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October 29, 2009

MEMORANDUM

TO: Power Committee

FROM: Terry Morlan

SUBJECT: Report on the Status of Analysis for the Final Sixth Power Plan

I have described the analysis that needs to take place to get to a final power plan in previous Power Committee meetings. We will update you on the status of that analysis during this agenda item, and describe some of the changes we are working on.

Some of the changes are in response to specific comments we have received, others are part of completing the analytical cycle of the Power Plan.

These revisions include the following expected changes:

- Revised economic, fuel price, demand forecasts, and electricity prices;
- Revised assumptions about generating and conservation resource supplies and costs;
- Revised treatment of RPS and wind resources;
- Revised treatment of demand response;
- Incorporating conservation uncertainty in RPM model;
- Analysis of meeting specific CO₂ goals;
- Rerunning most of the Power Plan scenarios with new data and forecasts;
- Potentially including the direct use of natural gas in the portfolio model;
- Developing alternative displays of cost, resource needs, and adequacy and reliability.

Sixth Power Plan: Status of Analysis

November 12-13, 2009



Steps in Developing a Final Plan

- Revise forecasts and assumptions
- Estimate wholesale power prices
- Redevelop conservation supply curves
- Run RPM for several scenarios
- Evaluate model results and summarize
- Build resource strategy from model results and other policy decisions
- Writing to reflect comments and changes

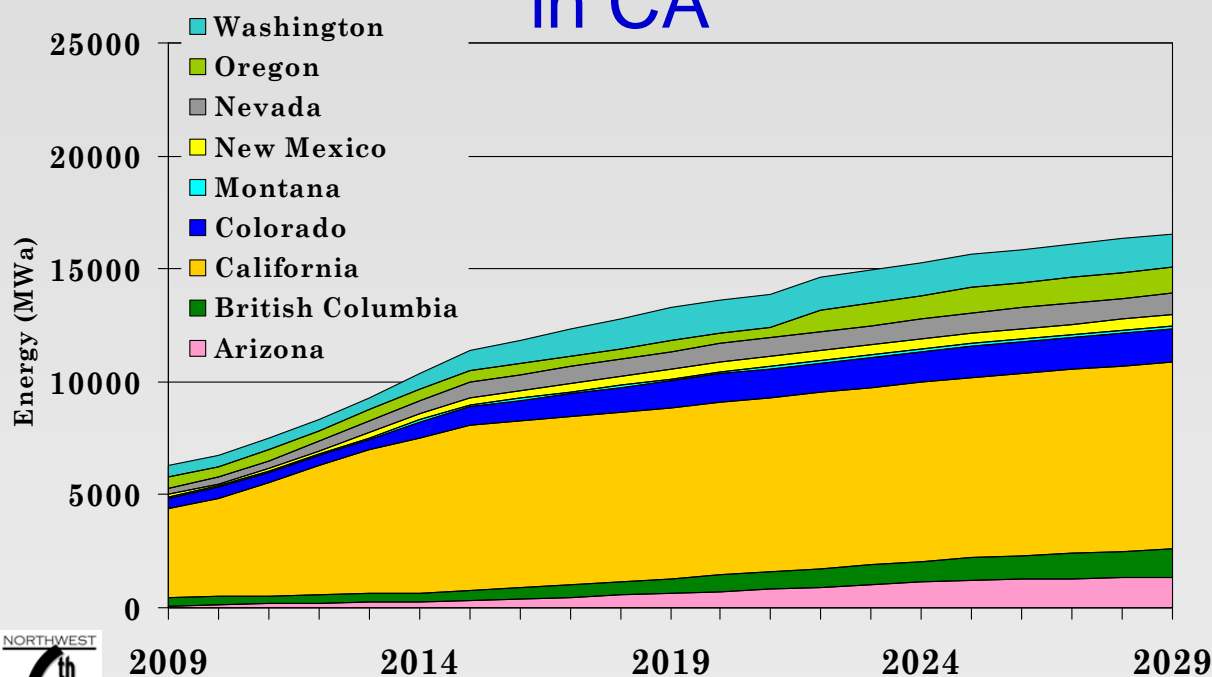


Status

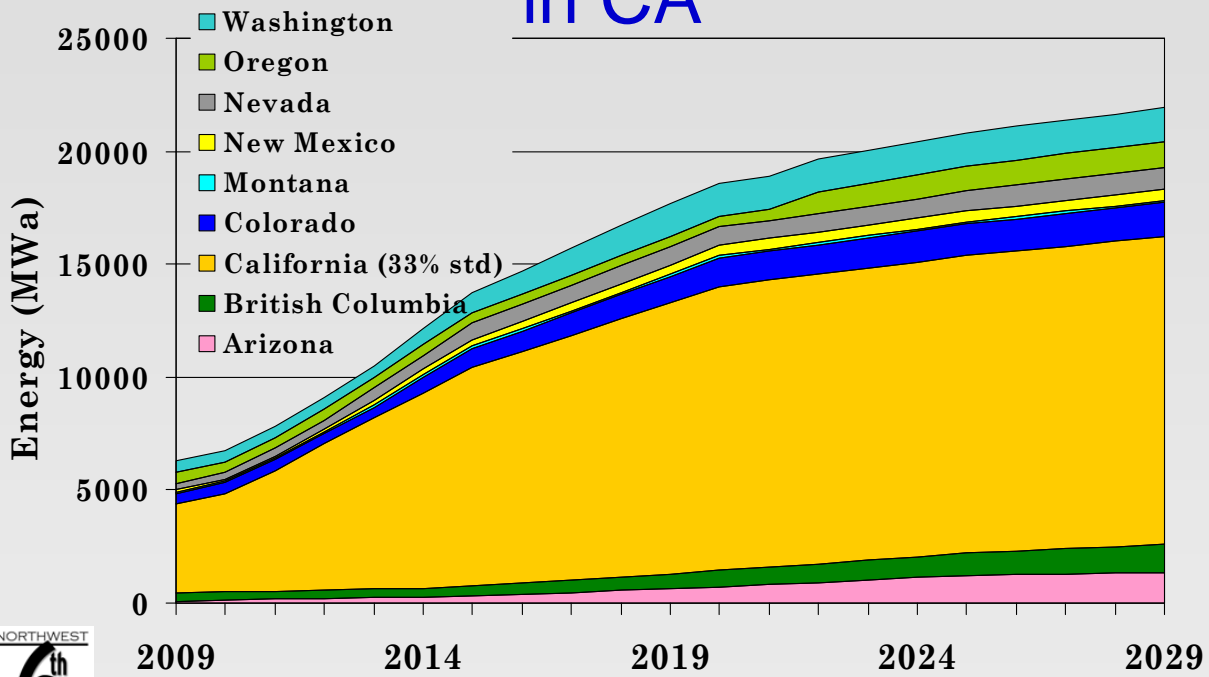
- Revised forecasts of economic growth, fuel prices, and electricity demand are done
- Nearing completion of wholesale electricity prices
 - Influenced by fuel prices, conservation from draft Plan, demand forecasts, and revised RPS levels and carbon prices
 - On net, these push spot prices down; rate effect less clear because of fixed cost of RPS resources



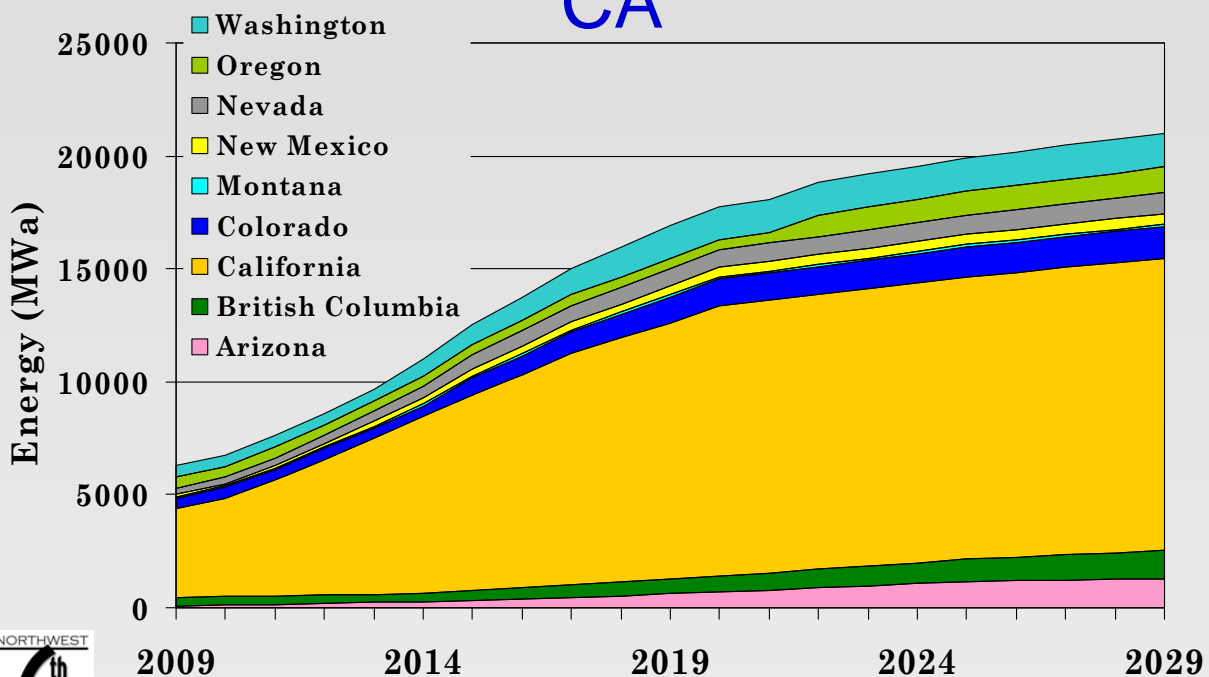
RPS forecast: 100% achievement; 20% by 2010 in CA



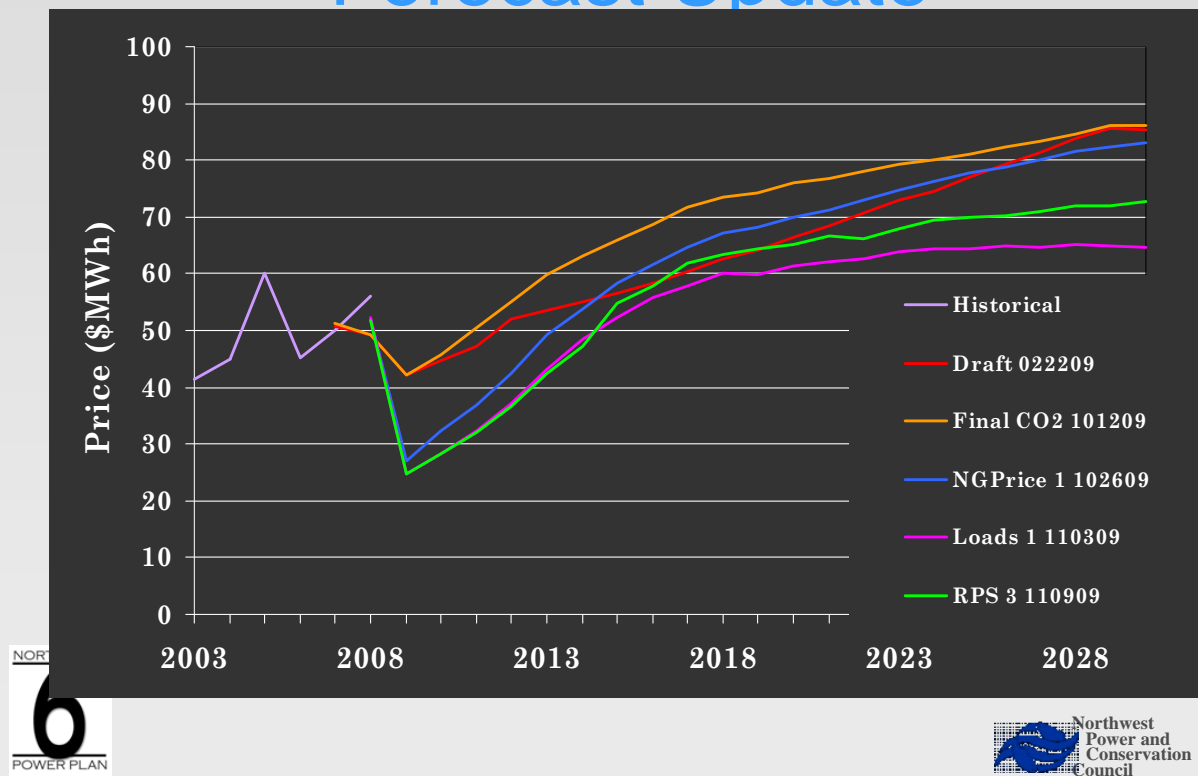
RPS forecast: 100% achievement; 33% by 2020 in CA



Final RPS forecast: 95% achievement; 33% by 2020 in CA



Wholesale Power Price Forecast Update



Next Steps

- Finish wholesale price forecasts
- Revise conservation supply curves
 - Affected by demand forecast, fuel prices, and wholesale electricity prices
- Start RPM analyses
 - Probably 8 scenarios, 3 days each minimum, 24 days total. If we start Friday next week (Nov 20) runs could be completed Dec 14 (after Dec Council meeting)

Next Steps, Continued

- Rewrite Chapter 10 (Old 9) to reflect new analysis, conforming numbers and discussion in other chapters
- Council review and adoption?
- Editing and publication?

