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## MEMORANDUM

**TO:** Power Committee

**FROM:** Terry Morlan

**SUBJECT:** Proposed Paper on Role of Renewable Resources in the Council Power Plan

At the July Power Committee meeting staff was directed to prepare an analysis of the role of renewable resources in the 5<sup>th</sup> Power Plan. We would like to discuss a proposed outline of the paper with the Power Committee and get further guidance on the scope of the paper.

The proposed outline (attached) starts with a statement of the purpose of the paper. It reviews the directives of the Act regarding the power plan and describes briefly the approach used to develop the power plan. Then the role of renewable resources in the plan is described including its costs, risk factors affecting the amount of renewable resources in different futures, and why it is found attractive in the plan. The paper would then describe the potential challenges of developing large amounts of intermittent resources and the action items in the plan to confirm, in particular, the amount of wind included in the Power Plan.

A question for the Power Committee is how far we should go beyond this scope. We could explain the recent pace of development versus the plan, recent cost experience, and the growing interest in renewable portfolio standards (RPS) and their possible effects on the region's ability to implement the Power Plan. We could also go into the conceptual differences in the strategies and objectives of the Power Plan versus an RPS, without addressing specific state initiatives or policy forums. There are a number of issues that could be addressed regarding renewable portfolio standards, perhaps even venturing some characteristics that the Council feels would help reduce the difference between the Power Plan approach to planning and the RPS approach. The staff needs guidance on whether these additional dimensions are appropriate and, if they are, how they should be approached.

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