

Update

What's Happening With the Sixth Power Plan

August 2008

The Northwest Power and Conservation Council has begun to talk about **how the Sixth Power Plan should address the issue of climate change**. PNUCC thinks the Plan could be very helpful in analyzing the effects of climate change policies on the power industry and the region's economy and in getting this information out to decision makers and the public. This month, the PNUCC Board discussed ways to incorporate and analyze climate change policies in the Plan, and I shared a summary of that discussion with the Council's Power Committee. At its August meeting, Committee Chair Melinda Eden called our ideas "very good" and urged others to weigh in on the issue like we did.

- **What We Don't Know About Climate Change Policies:** Utilities are already taking the lead in developing renewable energy and writing integrated Resource Plans that reflect uncertainty about policies to address concerns about global warming. But there is a lot of information that needs to come forward to assist in the discussion. That's where the Council's plan can be valuable in providing a regional view. It can shed light on how existing and proposed state and federal policies could affect choices utilities make about future power supply.
- **Learning More, Especially about the WCI:** The Plan can pull together information on the cumulative effects of state renewable portfolio standards and related regulations, assess the implications of upcoming federal legislation aimed at fighting global warming, and sum up current and historical levels of emissions in the region. One key piece of the analysis will involve the proposals of the Western Climate Initiative. That multistate effort, which has set a goal to reduce greenhouse gas emissions in the West to 15 percent below 2005 levels by 2020 using a cap-and-trade system, will take its proposed plan to some state legislatures next year. Before that happens, we are asking the Council to analyze what the WCI's proposal would mean for the economy, system reliability, and power costs in the Pacific Northwest.
- **Show Us the Scenarios:** We think the excellent work the Council did in its carbon footprint paper last year should be expanded, including the development of scenarios that identify the costs and implications of mandated or voluntary actions to meet future carbon goals or target emission levels. At the Power Committee meeting, Council members agreed scenarios would be helpful. Idaho's Jim Yost asked staff to estimate the retail electricity rate impacts of policies to reduce CO₂, increase the use of wind and peaking plants, and build more transmission, so "people in the region know what's in store for them."

- **Share the Responsibility:** A key PNUCC suggestion is that the Plan should look at total emissions from all sectors and not just focus on the electric power industry. Council members agreed the power sector isn't the only contributor to greenhouse gases nor can its actions alone address global warming questions. Washington's Tom Karier said it is essential the Council's analysis include scenarios that look beyond the power system. For example, he wants the Council to produce information on how the power system could accommodate widespread use of electric cars, which have a huge potential to reduce greenhouse gases.
- **Carbon Q&A:** The Power Committee said it will pose a series of questions about the effects of climate change to the University of Washington's Climate Impacts Group and invite them to provide the answers in person. Council members also asked staff to develop information on what the hydro system has provided in terms of carbon credits, how much flexibility is left in the system, and how much carbon new resources would produce in order to back up wind energy.

I urge PNUCC members to let the Council know how important these climate change analyses are for the Sixth Power Plan. What the Council develops is likely to be used by Congressional and state legislative staffs, as well as public utility commissions, as they work through climate change policy issues in the coming months.



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