Department of Energy



Bonneville Power Administration P.O. Box 3621 Portland, Oregon 97208-3621

FREEDOM OF INFORMATION ACT PROGRAM

July 16, 2019

In reply refer to: FOIA #BPA-2019-00596-F

Hal Bernton The Seattle Times 4041 SW 53rd Place Portland, OR 97221

Email: hbernton@gmail.com

Dear Mr. Bernton:

This communication is the Bonneville Power Administration's (BPA) final response to your request for agency records made under the Freedom of Information Act, 5 U.S.C. § 552 (FOIA). Your request was received on March 13, 2019, with a formal acknowledgement letter sent to you on March 22, 2019.

Request

"All emails or other correspondence from the period of Nov. 2017 through March 10, 2019 written from Scott Corwin of the Public Power Council, or any Seattle City Light, Cowlitz County, Tacoma Power, Clark Public Utilities or Snohomish PUD officials to Elliot Mainzer, Dan James, or Joel Cook that contain the word 'rates' or 'contracts.' I also request that emails written by Elliot Mainzer, Dan James or Joel Cook in response to emails from Scott Corwin, Seattle City Light, Cowlitz County, Tacoma Power, Clark Public Utilities or Snohomish PUD be included in the response to this FOIA request."

Response

BPA conducted a search of the electronic record files in the Cyber Security Office. BPA located 14 pages of responsive email records. BPA is releasing 11 pages in full and releasing 2 pages with redactions applied under 5 U.S.C. § 552(b)(2) (Exemption 2) and 1 page with a non-responsive redaction applied.

We note that the sentences in full caps on page 2 were added to Mr. Corwin's email by a BPA staff member; they did not originate with the Public Power Council.

The FOIA generally requires the release of all government records upon request. However, the FOIA permits withholding certain limited information that falls under one or more of nine statutory exemptions (5 U.S.C. §§ 552(b)(1-9)).

Exemption 2

Exemption 2 permits withholding of agency information "related solely to the internal personnel rules and practices of an agency." BPA invokes Exemption 2 here to protect internal portal

addresses found in responsive records.

Records protected by Exemption 2 may be discretionarily released. BPA considered discretionary release in accord with the guidelines set forth in Attorney General Holder's March 19, 2009, FOIA Memorandum. Agencies may decline to discretionarily release material when they reasonably foresee that disclosure would harm an interest protected by the exemption. BPA has determined that the subject records should not be discretionarily released because a public release will hinder BPA internal procedures and policies.

Fees

There are no fees associated with the fulfillment of your request.

Certification

Pursuant to 10 C.F.R. § 1004.7(b)(2), I am the individual responsible for the records release and exemption determinations described above. Your FOIA request BPA-2019-0596-F is now closed with all available agency records provided.

Appeal

The adequacy of the search may be appealed within 90 calendar days from your receipt of this letter pursuant to 10 C.F.R. § 1004.8. Appeals should be addressed to:

Director, Office of Hearings and Appeals HG-1, L'Enfant Plaza U.S. Department of Energy 1000 Independence Avenue, S.W. Washington, D.C. 20585-1615

The written appeal, including the envelope, must clearly indicate that a FOIA appeal is being made. You may also submit your appeal by e-mail to OHA.filings@hq.doe.gov, including the phrase "Freedom of Information Appeal" in the subject line. (The Office of Hearings and Appeals prefers to receive appeals by email.) The appeal must contain all the elements required by 10 C.F.R. § 1004.8, including a copy of the determination letter. Thereafter, judicial review will be available to you in the Federal District Court either (1) in the district where you reside, (2) where you have your principal place of business, (3) where DOE's records are situated, or (4) in the District of Columbia.

You may contact BPA's FOIA Public Liaison, Jason Taylor, at the address at the letter header for any further assistance and to discuss any aspect of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, Maryland 20740-6001
E-mail at ogis@nara.gov
Telephone at 202-741-5770
Toll free at 1-877-684-6448
Facsimile at 202-741-5769

Questions about this communication may be directed to Thanh Knudson, Flux Resources, LLC, assigned to the BPA FOIA Office, at etknudson@bpa.gov or 503-230-5221.

Sincerely,

Candice D. Palen

Carlalle

Freedom of Information/Privacy Act Officer

Responsive records accompany this communication in electronic format

From: Thompson,Garry R (BPA) - PS-6 < grthompson@bpa.gov>

Sent: Tuesday, December 05, 2017 7:57 AM

To: Mainzer, Elliot E (BPA) - A-7; Cook, Joel D (BPA) - P-6; Connolly, Kieran P (BPA) - PG-5;

Berry, Benjamin L (BPA) - J-2; Zimmerman, Nita M (BPA) - B-3; James, Daniel M (BPA) -

D-7; Cooper, Suzanne B (BPA) - PT-5

Subject: RE: [EXTERNAL] Possible Questions for Thursday

Non-Responsive

Sent from my Verizon 4G LTE smartphone

----- Original message -----

From: "Mainzer, Elliot E (BPA) - A-7" < eemainzer@bpa.gov>

Date: 12/4/17 12:21 PM (GMT-08:00)

To: "Cook, Joel D (BPA) - P-6" < idcook@bpa.gov >, "Thompson, Garry R (BPA) - PS-6"

<<u>grthompson@bpa.gov</u>>, "Connolly,Kieran P (BPA) - PG-5" <<u>kpconnolly@bpa.gov</u>>, "Berry,Benjamin L

 $(BPA) - J-2" < \underline{blberry@bpa.gov} >, "Zimmerman, Nita M (BPA) - B-3" < \underline{nmzimmerman@bpa.gov} >,$

"James,Daniel M (BPA) - D-7" < dmjames@bpa.gov >, "Cooper,Suzanne B (BPA) - PT-5"

<sbcooper@bpa.gov>

Subject: Fwd: [EXTERNAL] Possible Questions for Thursday

I would really appreciate each of you taking a 10-15 minute look at these questions and providing me with any suggested responses by COB Tuesday.

Thx!!

Sent from my Verizon 4G LTE smartphone

----- Original message -----

From: Scott Corwin <<u>scorwin@ppcpdx.org</u>> Date: 12/4/17 11:26 AM (GMT-08:00)

To: "Mainzer, Elliot E (BPA) - A-7" < eemainzer@bpa.gov Subject: [EXTERNAL] Possible Questions for Thursday

Hi Elliot, thanks again for speaking on Thursday. As I noted prior, you'll likely be up about 9:30am. The loose title we had is the Future of BPA and the Customer Role. Here are some possible follow-up questions (just you and me, conversational, then go to audience if time...). And, I'm up for adding any others.... See you at 1pm today. Thanks, SC

- 1. There is a lot of focus on the **revenue** side of the business since that's where there's been a large shift in the last decade. What specific steps either in BPA processes or in other state/federal policy can the customers help with in the repositioning BPA for enhanced revenue?STATE CARBON REDUCTION INITIATIVES INSTEAD OF INCREASING RPS. LOBBYING IN OREGON AND WASHINGTON FOR LESS EXPERIMENTAL APPROACHES TO FISH RECOVERY LIKE SPILL AND MORE SCIENTIFICT PROVEN MEASURES. PUBLICS WORKED WITH IOU'S ON CURRENT SETTLEMENT IS THERE ANY THING HERE YOU THINK THEY CAN HELP US PREPARE FOR?
- 2. Clearly, as I think we'll see after the break from our next speaker, technology is driving a lot of the change in how we use electricity, and in how we generate and deliver it. Are there technology trends that BPA is particularly excited about to help it deliver customer value? Are there some that BPA is worried about?WE ARE AWARE OF THE EMERGING TECHNOLOGIES AND MOST IMMEDIATELY TAKING MEASURES TO ALLOW THEM UNDER RD CONTRACTS AND DISPLACING SMALL AMOUNTS OF TIER ONE LOAD, 200KW OR LESS ON AN INDIVIDUAL BASIS. WE JUST MODIFIED OUR METERING REQUIREMENTS FOR DEREK LESS THAN 3MW TO ALLOW CUSTOMER METER OWNERSHIP AND INSTALLATION TO HELP CUT DOWN ON COST AND TIME. WE ARE CURRENTLY DISCUSSING HOW TO ACCOMMODATE BATTERY INSTALLATIONS. I DON'T PERCIEVE A WORRY OTHER THAN DECREASED TIER ONE SALES AND THAT THEN OF COURSE CREATES RATE PRESURE ON THE PF RATE.
- 3. Staying on the technology topic, even the most efficient large companies in the country struggle with large IT projects... and some large entities, like the State of Oregon, and BPA as well in decades past, have had major setbacks. What are the **large IT projects** currently underway or on the horizon that keep you up at night, and what are the safeguards around them to reduce the risk to the agency and customers?
- 4. Inside the public power tent here, it's one thing to get a handle on BPA costs, it's quite another to turn the corner on **ACOE** and **BOR** O&M and Capital. Are there some specific next steps in the year ahead that customers can support in this realm?
- 5. Personnel -- Part of your internal management initiative involves culture change, and looks to build expertise in a changing workforce in the future. How does that look

demographically over the next decade for BPA and how it is being approached (is there large baby boomer attrition that changes the workforce)? Are there savings to be found on the **consultant** side as well?

From: Matlock, Jessica <jdmatlock@snopud.com>

Sent:Thursday, July 05, 2018 9:12 AMTo:'Mainzer, Elliot E (BPA) - A-7'Subject:[EXTERNAL] RE: [EXTERNAL] EIM

Hi Elliot,

I hope that you had a nice 4th of July!

I have been talking to Jackie Sargent about the EIM discussion, so I'm working on scheduling this for the late fall (hopefully when we have 3 new CEO's on board!!).

In the meantime, John Haarlow and I would like to meet with you and Dan in July or August to discuss 2028 contracts and the future of BPA, generally. Would you mind if I worked with Sandy to find some times?

Thanks, Jessica

From: Mainzer, Elliot E (BPA) - A-7 [mailto:eemainzer@bpa.gov]

Sent: Tuesday, May 29, 2018 10:43 AM

To: Matlock, Jessica < jdmatlock@snopud.com>

Subject: RE: [EXTERNAL] EIM

CAUTION: THIS EMAIL IS FROM AN EXTERNAL SENDER.

Do not click on links or open attachments if the sender is unknown or the email is suspect.

I will take your lead on that. If you think that is a better approach I am good with it. Does Jackie have an official start date yet?

Sent from my Verizon 4G LTE smartphone

----- Original message -----

From: "Matlock, Jessica" < idmatlock@snopud.com>

Date: 5/29/18 10:41 AM (GMT-08:00)

To: "Mainzer, Elliot E (BPA) - A-7" < eemainzer@bpa.gov>

Subject: [EXTERNAL] EIM

Hi Elliot,

I'm starting to wonder if we should wait for Jackie Flowers to start at Tacoma before we meet on the EIM. I think she will provide a more positive perspective. We can still have dinner with the Commissioners that night.

What do you think?

From: Scott Corwin < scorwin@ppcpdx.org Sent: Wednesday, August 29, 2018 4:07 PM

To: James, Daniel M (BPA) - D-7 < <u>dmjames@bpa.gov</u>> **Subject:** [EXTERNAL] RE: Seattle Times - Debra Smith

Yep, good stuff! Thanks, SC

R. Scott Corwin Executive Director Public Power Council 825 NE Multnomah, Suite 1225 Portland, OR 97232 503-595-9770 503-595-9775 Direct

From: James, Daniel M (BPA) - D-7 < dmjames@bpa.gov>

Sent: Wednesday, August 29, 2018 4:03 PM

Subject: Seattle Times - Debra Smith

Great pics of Debra.

Seattle Mayor Jenny Durkan names Oregonian Debra Smith as choice for new City Light boss

Originally published August 28, 2018 at 9:37 am Updated August 29, 2018 at 8:06 am



2 of 2

Seattle Mayor Jenny Durkan, right, introduces her nominee for CEO and general manager of Seattle City Light, Debra Smith, left, Tuesday. (Ken Lambert / The Seattle Times)

Smith has been with Central Lincoln People's Utility District in Newport since 2013. She would be Seattle City Light's second-ever female leader, taking over at a time when the utility has

By Daniel Beekman

Seattle Times staff reporter

Seattle Mayor Jenny Durkan announced Debra Smith as her nominee Tuesday for the next CEO and general manager of Seattle City Light, describing Smith as the right leader to improve City Light's workplace culture, customer service and longterm planning despite coming from a much smaller utility.

Smith has served since 2013 as CEO and general manager of the Central Lincoln People's Utility District, which provides electricity on Oregon's central coast. She previously spent more than 17 years in various roles at the Eugene Water and Electric Board, also a public utility in Oregon.

The nominee has long hoped to join City Light, she said.

"This is the big-time right here," Smith said during a news conference, standing beside one of the utility's signature yellow service trucks.

Durkan said she wanted someone with both industry experience and the ability to help City Light change. Seattle's electric utility has been dogged in recent years by issues ranging from <u>leader missteps</u> and <u>sexual-harassment and discrimination</u> <u>claims</u> by employees to cost overruns and <u>exasperating billing problems</u>.

At the same time, the organization has raised rates, asking customers to offset shifts in the energy market and declining electricity use by customers.

"Debra is the right person at the right time to take the helm," the mayor said.

City Light has been without a permanent leader since December, when Larry Weis moved on. Durkan had just taken office and said she and Weis had come to a "mutual decision" that he would leave.

Jim Baggs, a longtime City Light executive who was chief compliance officer under Weis, has been serving as the utility's interim boss.

Durkan is proposing that Smith be paid \$340,000 per year, which would make her Seattle's highest-paid employee. Weis, who then-Mayor Ed Murray hired away from the electric utility in Austin, Texas, in 2016, had the same salary.

City Light has more than 1,800 employees, has been using hydroelectric power for more than 100 years and <u>calls itself the nation's greenest utility</u>. But the organization churned out some bad headlines under Weis and his predecessor, Jorge Carrasco.

"The tone starts at the top," Smith said Tuesday, pledging to treat City Light employees and customers kindly and to "let them know that they matter."

"With Debra, we are getting a leader who is obsessed with customer service, and we know we need work there," Durkan said, pointing to high ratings from customers for Lincoln Central under Smith.

In 2016, City Light and Seattle Public Utilities launched a new customer-billing system 11 months late and about \$43 million over budget, and the electric utility is gradually installing new "advanced meters," which send automatic readings to the city.

Meanwhile, City Light has repeatedly hiked its rates, citing heavy spending on capital projects and decreases in energy consumption by customers.

A watchdog panel <u>rang the alarm</u> over what it described as unsustainable spending by the utility this year, when City Light proposed six years of steep rate increases.

Even after scaling back its spending plan by \$350 million, City Light sought rate hikes. Last month, the council approved increases of 4.5 percent annually that will boost the monthly bill for a typical residential customer from \$65 this year to nearly \$85 in 2024.

In her news-conference remarks, Smith said she would seek to keep rates "as low as possible" during a period of transformation for the utility industry. City Light shouldn't "rest on its heels" in using clean-energy practices to combat climate change, she added.

The Durkan administration and <u>a 22-member community committee</u> carried out a national search for the City Light position. The committee submitted recommendations to the mayor, who interviewed finalists this month.

Baggs now expects to return to his former post, City Light's interim leader said in an interview Tuesday. He applied for the CEO and general manager job, he said. No internal candidates were among the finalists, Durkan said.

At Central Lincoln, Smith has led an organization with an annual budget of about \$98 million. City Light's annual budget totals more than \$1 billion.

"Our service territory primarily covers about 10 small cities stretching from south of Lincoln City to north of Coos Bay," Smith said in <u>a recent interview</u> about a federal wave-energy test site on the Oregon coast. "We are mostly considered a rural utility."

Smith lobbied for the site, describing wave energy as an important potential source of renewable electricity. Central Lincoln now buys all its energy from the Bonneville Power Administration, she said.

Smith was hired as Central Lincoln was concluding work on the installation of advanced meters, she said in the interview.

Durkan replied to every question posed at the news conference. When a reporter asked how exactly Smith would address workplace challenges at City Light, the mayor stepped in.

"I'm going to answer for her because it starts with me and our directives," she said, promising her administration will soon announce actions across departments. "Debra hasn't had a chance to be on the ground at City Light yet."

The mayor has taken some time to fill permanent leadership roles at Seattle's most important departments during her first year in office.

As recently as early July, she had yet to name permanent nominees for City Light and for the police, parks, human-resources, neighborhoods and transportation departments.

The mayor picked interim Police Chief Carmen Best to serve as permanent chief, and the council confirmed Best this month.

Durkan announced additional appointments Monday, tapping her interim human-resources and neighborhoods directors, Sue McNab and Andrés Mantilla, to stay on permanently.

<u>https://crosscut.com/2018/08/durkan-taps-outsider-helm-troubled-seattle-city-light</u> - Crosscut on Debra Smith getting hired at SCL.

Dan James
Deputy Administrator
BONNEVILLE POWER ADMINISTRATION
bpa.gov | P 503-230-4452

From: Thompson, Garry R (BPA) - PS-6 < grthompson@bpa.gov>

Sent: Wednesday, September 19, 2018 2:03 PM

To: Cook,Joel D (BPA) - P-6

Cc: Marker, Douglas R (BPA) - DIR-7

Subject: FW: Reserves Distribution Clause (RDC) Workshop Sept. 28

FYI

Garry R. Thompson VP NW Requirements Marketing

BONNEVILLE POWER ADMINISTRATION

grthompson@bpa.gov 503.230.5175

From: Scott Corwin < scorwin@ppcpdx.org Sent: Wednesday, September 19, 2018 1:59 PM

To: Thompson, Garry R (BPA) - PS-6 < grthompson@bpa.gov>

Subject: [EXTERNAL] RE: Reserves Distribution Clause (RDC) Workshop Sept. 28

Thanks, Garry, S

Also, FYI—I'm working on possibly having John Hairston into our Oct 4 E.C. meeting, and Michelle Manary into our Nov. 1 meeting. I've got the call into John. Best, SC

R. Scott Corwin Executive Director Public Power Council 825 NE Multnomah, Suite 1225 Portland, OR 97232 503-595-9770 503-595-9775 Direct

From: Thompson, Garry R (BPA) - PS-6 < grthompson@bpa.gov>

Sent: Wednesday, September 19, 2018 1:31 PM

To: Scott Corwin <scorwin@ppcpdx.org>; Greg Delwiche <gdelwiche@pngcpower.com>; Ryan Neale

<ryann@millcreeklaw.com>; Joe Lukas <jlukas@3rivers.net>; Roger Gray <rgray@nru-nw.com>

Cc: Scott Wilson <skwilson@bpa.gov>; Hobson,Claire A (BPA) - PSW-6 <cahobson@bpa.gov>; Normandeau,Mike (BPA) -

PSE-RONAN < mrnormandeau@bpa.gov >

Subject: Reserves Distribution Clause (RDC) Workshop Sept. 28

FYI

BPA is hosting a workshop to discuss a reserves distribution clause for transmission customers in FY 2019 consistent with the BP-18 general rate schedule provisions. A reserves distribution clause is triggered when both a business line's financial reserves and the agency's financial reserves are above their upper thresholds. When the RDC triggers, the administrator has discretion over when and how the additional funds should be used, such as for rate relief or early debt repayment. Information on the RDC will be posted at: (b) (2)

At the workshop, BPA will share the RDC amount, the methodology for calculating the RDC and how the money will be used in FY 2019. Event is located on the <u>BPA Event Calendar</u>

When: Friday Sept. 28

Where: BPA Rates Hearing Room, 1201 Lloyd Blvd., Suite 200, Portland, Oregon

WebEx:(b) (2)

Meeting Number: (b) (2) Meeting Password:(b) (2)

Phone Bridge: (b) (2)

From: Scott Corwin <scorwin@ppcpdx.org>
Sent: Friday, September 28, 2018 7:01 AM

To: Dan James

Cc:Roger Gray; Scott CorwinSubject:[EXTERNAL] Pieces for a Letter

Dano, please see my letter (pasted far below) in which I offered my support to the Seattle City Council for Debra Smith. Also, some things Elliot might say are below (Cogs helped organize the tour in 2016 that I reference... a whole day around Newport, and included NW Energy Coalition and Ralph Cavanaugh, etc.). Best, SC

Debra has lent an important voice to discussions that BPA has had with its customers on issues that matter greatly to the region and to the end-use consumer. When BPA was working with regional stakeholders to improve its energy efficiency programs, Debra played a lead role to move the discussion forward. She even hosted a day long focus on energy efficiency for a very diverse group of regional leaders at her utility and other locations in the area. Debra has also served on other panels of managers to help advise BPA on management and budget issues that are important to the cost of power and electricity rates. These are just a couple of illustrative examples of the in-depth involvement and relationships that she has created with the Bonneville Power Administration.

Dear Seattle City Council Members:

I am very pleased to highly recommend Debra Smith to be the next General Manager and CEO of Seattle City Light. Through my work with consumer-owned electric utilities over the past two decades, I have gotten to know hundreds of top executives in the Northwest and around the country. Debra is one of the most impressive leaders I have seen in how she does her job and in how she treats the people around her while doing it. She is a creative leader and thinker who embraces diversity and seeks a wide array of opinions and input.

The energy and dedication that Debra brings to her work is immediately evident to those who have seen her in action. She is a highly talented executive who has shown real leadership in our industry at the local, state, and regional level. Debra is constantly seeking various viewpoints, new training and new knowledge to help her become an even better manager.

Perhaps most important, it is clear by her approach and by her consideration for others that she really cares about the people she works with and the customers they serve. Debra Smith is a good, sincere, and genuine person who has worked extremely hard to become a seasoned, expert leader in her field. The city would be very fortunate to benefit from her direction during this dynamic time in the world of energy.

Thank you for your consideration of these comments. Please let me know if I can be of any further assistance.

Sincerely,

Scott Corwin

Executive Director Public Power Council R. Scott Corwin Executive Director Public Power Council 650 NE Holladay, Suite 810 Portland, OR 97232 503-595-9770 503-595-9775 Direct

From: Scott Corwin <scorwin@ppcpdx.org>
Sent: Tuesday, February 05, 2019 5:30 AM

To: Elliot Mainzer
Cc: Ben Hannigan

Subject: [EXTERNAL] Questions for Thursday

Hi Elliot, thanks again for coming to the Sheraton Thursday morning for PPC at 11am. We'd talked about doing the conversational format again. And, I can intro that, we'll have you up front again as well. This is a rough cut below, open to any others. Thanks again, and see ya Thursday! Scott

Intro—I'll note that we cannot talk rates or settlement proposals. But, might ask some general budget and revenue questions. And, will note the effort and progress on turning the corner recently especially on BPA internal controllable costs.

- Q: You were just in DC on cyber, many in the room work a lot in that area as well, can you give us an update on how BPA is approaching it, and perhaps DOE more generally?
- Q: Speaking of DC, how do the shutdowns impact elements of BPA and DOE, knowing in general you have funding?
- Q: Related, we know State did not have funding, are they keeping Treaty negotiating schedule on track in your view? What is the timing to get some outline of agreement with Canada...this year?
- Q: have BOR and Bureau been affected by shutdown, or by losing Sec of DOI? How are their efforts going, here and in DC, to help on BPA power costs—capital? O&M?
- Q: There has been a lot of interest in region on possibility to enhance BPA revenue, free up ability to hedge and sell forward. Can you update on that or give a sense of the potential that has?
- Q: Does new fish spill agreement have potential to help down the road on the revenue front? (Followup— Other thoughts on fish, Biop status?)
- Q: There has also been a lot of interest on the EIM look and involvement with the CAISO. Can you give an update, especially on the areas of particular interest that BPA has signaled need to be addressed if it were to proceed? (Might have follow-up on how EDAM discussions relate, or not, to the EIM model and its governance) (Might also have follow up on status of Grid Mod projects)
- Q: You are very familiar with the history of the Powerpool, What are you seeing with new directions there? How about efforts to retool transmission planning in the West?
- Q: Other Strategy Update, or other things looking forward to in 2019?
- Q: Anything you'd like me to add for Qs?