



October 18, 2007

Mark Walker
Public Affairs Division Director
Northwest Power & Conservation Council
851 SW 6th Avenue, Suite 1100
Portland, OR 97204

Dear Mark,

On behalf of PNUCC I thank you for the opportunity to comment on your study "Carbon Dioxide Footprint of the Northwest Power System." This work comes at a very opportune time as state, regional and national policy-makers are grappling with how to appropriately address climate issues. Your analysis provides foundational information that will inform those discussions, and you should look to update this study on a regular basis. The regulation of carbon dioxide emissions at some level is on the horizon, and the results of this study are and will be critical to the region's work to understand the impact of such regulation.

We also appreciate the time Council staff spent with the PNUCC Climate Change Task Force to discuss this study. Our taskforce of regional industry experts is focused on understanding the implications climate change policy will have on Northwest power generation. The discussion between the taskforce and Council staff provided for a good exchange of ideas and greatly informed the following comments.

The Power and Conservation Council should create a technical work group of regional climate experts and utility resource planning staff to assist the Council in analyzing the region's current and future carbon dioxide footprint. A work group of this nature will provide a forum for utility and climate experts to work with Council staff on the assumptions and construction of its analysis. Further, the Council should consider acquiring additional computer modeling resources to support this work.

The Council study uses 1990 emissions as a point of comparison for future scenarios. We recommend the report examine what actions, using existing technologies, would need to be taken to meet that 1990 emissions target. Although a target has not been agreed upon, it would be illuminating to demonstrate the magnitude of actions that would be required to meet a hypothetical target. It is important that this type of analysis include only actions that are current options.



PNUCC recognizes the essential role that research and development of new technologies will play in reducing emissions, and the Council's report should highlight the importance of investing in research and development of new emission abatement technologies to meet any future emissions standard; but we should not rely on theoretical advances when examining the Northwest's ability to meet emissions targets.

The Council should use up-to-date data in its analysis. As noted by Council staff, several utility Integrated Resource Plans have been completed since work began on this study, and that data should be included as it does impact the results. We also suggest the Council include additional analysis that links CO₂ emissions to the Northwest loads served by emitting resources. Your draft report is a hybrid of load-based and geographically-based analyses, in that it includes out-of-region generation that serves Northwest load and uncommitted in-region generation. Adding analysis that isolates emissions from power plants committed to meeting Northwest demand will provide valuable information.

One of the clear messages from your report is the influence that water supply has on the carbon emissions of electric power generation in the Northwest. It is important that CO₂ emissions regulation and targets recognize the unique influence that fluctuating water supply has on the emissions of Northwest power generation. To benefit policy-makers currently wrestling with this issue, we request that your report discuss how consideration of water supply can be incorporated into emissions policy.

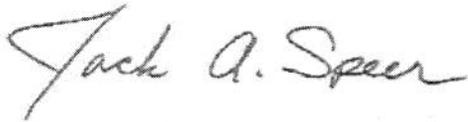
It is unfortunate that the analysis of Snake River dam removal has distracted from the significant findings of your analysis. The hydroelectric dams play a key role in the Northwest by producing emission-free, renewable power. That being said, your analysis of hypothetical dam removal scenarios should include both primary impacts (e.g., replacement of hydropower generation with some level of fossil-fuel generation) and secondary impacts (e.g., increased CO₂ emissions caused by a mode shift of cargo from barge to truck and/or rail transportation) that would result from this action. These scenarios illustrate the importance of fully understanding the carbon consequences of proposed changes to the power production of the Northwest hydroelectric system.

It would be extremely helpful to policy-makers if your study put the CO₂ emissions of Northwest electric generation in context with regional and national emissions and climate change policy discussions. Comparisons with the emissions of electricity generation in other regions or the emissions of economic sectors would give the reader a sense of scale and perspective. Your report should also compare the 1990 emissions target used in your analysis with emissions targets discussed in other arenas, such as the Western Climate Initiative. Given that the details of CO₂ emissions and climate change policies and targets are still being formulated, Council staff should clarify how sensitive the results of the study are to the assumptions made in the analysis.

PNUCC knows that renewables and energy efficiency will continue to play a big part in meeting the electricity needs of the Northwest. The Council's analysis should therefore highlight the contribution of the conservation and renewable philosophies embodied in the 5th Power Plan assumptions toward reducing future emissions. If not for those carbon-free actions, future emissions would be significantly higher. Your 5th Power Plan assumes that all of the developable renewables will be committed to meet Northwest load, when in fact Northwest utilities are not the only ones developing renewable resources in the region. Future analysis of CO₂ emissions should reflect the possibility that new renewable development physically located in the Northwest may not be available to meet Northwest loads.

Thank you for your leadership on this issue, we look forward to continue working with you as this analysis continues to evolve.

Sincerely,

A handwritten signature in cursive script that reads "Jack A. Speer". The signature is written in dark ink and is positioned below the word "Sincerely,".

Jack Speer, PNUCC Chairman

cc: Council Members
PNUCC Board of Directors
PNUCC Climate Change Task Force

