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Tuesday, July 31, 2007

MEMORANDUM

TO: Power Committee

FROM: Michael Schilmoeller, Power Division

SUBJECT: Utility IRP Status

A substantial portion of the region's utilities have recently completed their Integrated Resource Plans. These plans suggest that utility planning has moved close to the Council's Fifth Power Plan, with its emphasis on conservation, wind and other renewables, and greater reliance on existing independent power producer (IPP) generation. At the time the Council's Fifth Power Plan was released, there was about 3623 MW of uncommitted IPP capacity in the region. Since then, utilities have purchased or leased about 488 MW, and 100 MW of contracts have expired, leaving 388 MW (11 percent) net addition committed to utilities. There also is greater explicit reliance on contracts in utilities' IRPs to meet short term, bridging requirements and long-term commitments.

Coal generation has diminished in utility IRPs to the point where only one utility now has a coal plant in its plan. Its timing and size are almost identical to the coal option identified in the Fifth Power Plan.

There is still some confusion about plans for gas-fired generation. Several utilities identify a requirement for substantial amounts of gas-fired generation, typically much earlier than is called for in the Plan. These utilities, however, are acquiring the resources to fill requirements created by contracts expiring in the 2012 time frame. Most of these contracts are for unit-specific regional power generation resources. We estimate about 1600 MWa of contract power will re-enter the market after these contracts expired. This power could be recommitted to regional utilities under new contracts or sold outside the region.

Moreover, with 1239 MW of uncommitted IPP generation entering the region between 2005 and 2010, it is not evident that the utility gas-fired generation will be new, utility-built capacity. Since the Fifth Power Plan was published in December 2004, the only gas-fired generation completed to which utilities have committed is 221 MW of IPP-built generation. (PGE's Port Westward, completed in 2007, appears as "committed new gas-fired generation" in the Plan.) Consequently, there is fair likelihood that a sum-of-IRP calculation significantly overstates new gas-fired construction in the region.

Update on Utility Integrated Resource Plans

Michael Schilmoeller
for the
Power Committee
Tuesday, August 14, 2007
Spokane

Utility	Lead	Last IRP	Current Activity
Investor-Owned			
Avista	Morlan	October 2005	IRP expected September 2007
Puget Sound Energy	Eckman	May 2007	
Portland General Electric	Schilmoeller	May 2007	
PacifiCorp	Corum	May 2007	
Idaho Power Company	Lindstrom	October 2006	
Northwestern	Bushnell	Filed December 2005	IRP expected December 2007.
Consumer-Owned			
Seattle	Eckman	2006 IRP released early 2007	
Tacoma	Grist	July 2004	IRP expected in early 2008
PNGC	Fazio	May 2006	no information
Snohomish PUD	Grist	2004	Deferred to May 2007
EWEB	Grist	December 2004	IRP expected in 2008

Assumptions

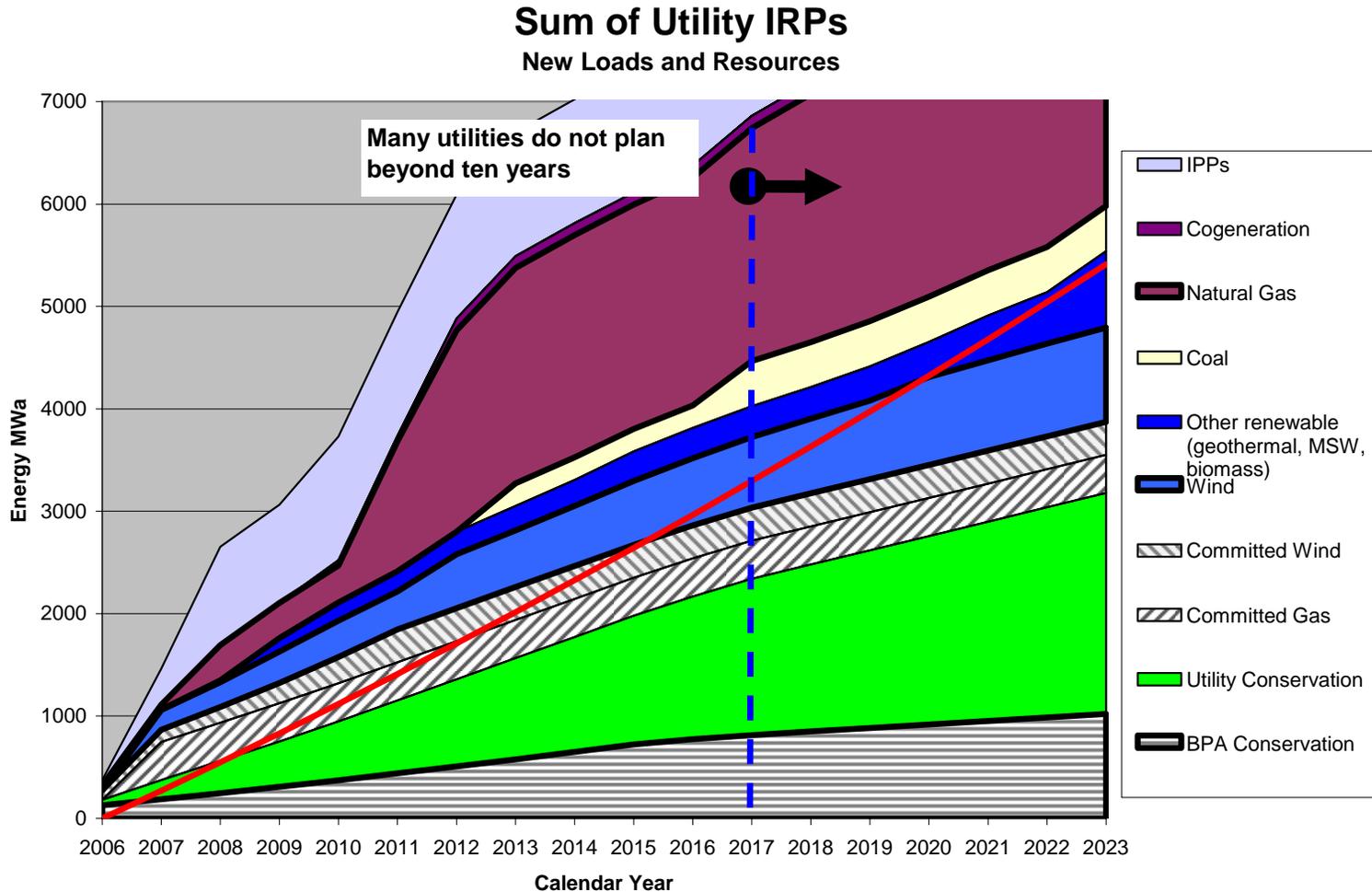
- Gas- and coal-fired generation energy is illustrated using availability, the maximum energy the unit could produce.
- Depending on whether we assume utilities build their own thermal generation, purchase IPP generation, or reacquire generation released from expired contracts, we get significantly different pictures.

Next Illustrations

- **Naïve interpretation** of IRPs and IPP planned resources (slide 5)
- **Net requirements** resulting from load growth and loss of contract resources (slide 6)
- **Likely utility additions**, assuming resource energy lost through contract termination is recaptured by the utilities (slide 7)

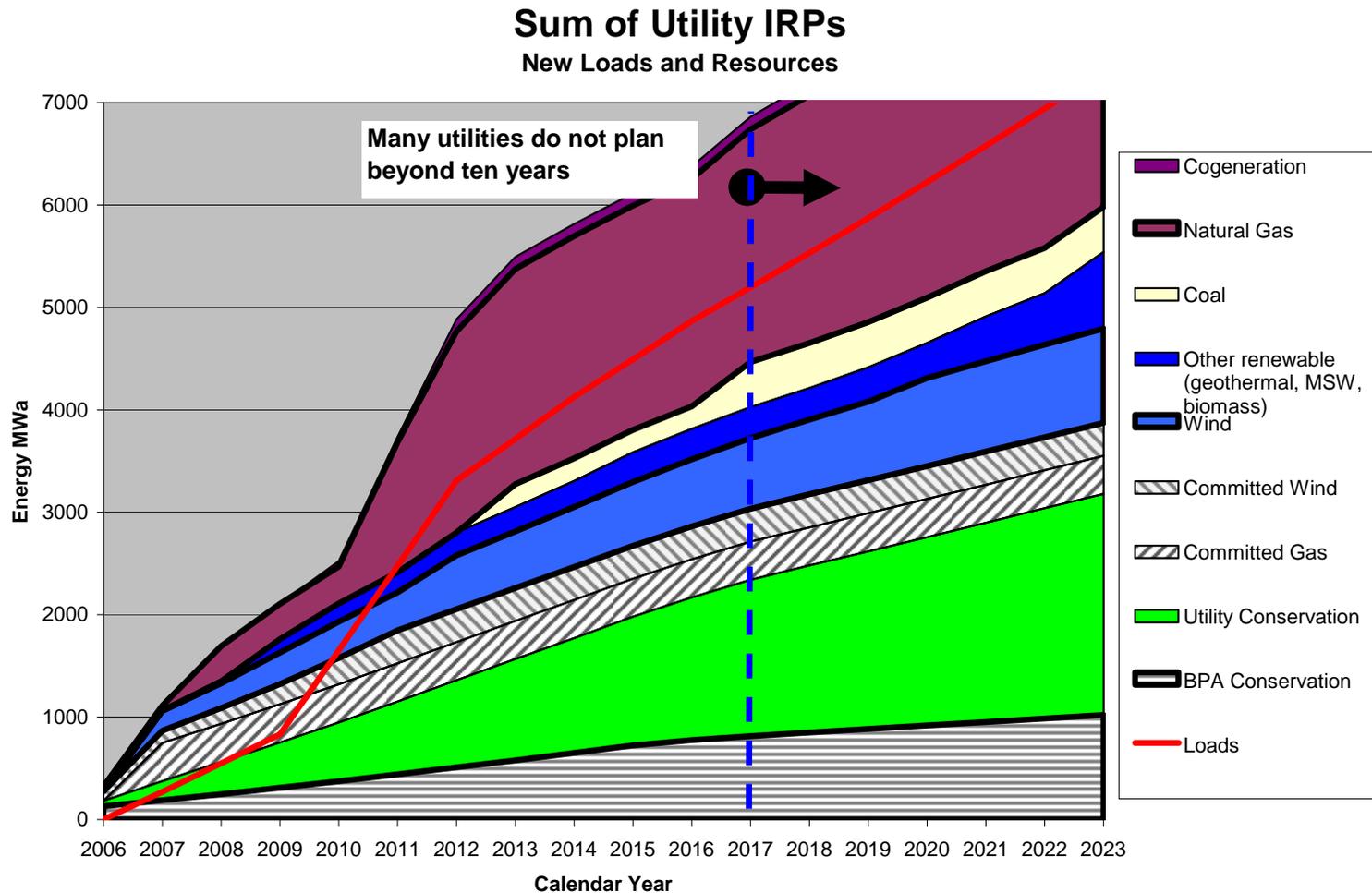
Existing Sum of IRPs

Naïve interpretation



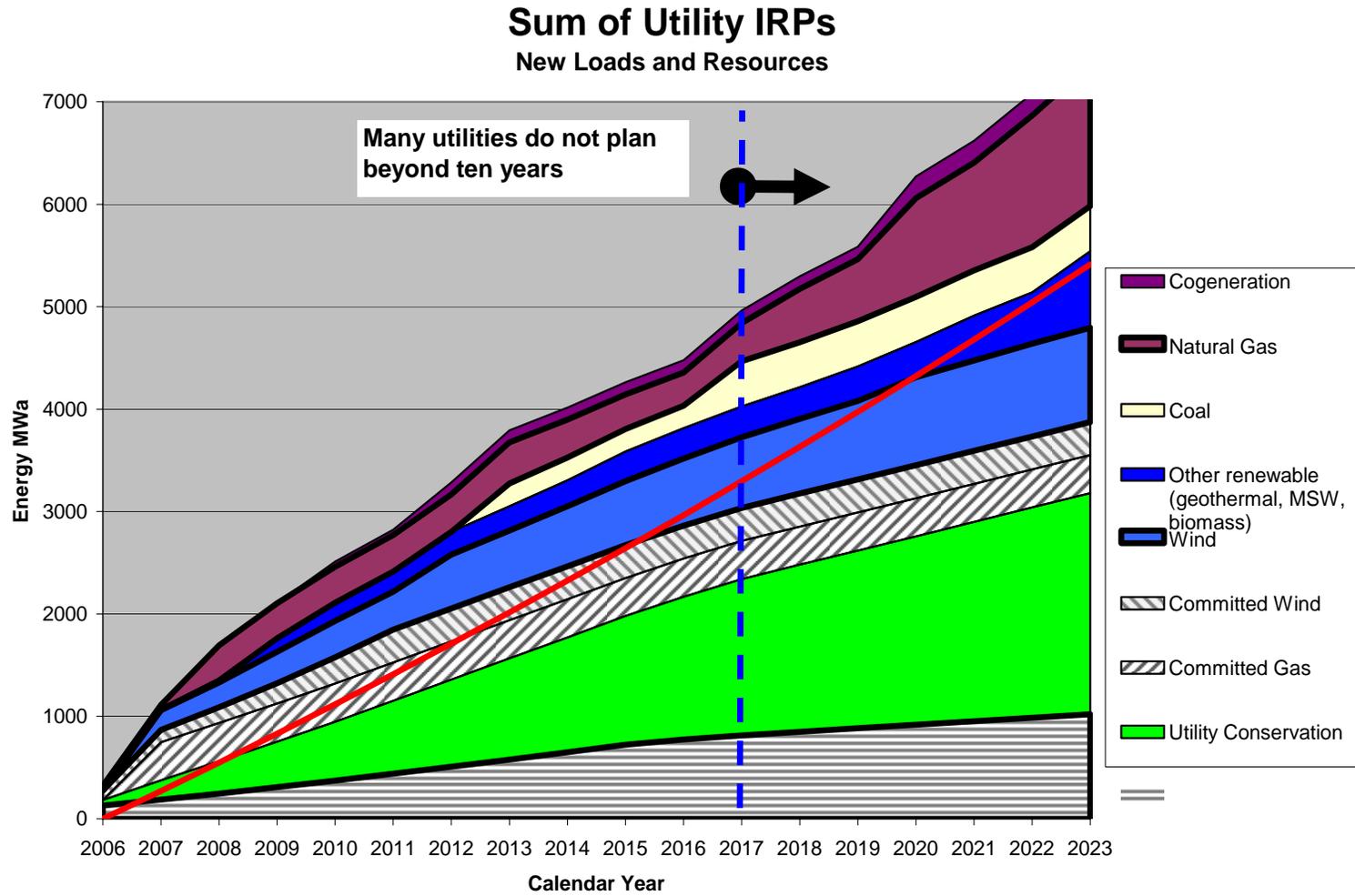
Existing Sum of IRPs

Net Requirements



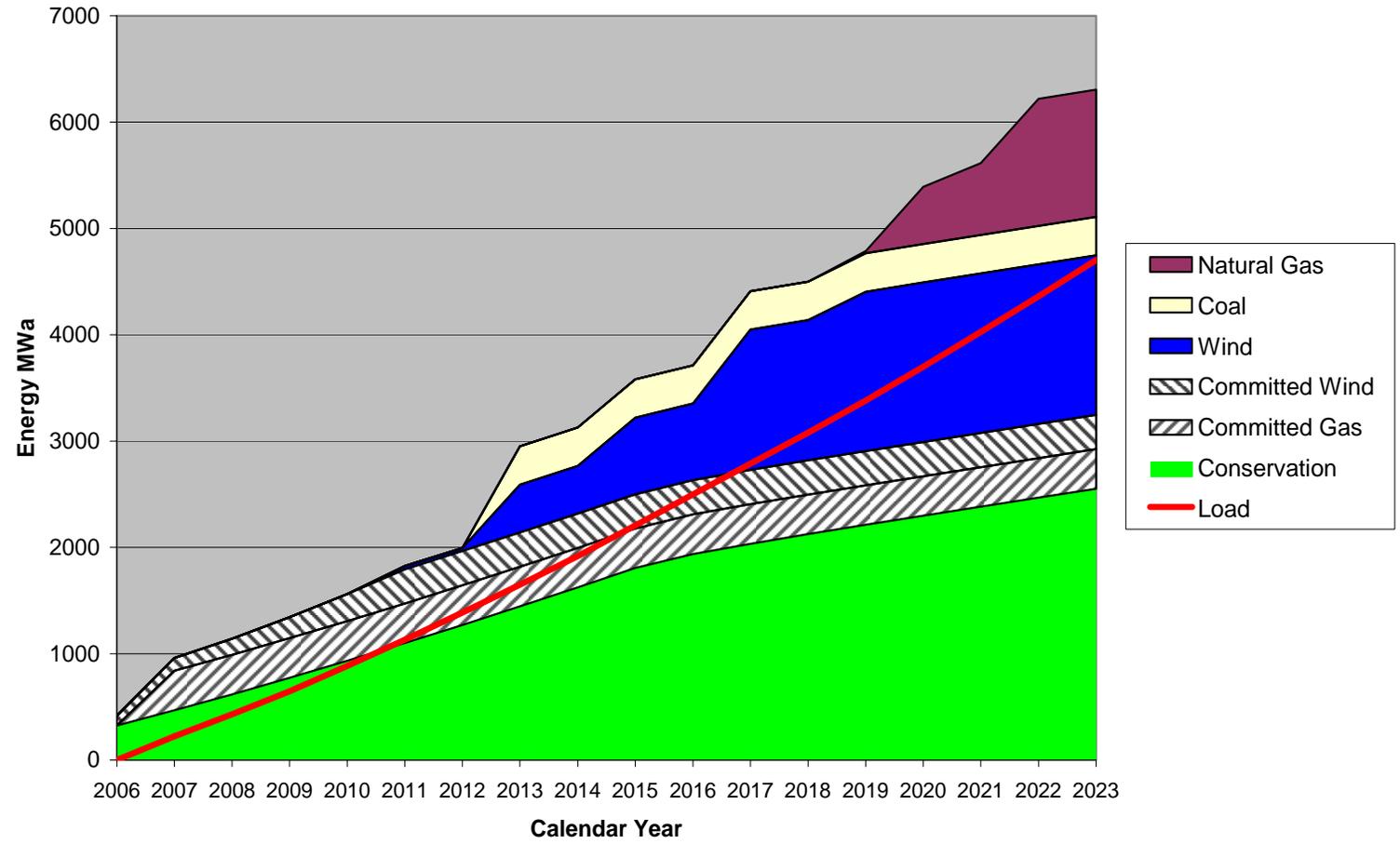
Existing Sum of IRPs

Likely Utility Additions

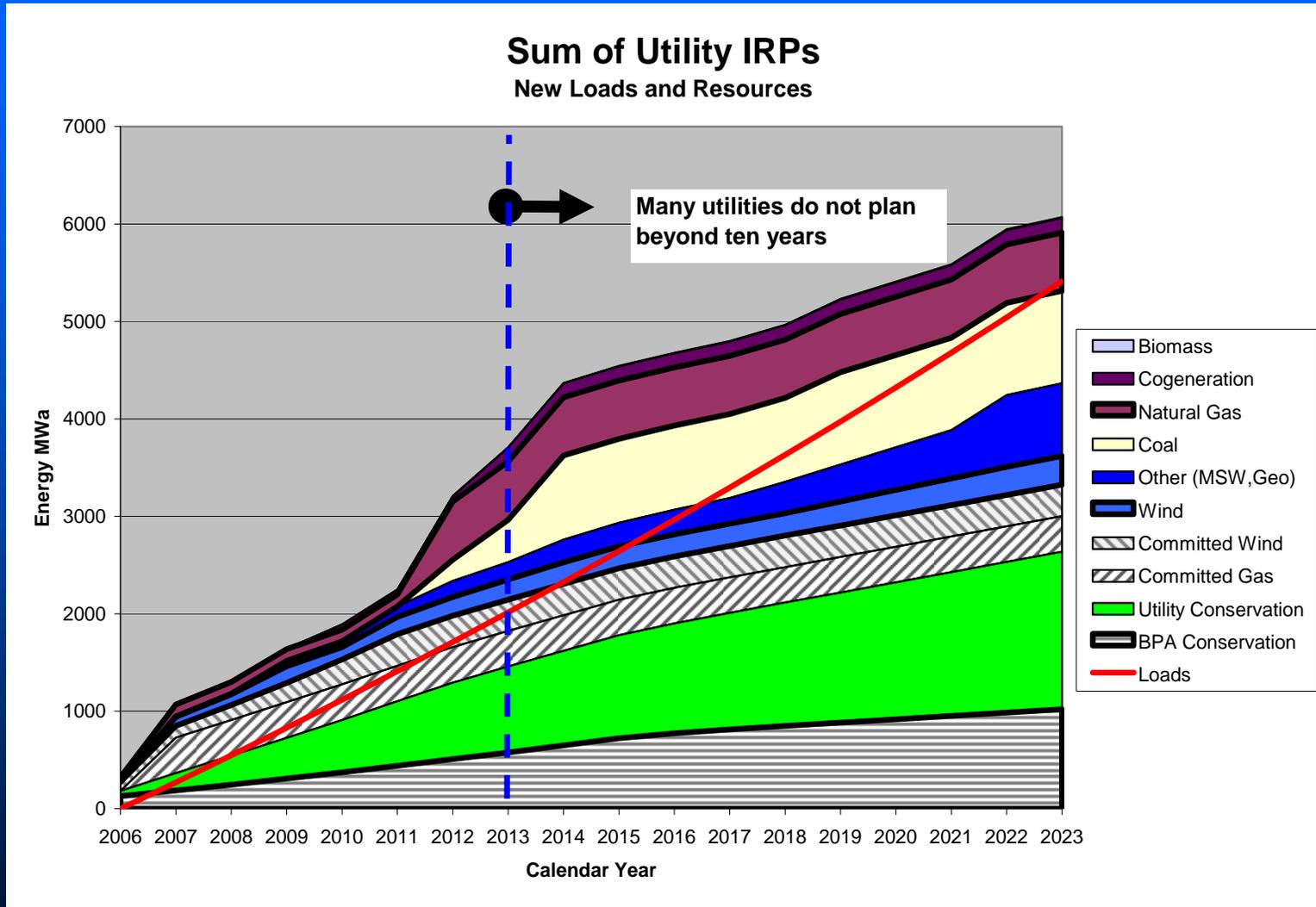


5th Plan Load Growth and Resources

NW Power and Conservation Council
Fifth Power Plan New Loads and Resources



July 2006 Sum of IRPs



Conclusions

- Utility plans for wind, renewables, and energy efficiency are catching up with the 5th Power Plan
- Reliance on coal additions has diminished significantly since last year's summary
- Because IRPs do not specify whether a utility's gas-fired generation additions are from newly built or existing units, it is unclear whether the regional situation has changed.
- Several of the larger utilities are adding generation to meet a shortfall created by contracts expiring in the 2010-2012 time frame. This capacity is merely changing ownership, from a regional perspective.