

# Update

## What's Happening With the Sixth Power Plan

November 2008

The Northwest Power and Conservation Council is about to put together the analytical pieces its staff has developed over the past year to produce a draft Sixth Power Plan, scheduled to come out in May. Having a plan that accurately reflects the state of the Northwest power system and future power supply issues is a top priority for PNUCC.

We inaugurated this newsletter earlier this year to keep our members tuned in to how the plan is shaping up. The Council's plan will be a major source of information for the public and policymakers on key issues like climate change, resource costs and priorities, and conservation. PNUCC wants to make sure the Plan fully captures the complexity and challenges that face our industry. This month, the Council's Power Committee unveiled interesting new numbers about wind and conservation potential. I share some of their numbers with you so that you can judge for yourself if the Council is on the right track.

- **Wind Ain't Cheap.** The Council says 3,500 MW of wind are likely to be online in the Northwest by the end of next year. Wind is the least-cost new renewable resource available in large quantity, and the Council pegs its capital cost at around \$2,100 per kilowatt. Because it previously underestimated the wind penetration expected to occur in 2009, the Council revised its assumptions in November about the costs of wind integration services. Staff moved the low-end up to \$8.60/MWh, from around \$5.00, and kept the high-end at \$10.90/MWh.
- **Our Power Supply in 2020.** The Council has ranked the forecasted costs of resource options available in 2020, finding combined-cycle gas the least expensive at about \$85-90/MWh, followed by wind resources with costs that range from \$95-155/MWh depending on where they are located and what load they serve. Advanced nuclear energy appears cost-competitive with wind, but isn't likely to be available before 2022.
- **Cow Conservation.** Following irrigation, milk production is the largest single use of electricity in the agriculture sector -- the average dairy uses 800 to 1,200 kWh per cow per year. Recent Council studies show a 5.5 MWh conservation potential in the dairy industry, with a total agriculture savings, including cows and irrigation, estimated at 117 MWh, all at less than \$10/MWh. While this is not a large amount of potential savings, it illustrates how thorough the Council staff is in identifying savings potential.

- **Big Distribution System Savings?** Council staff said a new R.W. Beck analysis shows a conservation potential between 400 and 500 MWa by 2030 from efficiency improvements on utility distribution systems. New technologies could help utilities optimize distribution system performance and reduce system losses. Look for the Council to include these measures in the Sixth Power Plan.

Next month, the Power Committee will preview a draft demand forecast and new studies on non-wind resources, such as biomass and geothermal. In 2009, we'll see more Plan action shift from the Power Committee to the full Council. While the four Power Committee members have been exposed to dozens of presentations on the Plan, the other four members are about to fully engage and get caught up.

We will kick up our involvement and scrutiny accordingly, and we'll invite members of the Council to engage with our Board early in the new year. As always I welcome your advice and counsel.



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