

Update

What's Happening With the Sixth Power Plan

March 2009

PNUCC continues to engage the Council at many levels as it writes draft chapters for its Sixth Power Plan and works on models and forecasts. Power division director Terry Morlan came to our March Board meeting and fielded a barrage of questions. We also sent a list of concerns to the Council's Power Committee to aid its deliberations, as well as reviewed and provided feedback to the Council on their recent draft demand forecast.

- **Fixing the Forecasting.** Most of what the Council is doing is top notch, but occasionally they really need the utility viewpoint. And their draft demand forecast is a recent example. During the past year, we have worked with the Council staff on their forecast of peak demand because it is dramatically different than the utility view. Their recent request for formal review provided the opportunity to tell them "Houston, We Have a Problem".

It appears the Council's peak demand forecast for January 2010 is almost 5,000 megawatts lower than PNUCC's and possibly 8,000 lower than BPA's. That's not peanuts -- that's 10 to 20 new combustion turbines!

PNUCC wrote to the Council chairman this month suggesting they halt any further work on regional capacity until the demand forecasts and their underlying assumptions are re-examined. Our letter emphasized that "a Plan built on this peak load forecast will have questionable value" and said the region must have a common understanding of such a basic cornerstone of the Plan. We won't rest until this big issue is resolved.

- **Conservation Planning.** The Conservation Resources Advisory Committee held its first meeting this month. I was heartened to hear Council staff say the Plan's regional cost-effectiveness numbers don't translate to a direct prescription for what utilities should be doing and that utilities should do their own estimates and choose their own activities. This is particularly important since the new Power Plan estimates achievable conservation potential to be 10 percent higher than the previous plan.
- **Carbon Costs.** We want to see the Plan analyze the costs and power-supply implications of meeting various CO₂ reduction targets, and we'd like to know how the Council staff derived a carbon price assumption of \$47.72/ton. At the

Power Committee, Council member Tom Karier noted PNUCC's interest in that information, and staff responded with a promise to prepare a clear explanation.

- **Small Renewables.** PNUCC has told the Council the Plan should provide leadership on the desirability of developing smaller renewables, such as cogeneration, small hydro and digesters. Council staff estimates the availability of about 200 to 300 MW of such resources over the Plan's lifespan. Notably, Karier told the Power Committee he'd like the Plan to say whether those types of resources should be developed and that "every renewable resource matters to utilities."

- **A Plan in Plain English.** One thing our Board is adamant about is the need for the Plan to translate the arcana of its models and technical results into a document that elected officials and ordinary citizens can understand. We think it's important to spell out different policy choices in simple terms and keep the probability arrays in the background. We've volunteered to provide the Council some ideas on what communications approaches might work best.

The main event, a draft Power Plan, is just around the corner and the PNUCC Board and System Planning Committee will be two forums to ensure the Plan makes sense. Give me a call or send me a note with your thoughts.



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