SELLING PM&E MEASURES TO INTERNAL STAKEHOLDERS

A Case Study Using EWEB’s Carmen-Smith Project

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EWEB’S CARMEN-SMITH PROJECT

Relicensing process started in 2003.
New License issued by FERC in May 2019.
THREE STAKEHOLDER GROUPS:

- Publicly-elected Board
- Executive Management Team
- Generation Operations
IN 2006, WE FILED OUR FINAL LICENSE APPLICATION WITH FERC:

Upstream Passage: Trap and haul facility
Downstream Passage: Floating surface collector in the reservoir.
Lots of other things.
Expected cost: $66,000,000
FLOATING SURFACE COLLECTOR
In negotiating the Settlement Agreement:

- The Board said, “We like fish ladders!”
- The EMT said, “Keep the NPV positive. The Project is worth $200M.
- Operations said, “I can’t believe that we’re agreeing to do all this stuff. Who’s going to operate and maintain it?”
IN 2008, WE FILED OUR FIRST SETTLEMENT AGREEMENT WITH FERC:

Upstream Passage: Volitional fish ladder
Downstream Passage: Fixed screen over the intake
Lots of other things.
Estimated cost: $135,000,000
CONCEPTUAL FISH LADDER PLAN
CONCEPTUAL SCREEN AND LADDER
MEANWHILE, IN POWER MARKET NEWS
This caused some of our internal stakeholders to change their direction to the project team:

- The (new) Board said, “Meet the obligations, but don’t bankrupt the utility.”
- The EMT said, “You better renegotiate the Settlement Agreement and get the NPV to at least break even. Otherwise we are going to sell the project.”
- Operations said, “We still don’t understand how you expect us to operate and maintain all this stuff.”
IN 2016, WE FILED OUR REVISED SETTLEMENT AGREEMENT WITH FERC:

Upstream Passage: Trap and haul facility
Downstream Passage: Spillway modifications
Lots of other things.
Estimated cost: $110,000,000.
Lessons learned from the last 18 years:

- The Board:
  - Outwardly facing, they are the public image of the utility.
  - They can be swayed by public opinion and testimony.
  - Provide high-level briefings, background materials and field trips.
  - No surprises.
Lessons learned from the last 18 years:

- The executive team:
  - Inwardly facing. Utility's image and reputation are important. So are their jobs.
  - Responsible for the financial viability of the utility.
  - Keep them up to speed. Go beyond the cost in your briefings. Discussions need to include all costs, including staffing and lost generation.
  - Find your champion on the EMT.
  - Explain and advocate for the PM&E measures.
Lessons learned from the last 18 years:

- **Operations:**
  - Pride of ownership and they know the project better than anyone. Include them in the process.
  - They also have to live with what you agree to do. Bring them in early and brief them through out.
  - Explain what and why, then ask for their help. Go to them. Engage with them. Give them drawings and documents. Ask for their opinion.
  - Give them some wins. What will make their lives better or their jobs easier?