



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD For the **September 14, 2021 Meeting**

AGENDA ITEMS:

- A. Call for Bid: MA Collins Enclosure – staff will be asking for your approval for a Call for Bid on the MA Collins Enclosure. This will provide a factory-built enclosure including relays and control panels, reducing some of the work needed for the expansion.
- B. Bid Award: C.I.C. Conductor Bid 2021 – staff will be asking for your approval for the Bid Award on the C.I.C. Conductor Bid. Bids were opened on August 19, 2021 with Wesco being the low bidder.

NON-AGENDA ITEMS:

1. MM28 Executive Session – I have planned an executive session Thursday, September 30th at 12:00 until 3:00 to discuss potential litigation. I will asking President Miller to recess the normal meeting on the 28th. Perkins Coie and Paine Hamblin will be on the call. Please ensure your calendars are free. We will provide lunch.
2. Klickitat County and Klickitat PUD Commissioners Quarterly Meetings – Discussion on purpose of meetings moving forward.
3. California Grid Reliability – We have had several practicality of 100% clean energy production in the near future with variable resources. As is often the case, California runs into these issues before we do. With that in mind, I am including an excerpt from Gary Ackerman's "Friday Burrito," which is a publication by the Western Power Trading Forum:

“I think it is instructive to repeat the impact of replacing Diablo Canyon with solar and battery storage. Excerpting from Phil Muller’s letter to the Burrito last week: “To replace 2,260 MW of Diablo Canyon in [the most critical month of] December you would need almost 19 hours of discharge capability or 43,000 MWh. To generate (on average) the amount of energy needed to sufficiently charge storage, you would need 13,500 MW of solar and storage able to absorb over 11,000 MW of that capacity.” So, note well what Phil is saying. To replace Diablo Canyon the CAISO grid would need about 13,500 MW of incremental solar capacity and a storage-fleet boost of

about 11,000 MW. Any seasonal cloud cover over consecutive days would bust these numbers to smithereens. And this is just for replacing Diablo Canyon. Not for meeting the increasing domestic load ... you know, the energy people like to have to do all sorts of things like cooking, staying comfortable indoors, watching TV, and lighting their premises.

My final gnarly curve ball thrown at battery storage is this. How soon will it be before storage and domestic load compete for renewable energy production? Will the grid operator be faced with deciding between satisfying instantaneous load vs. deferred load? I don't think such a day will be far off. And it most likely will occur during a cold snap in the winter when either rain or snow are falling through a wide swath of California. The Golden Era of storage will officially end that day."

4. BPA Security Threat – On Sept. 3rd, Ron Schultz received a phone call from BPA's Chief Security and Continuity Officer. She wanted to advise KPUD that BPA had a call from the FBI regarding an individual that has made threats regarding electrical infrastructure. With the anniversary of 9/11 and the fact that it was detailed, this threat was elevated as possibly credible. BPA has increased security at their facilities as a result. State and local LEO have been notified by BPA as well.