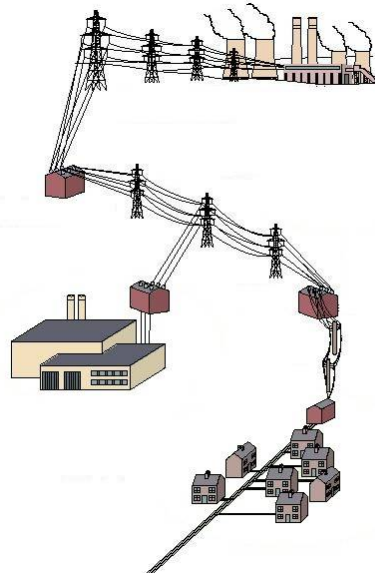


Regional vs. Utility Planning



Power Committee Webinar
June 30, 2009

Outline

- Adequate vs. Economical
- Interpreting the Load/Resource Balance
- Assessing Hourly Needs

Adequate vs. Economical

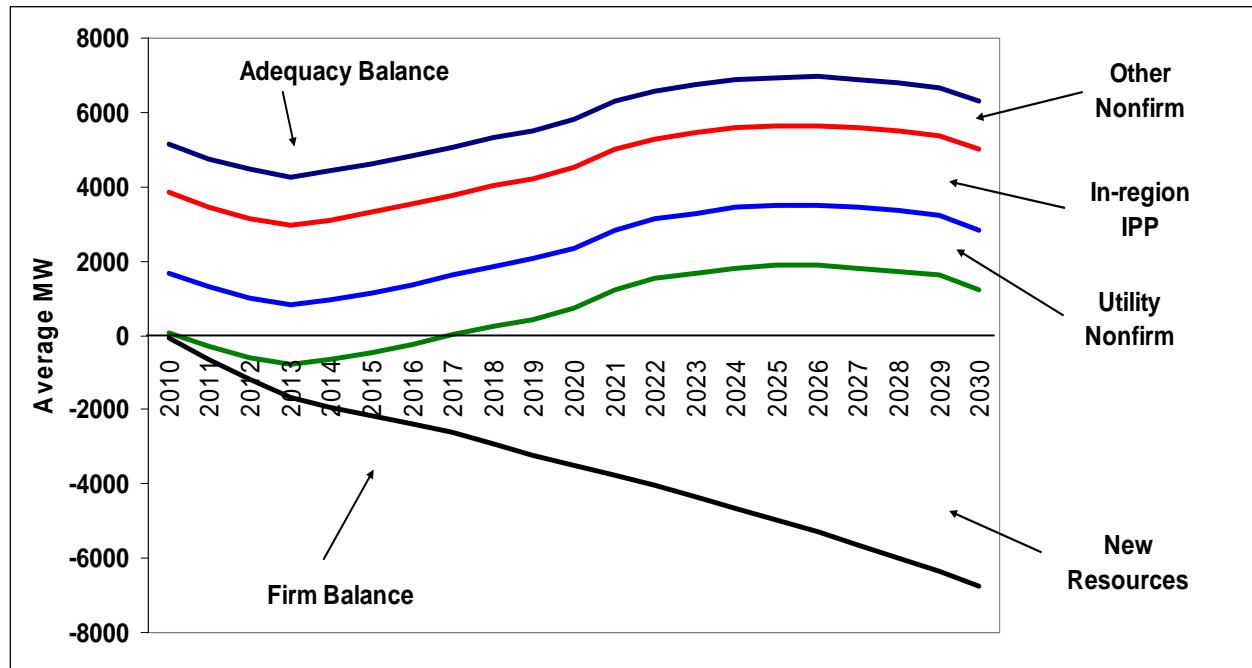
- Issue:
 - Adequacy assessment says power system OK
 - Plan says to acquire (conservation and RPS)
- Discussion:
 - Adequate because of large market supply
 - Plan recognizes
 - RPS is required
 - Conservation is very cost effective
 - Shouldn't depend too much on the market
- Conclusion:
 - Adequacy is an early warning system, not a target
 - Plan is the desired resource strategy

Interpreting L/R Balance

- Issue:
 - Utility L/R Balance shows deficit
 - Adequacy L/R Balance shows large surplus
- Discussion:
 - Utility balance includes firm utility resources only
 - Adequate balance includes
 - In-region IPP market supply
 - Out-of-region market supply
 - Non-firm hydro
 - Full availability for resources
 - New plan resources
- Conclusion:
 - Adequacy balance only useful as an early warning system
 - Utility balance can be useful as an initial assessment for need

Energy Load/Resource Balance

Expected Build-Out Schedule



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Assessing Hourly Needs

- Issue:
 - Adequacy RM is very high
 - Utilities believe capacity needs are more eminent
- Discussion:
 - Adequacy RM
 - Includes non-firm resources
 - Targets based on LOLP analysis
 - Based on 18-hour sustained period
 - Does not include within-hour needs
 - Utilities
 - Are more familiar with single hour RM
 - Include firm resources only
- Conclusion:
 - Adequacy Forum will review methodology
 - Firm RM useful for needs assessment but threshold not defined
 - Will need to incorporate within-hour needs somehow

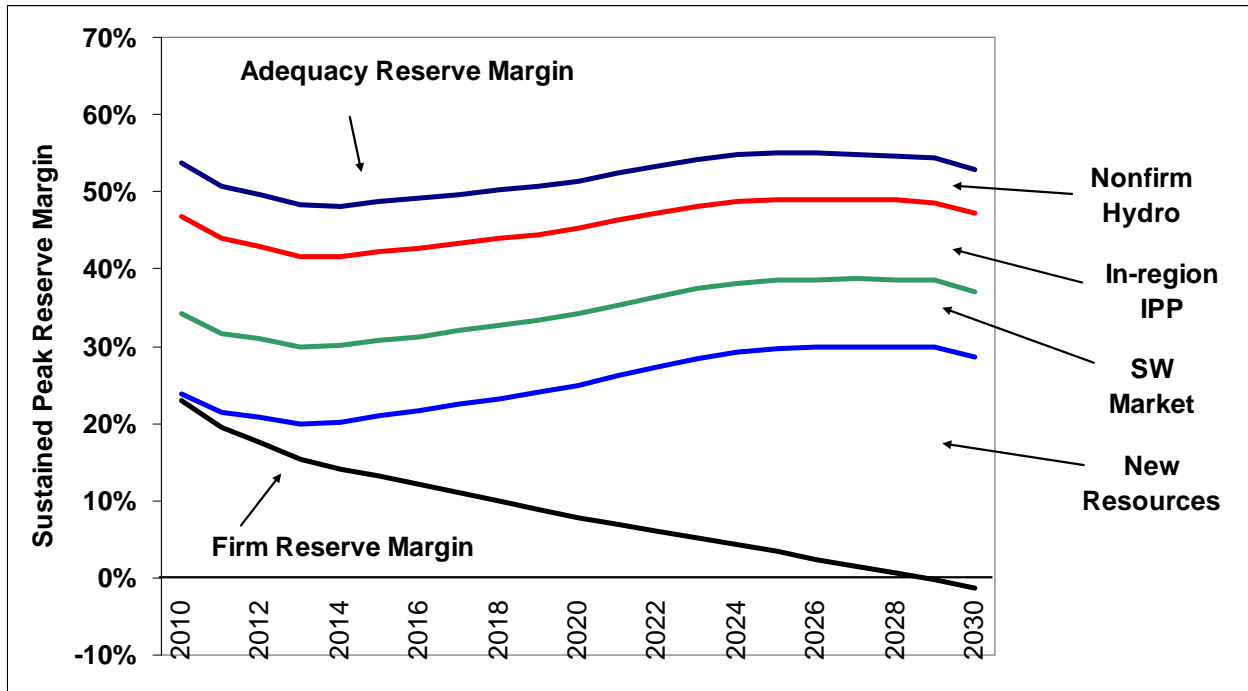
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January Capacity Reserve Margin

Expected Build-Out Schedule



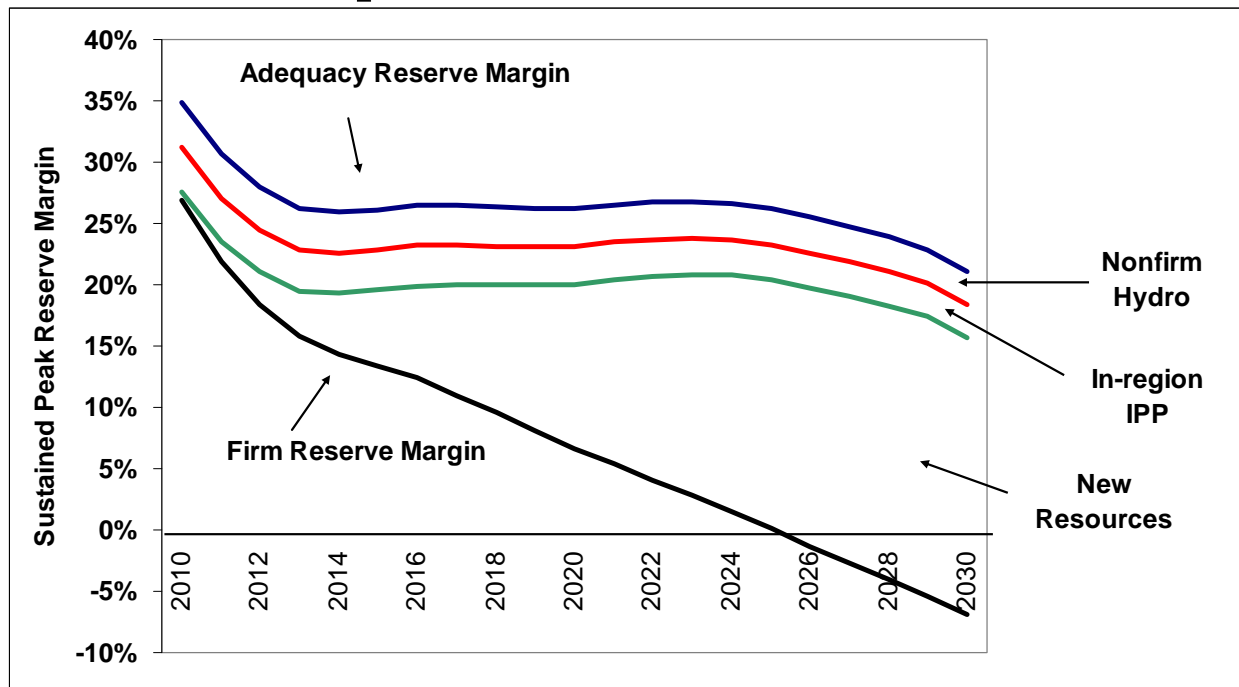
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July Capacity Reserve Margin

Expected Build-Out Schedule



June 30, 2009

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