

# Update

## What's Happening With the Sixth Power Plan

January 2009

In this New Year, we see a lot of change coming up on the national horizon. Here in the Northwest, the Council will release a draft of its Sixth Power Plan in just a few months. We've been tracking all the PowerPoint presentations and technical analyses as they evolve, and now is the right time to ask whether the Plan is shaping up to answer the broad policy questions facing the power industry and the region's economy.

Recently Idaho Council member Jim Yost said the Plan needs to be "a road map" to tell customers what they can expect in terms of rates over the next five to 10 years. The Plan should explain what is happening with electricity prices, what utilities are asking for at public utility commissions, and what factors regulators will take into consideration in making decisions. And the Plan has to be written in a way the "average person" can understand, Yost said.

I couldn't agree more. As it lays out the Northwest's vision of the energy future over the next 20 years, the Plan has to take the lead on key issues, explain what they mean and what they might cost, and buttress those positions with its wealth of technical analyses.

In August, PNUCC wrote to the Council's Power Committee suggesting how the Plan could address climate change policies. It looks like it is time for us to write the Council again to let them know we hope the Plan's first draft will present guidance to the region on a variety of complex issues facing our industry. They include:

- **Climate Change Policy** We are looking for recommendations on the best way for the Northwest to move forward on this issue, and for answers to questions like whether a cap-and-trade approach makes economic sense and what happens if different states adopt different strategies.
- **Conservation** This is a cornerstone of the Plan, and there is no shortage of data being developed on conservation potential. But we'd like the Plan to shed light on who should take the lead in this effort and how BPA's role should change.
- **New Renewables** The Council is immersed in studies of the major technologies, such as wind and solar, but PNUCC thinks the Plan needs to make a statement on how desirable other renewables, such as small hydro,

cogeneration, and digesters, might be for the region. Utilities want the whole panoply of possibilities covered.

- **Nuclear** As a region, are we ruling it out or keeping the door open? What national developments could help us make this choice?
- **Transmission** The Council and PNUCC agree on the importance of expanding and modernizing the system, but what kind of support will the Plan express for the planning, engineering and construction efforts going on now?
- **Electric Vehicles** This has been a focus of technical study at the Council, but we hope to see clear recommendations about how the public and the power industry should prepare for the widespread use of electric cars.
- **Smart Grid** Here's another area where the Council could provide more leadership in assessing what the possibilities are and what utilities would need in order to take advantage of the new technologies surrounding Smart Grid.

In short, PNUCC wants the Plan to be more than a collection of value-free numbers and nifty charts. It needs to step up and help the public and policymakers understand the state of the Northwest power system, the tradeoffs inherent in these new and complicated issues, and how they will affect our ability to provide an adequate and affordable power supply. And now is the time for the utility community to reiterate to the Council that the Plan should do that.

At our next board meeting, I expect that we can delineate which broad policy issues we'd like to call out for Council consideration before the draft of the Power Plan is written. The Council will release the draft in May, and while it feels like winter now, spring will be here before we know it. I look forward to hearing what you think.



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