

Update

What's Happening With the Sixth Power Plan

December 2008

We're starting to see the rubber hit the road with the analyses that will underpin the Northwest Power and Conservation Council's Sixth Power Plan. They are still talking about a draft Plan in the Spring, and there are lots of numbers to crunch between now and then. Recent staff presentations start to put the edges on this jigsaw puzzle.

- A key building block, the load forecast, debuted last week. This forecast is the cornerstone of the plan and affects nearly every other analysis in some way – from the estimate of CO₂ emissions to resource recommendations. The staff's latest cut expects energy loads to grow at an annual rate of 1.6 percent. They are also expecting summer peak load to surpass the winter peak in the long run. If their peak forecasts are correct, that could mean we will significantly change how the region plans for our future loads. PNUCC will compare the Council's work to what we know from our utilities and keep you posted about how the comparison shapes up.
- Along with the forecast, the staff released info on a question PNUCC wanted answered: What's likely to happen with retail rates? So far, their analysis shows a 2 percent annual increase in residential electricity bills for the next 20 years, which does not include inflation. We're wondering if that increase is consistent with the costs associated with adding new power supply to the mix, and we'll be parsing the details.
- Staff has presented a lot of information about resources – conservation, wind, solar, coal – but there hasn't been much work done on small-scale local projects, like methane digesters, biogas, and small hydro. Staff said such resources are "difficult to characterize" and don't fit well into large-scale analyses like their portfolio model. Tom Karier urged the staff not to treat these resources as "afterthoughts" in the Power Plan, since when they make economic sense for utilities, they should be encouraged. Council staff estimates there could be 500 to 800 megawatts of potential around the region.
- On the recommended reading list, see our *PNUCC Report* on the December Council meeting for a synopsis of the public power panel on conservation. We'll see how their call for BPA to rework its conservation role plays out in the Power Plan and in a new process to explore that issue, which kicks off in January.

- Also in the *Report*, take a look at our write-up of the wind presentation from the Renewable Northwest Project. Wind integration is a very real system problem, and I'm not sure RNP's presentation added much to the collective wisdom on possible solutions. We need to see if we can get the Council to hear from the operations people who keep the system balanced.

The Council has scheduled extra Power Committee sessions every month between January and the release of the draft Power Plan in May. Stay tuned as there will be more tidings as the Plan takes shape.

In the meantime, have a Happy Holiday Season!



Dick Adams, Executive Director
PNUCC
503.294.1268 phone
dick@pnucc.org