A DATE FOR PUBLIC HEARING THEREON AND AUTHORIZING NOTICE OF SUCH MEETING

Recitals

1. Pursuant to RCW 54.16.080, Grant PUD is required to prepare a proposed budget and file it in its records on or before the first Monday in September.

WHEREAS, the preliminary proposed Budget of Revenue and Expenditures for Grant PUD for the year 2023 is attached hereto as Exhibits A and B; and

WHEREAS, public comment on the proposed budget will be officially open October 11th during the regular scheduled Commission Meeting and the District is planning to schedule public hearings regarding the proposed 2023 budget in the month of October at which any rate payer may appear and be heard for or against the whole or any part thereof.

NOW, THEREFORE BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the preliminary 2023 budget is hereby made a part of the District's official records and public comment regarding the proposed 2023 budget shall open October 11th, 2022 during the regular scheduled Commission Meeting and conclude upon adoption of the budget. Notice of scheduled public hearings shall be published at least two consecutive weeks prior to the public hearing in a newspaper printed and of general circulation in Grant County.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23rd day of August 2022.

Resolution No. 8995 relative to the 2023-2026 Climate Commitment Act (CCA) cost burden was presented to the Commission. A motion was made by Mr. Cox and seconded by Mr. Schaapman to approve Resolution No. 8995. After consideration, the motion passed by unanimous vote of the Commission

RESOLUTION NO. 8995

A RESOLUTION AUTHORIZING AND APPROVING THE 2023-2026 CLIMATE COMMITMENT ACT (CCA) COST BURDEN

Recitals

1. RCW Chapter 70A.65.005 was enacted by the Washington State Legislature in 2021 to create a cap and invest program to help achieve the greenhouse gas emission reductions established in RCW 70A.45.020;
2. RCW Chapter 70A.65.070 directed the Department of Ecology to commence the program by January 1, 2023, and to adopt annual allowance budgets for the first compliance period of the program, calendar years 2023 through 2026, by October 1, 2022;
3. RCW Chapter 70A.65.120 allows all electric utilities subject to the requirements of RCW Chapter 19.405, the Washington Clean Energy Transformation Act (CETA), to be eligible for allowance allocation in order to mitigate the cost burden of the program on electricity customers. RCW Chapter 70A.65.010 defines "cost burden" to mean the impact on rates or charges to customers of electric utilities in Washington state for the incremental cost of electricity service to serve load due to the compliance cost for greenhouse gas emissions caused by the program and includes administrative costs from the utility's participation in the program.

By October 1, 2022, the Department of Ecology shall adopt rules establishing the methods and procedures for allocating allowances to electric utilities. The rules must take into account the cost burden of the program on electricity customers.

By October 1, 2022, the Department of Ecology shall adopt an allowance allocation schedule for the first compliance period for the provision of allowances at no cost to electric utilities. This allocation must be consistent with a forecast, that is approved by the appropriate governing board, of each utility's supply and demand, and the cost burden resulting from the inclusion of the covered entities in the first compliance period;

4. Grant PUD is using the following method to determine its Cost Burden:
 - (a) Utility-specific forecast of retail electric load consistent with Grant PUD's Integrated Resources Plan to be adopted by September 1, 2022, pursuant to RCW 19.280.030;
 - (b) Generation resource fuel type forecasted to be used to provide retail electric load for 2023-2026 based on a forecast and supporting information created for the specific purpose of informing the cost burden calculation. This resource forecast is consistent with Grant PUD's Clean Energy Implementation Plan (CEIP) for 2022-2025 submitted

pursuant to the requirements of CETA, RCW 19.405 and accounts for contracts covered by RCW Chapter 70A.65.120(9);

- (c) A forecast of market purchases needed to balance and manage resource and load variability throughout the compliance period;
 - (d) A forecast of unspecified Bonneville Power Administration (BPA) electricity imports where Grant PUD has the compliance obligation if BPA elects to not be a covered entity under the CCA;
 - (e) For generation identified as Specified Source from BPA, use an emission factor of .0154 metric tons CO₂e/MWh;
 - (f) For generation from renewable or nonemitting resources, use an emission factor of zero.
 - (g) For any generation from which the fuel type source is unknown, and for unspecified market purchases, use the unspecified emission factor of .437 metric tons CO₂e/MWh;
 - (h) The cost burden effect is calculated by taking the energy in (b), (c), and (d) multiplied by the applicable emission factor. The resulting total emissions represents Grant PUD's cost burden;
5. RCW Chapter 70A.65.120 requires the benefits of all allowances allocated to electric utilities and consigned to auction be used by electric utilities for the benefit of ratepayers, with the priority the mitigation of any rate impacts to low-income customers;
 6. Grant PUD's staff has prepared Grant PUD's Cost Burden associated with the CCA for 2023-2026, which meets the requirements of RCW Chapter 70A.65.120 et seq., a copy of which is attached hereto as Exhibit A; and
 7. Grant PUD's General Manager has reviewed the proposed Cost Burden and it complies with the requirements of RCW Chapter 70A.65.120 et seq. and recommends its adoption by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the attached Cost Burden is hereby approved, and Grant PUD's General Manager is directed to submit the Cost Burden to the Department of Ecology.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23rd day of August 2022.

Resolution No. 8996 relative to authorizing and approving the 2022 Integrated Resource Plan (IRP) was presented to the Commission. Motion was made by Mr. Cox and seconded by Mr. Flint to approve Resolution No. 8996. After consideration, the motion passed by unanimous vote of the Commission

RESOLUTION NO. 8996

A RESOLUTION AUTHORIZING AND APPROVING THE 2022 INTEGRATED RESOURCE PLAN (IRP)

Recitals

1. RCW Chapter 19.280.010 was enacted by the Washington State Legislature in 2006 to encourage the development of new safe, clean, and reliable energy resources to meet future demand in Washington for affordable and reliable electricity;
2. The State Legislature has found that it is essential that electric utilities in Washington develop comprehensive resource plans that explain the mix of generation and demand-side resources (conservation) they plan to use to meet their customers' electricity needs in both the short term and the long term;

3. RCW 19.280.030 requires that by September 1, 2022, Grant PUD adopt an Integrated Resources Plan which includes:
 - (a) A range of forecasts, for at least the next ten years, of projected customer demand which takes into account econometric data and customer usage;
 - (b) An assessment of commercially available conservation and efficiency resources, as informed, as applicable, by the assessment for conservation potential under RCW 19.285.040 for the planning horizon consistent with (a) of this subsection. Such assessment may include, as appropriate, opportunities for development of combined heat and power as an energy and capacity resource, demand response and load management programs, and currently employed and new policies and programs needed to obtain the conservation and efficiency resources;
 - (c) An assessment of commercially available, utility scale renewable and nonrenewable generating technologies including a comparison of the benefits and risks of purchasing power or building new resources;
 - (d) A comparative evaluation of renewable and nonrenewable generating resources, including transmission and distribution delivery costs, and conservation and efficiency resources using "lowest reasonable cost" as a criterion;
 - (e) An assessment of methods, commercially available technologies, or facilities for integrating renewable resources, including but not limited to battery storage and pumped storage, and addressing overgeneration events, if applicable for the utility's resource portfolio.
 - (f) An assessment and ten-year forecast of the availability of regional generation and transmission capacity on which the utility may rely to provide and deliver electricity to its customers;
 - (g) A determination of resource adequacy metrics for the resource plan consistent with the forecasts;
 - (h) A forecast of distributed energy resources that may be installed by the utility's customers and an assessment of their effect on the utility's load and operations;
 - (i) An identification of an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice in implementing RCW 19.405.030 through 19.405.050;
 - (k) An assessment, informed by the cumulative impact analysis conducted under RCW 19.405.140, of: Energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security and risk; and
 - (l) A ten-year clean energy action plan for implementing RCW 19.405.030 through 19.405.050 at the lowest reasonable cost, and at an acceptable resource adequacy standard, that identifies the specific actions to be taken by the utility consistent with the long-range integrated resource plan.
4. RCW 19.280.050 requires that Grant PUD's Commission encourage participation of its consumers in development of the Integrated Resources Plan and approve the plan after it has provided public notice and hearing which occurred on July 26, 2022;
5. Grant PUD's staff has prepared and submitted an Integrated Resources plan which meets the requirements of RCW Chapter 19.280.010 et seq., a copy of which is attached hereto as Exhibit A; and
6. Grant PUD's General Manager/Chief Executive Officer has reviewed the proposed Integrated Resources Plan and it complies with the requirements of RCW Chapter 19.280.010 et seq. and recommends its adoption by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the attached Integrated Resources Plan is hereby approved, and Grant PUD's General Manager/Chief Executive Officer is directed to file the plan with the Washington Department of Commerce.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23rd day of August 2022.

Resolution No. 8997 relative to amending Grant PUD's strategic plan was presented to the Commission. Motion was made by Mr. Cox and seconded by Mr. Flint to approve Resolution No. 8997. After consideration, the motion passed by unanimous vote of the Commission

RESOLUTION NO. 8997

A RESOLUTION AMENDING GRANT PUD'S STRATEGIC PLAN EFFECTIVE AUGUST 23, 2022

Recitals

1. On May 24, 2022, the Commission by Resolution No. 8993 amended Grant PUD's Strategic Plan;
2. The Strategic Plan is a living document that will be systematically reviewed every six months with the Commission. During these sessions, the board will review progress made towards our goals and identify the strengths, weaknesses, opportunities, and threats facing the utility;
3. Slight variations to the document are anticipated regularly and will be reviewed with the Commission. When formal action is taken to revise the Strategic Plan, staff will propose those changes via formal resolution; and
4. Grant PUD's General Manager / CEO recommends adoption of a revised Strategic Plan dated August 23, 2022.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Grant PUD's Strategic Plan dated August 23, 2022 is hereby adopted and said Strategic Plan replaces and supersedes Grant PUD's Strategic Plan dated May 24, 2022.

BE IT FURTHER RESOLVED that Resolution No. 8993 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23rd day of August, 2022.

Motion was made by Mr. Cox and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 330-11366 for professional engineering services with Gannett Fleming in an amount not-to-exceed \$15,000,000.00 and with a contract completion date of December 31, 2032. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

John Mertlich, Senior Manager of FP&A, Angelina Johnson, Manager of Treasury Operations, and Jennifer Sager, Senior Manager of Accounting, provided the Financial Statement Suite.

An executive session was announced at 3:00 p.m. to last until 4:00 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to review performance of a public employee present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:00 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 4:00 p.m. on August 23 and reconvened on Thursday, August 25th at 12:00 p.m. at the Port of Quincy Office, 101 F Street SW, Quincy, Washington for the purpose of attending a Grant County All Port Meeting with the following Commissioners present: Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the August 23, 2022 meeting officially adjourned at 3:00 p.m. on August 25, 2022.



ATTEST:

Tom Flint

Tom Flint, Secretary

Judy H. Wilson

Judy Wilson, President

Nelson Cox

Nelson Cox, Vice President

Terry Pyle

Terry Pyle, Commissioner

Larry Schapman

Larry Schapman, Commissioner