



**Comments of the Northwest Independent Power Producers Coalition  
Northwest Power & Conservation Council Draft 5<sup>th</sup> Power Plan  
November 19, 2004**

The Northwest Independent Power Producers Coalition (NIPPC) is pleased to submit the following comments on the Draft 5<sup>th</sup> Power Plan. We find the Draft Plan comprehensive and substantive, providing an overall accurate portrait of the Northwest's energy prospects.

Integrated Resource Planning (IRP) has come again to be recognized as a value tool. The Council, which pioneered the concept, should take satisfaction in its latest effort at analyzing the region's future energy options.

NIPPC concurs with the overall conclusions of the Draft Plan. We agree that the region's future needs can be met by primary reliance on conservation and delivery from operating independent power producers (IPP) generation that constitute the region's reserve margin. NIPPC has consistently encouraged Northwest utilities to contract on a long-term basis with coalition members' operating power plants. It is our position that regardless of the form such contracts take, "going long" will mitigate the volatility of over reliance on the short-term market thereby protecting otherwise vulnerable consumers alike. By pointing utilities in this direction, the Draft Plan has done the region a profound service.

The Draft Plan also addresses the roadblocks that may compromise some utilities ability to access cost-effective and reliable IPP capacity. It does so by speaking eloquently to the multiple problems facing the regional transmission system. The Council is to be commended for highlighting these issues and recognizing the opportunity offered for resolving them through Grid West, the "bottoms up" transmission management organization now being developed by and for the Northwest.

Even as we salute the Council for getting the "big picture" right, NIPPC offers several specific observations regarding the Draft Plan. These include the following:

- A 1% annual load growth strikes us as too low particularly given credible national projections as high as 3%.
- Conservation projections strike us as plausible but aggressive. In that spirit, it would be prudent to throttle back the anticipated load reductions by 10 – 25%.
- The Draft Plan has not fully addressed the implications of the Regional Dialogue and public utilities expected entry into the wholesale market.
- The Draft Plan should more fully develop the risk that utility bias has toward self-build options that will lead to costly over-built rate-based capacity.

NIPPC commends the work the Council has undertaken in preparing its Draft Plan. The Council will, in issuing its Final Plan, provide valuable overall guidance to the region's utilities, policy makers and consumers.