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September 27, 2012

MEMORANDUM

TO: Council Members

FROM: Charlie Black, Power Planning Division Director

SUBJECT: Presentation on Regional Gas-Electric Coordination

During the last decade, significant amounts of new natural gas-fired generating facilities have been developed in the Northwest, the West and the U.S. as a whole. A number of forces are driving plans to further expand the use of natural gas-fired generation, including increased supplies and low market prices for natural gas; retirements of older coal-fired generating facilities; and needs for resources to balance variable output from large amounts of new wind power resources. As a result, the growing use of natural gas for power generation is creating stronger interdependencies between the natural gas and electric utility industries.

In response to these developments, efforts are under way at various levels to address interdependencies and increase gas-electric coordination. At the Council meeting in Whitefish on October 9, Dick Adams, Executive Director of the Pacific Northwest Utilities Conference Committee (PNUCC) will give a presentation summarizing these activities. His presentation will include a summary of work being done by a joint task force of the PNUCC and the Northwest Gas Association (NWGA), as well as a report on technical conferences that the Federal Energy Regulatory Commission recently held. Following are links to background materials on these activities:

www.pnucc.org/sites/default/files/Natural%20Gas-Electricity%20Primer%202012%202008%202009.pdf
<http://www.ferc.gov/industries/electric/indus-act/electric-coord.asp>