

PNW RA Technical Committee Meeting
January 12, 2006

Meeting Participants: Wally Gibson, Mary Johannis, Rick Paschall, Rod Noteboom, Steve Weiss, Peter Warnken, Pete Peterson, Chris Robinson, Jeff King, Terry Morlan

Phone Participants: Clint Kalich, Howard Schwartz, Dick Adams, Don Tinker

Energy and Capacity Metrics and Targets:

ENERGY METRIC & TARGET:

The proposed recommendation paper was reviewed by the Technical Committee participants.

There was discussion regarding what is critical water? The Federal System assumes 1937 water. However, the western non-Federal hydro plants have a different critical water year. **DECISION:** Use 1937 because this is a regional analysis. Individual utilities are free to use their critical water in their analyses. Also, this metric is not related to BPA's net requirements calculations. **Action Item:** Modify the paper to:

- Define critical hydro
- Emphasize that this is a regional analysis and not related to BPA's net requirements
- Document California Surplus Analysis
- Describe linkage to LOLP analysis; the Technical Committee revisited the issue that, for now, the assumption is that the load resource balance is linked to an LOLP of 5% using the Council's current methodology in GENESYS

The evaluation needs to focus on the physical nature of plants and their fuel/environmental constraints. Mary Johannis presented an update to the winter surplus capacity analysis previously done by Rob Diffely of BPA. **Action Item:** Mary promised to send some supporting documents: CA ISO document, California resource spreadsheet and the SSG-WI spreadsheet for California. Although the winter surplus in California needs to be monitored on an ongoing basis, for now, the group was comfortable with the assumption of 3,000 MW surplus capacity in California, which translates in 1,500 aMW. **Action Item:** This 1,500 aMW is the seasonal

number from the GENESYS model and still needs to be translated into an annual number.

Decision: The Technical Committee agreed to the energy metric and target as described in the paper, with the changes agreed to during the meeting.

Action Item: Wally Gibson agreed to make these changes to the paper and send it out to the Technical Committee for one last opportunity to comment before submitting to Steering Committee.

CAPACITY METRIC AND TARGET:

Issue: Do the IPPs and the other gas turbines have firm gas contracts that would allow them to be available when needed, e.g. during a cold snap? We do not have the information regarding gas supply contracts and/or whether they have oil back-up. Perhaps this information needs to be reported. Once we have this information, the LOLP analysis can take into account whether gas turbines should be available in cold snaps. Perhaps gas supply could be included in the probabilistic analysis.

Terry Morlan provided information on gas infrastructure in NW. Right now, there is significantly more gas pipeline capacity than needed because not as much gas generation was built as anticipated. Generators generally have contracts for firm pipeline capacity, but not necessarily firm gas supply. IPPs without power sales contracts may not have contracts for firm pipeline capacity either, but there is an active secondary market in released capacity. **Action Item:** Terry suggested that Gas Committee evaluate availability of gas generation in PNW during cold snap on a periodic basis to determine de-rated gas capacity for capacity metric.

Mary presented a PowerPoint on a possible approach to determining sustained hydro peaking capacity using a spreadsheet approach. Some of the participants questioned whether hydro sustained peaking capacity could be evaluated using a spreadsheet approach and advocated for a more sophisticated model such as BPA's HOSS model, the Columbia Vista Model, and/or the GENESYS model (once certain improvements are made). Others pointed out that a spreadsheet approach to approximate hydro sustained peaking capacity is needed because not all utilities have the more complex hourly model needed for the sophisticated analysis. There seemed to be general agreement that if a spreadsheet model is used, it needs to be validated through a more sophisticated model, in the

same way the Council's LOLP analysis is used to validate the energy metric and target.

Decision: The Technical Committee agreed to the form of the capacity metric and target as described in the paper, with the understanding that quite a bit more work is needed to finalize a methodology and allow numerical values to be inserted.

Next Meeting: February 16, 2006; 9:30 a.m. to 2:30 p.m. at the NWPCC Office in Portland.