

Rhonda Whiting
Chair
Montana

Bruce A. Measure
Montana

James A. Yost
Idaho

W. Bill Booth
Idaho



Bill Bradbury
Vice-Chair
Oregon

Henry Lorenzen
Oregon

Tom Karier
Washington

Phil Rockefeller
Washington

August 30, 2012

MEMORANDUM

TO: Power Committee Members

FROM: Charlie Black, Power Planning Division Director

SUBJECT: Roundtable on Capacity Planning

Historically, resource planning for the Pacific Northwest focused more on meeting energy needs. This emphasis was driven by the fact that our region has significant hydroelectric generating capacity and thus has not been as capacity-constrained as other regions that rely on a larger proportion of thermal generating resources. In other words, the Northwest has traditionally been an energy-constrained system, while many other regions have traditionally been capacity-constrained.

However, the Northwest power system has been changing in ways that are elevating the importance of capacity planning. For example, load growth and extensive additions of non-hydro resources to meet that growth have reduced hydro's proportional share of the total regional generating fleet. Large additions of variable energy resources, mainly wind power, have also placed additional demands on the system. As a result, the Northwest is becoming capacity-constrained. Further, the nature of capacity constraints is becoming more multi-faceted. This includes needs to have sufficient resources to meet peak demands during adverse temperature events, as well as having enough resources with the capability to rapidly respond in both upward and downward directions.

At the Power Committee meeting in Astoria, we will have a roundtable discussion of the region's capacity planning issues. John Prescott, President and CEO of PNGC Power, will provide a policy-level perspective. Clint Kalich, Manager of Resource Planning at Avista Utilities, will provide a utility resource planner's perspective about capacity planning, including development of concepts and consistent terminology to address various aspects of 'capacity'. I will also be available to describe work Council staff is doing to expand its emphasis on capacity planning.