

Northwest Resource Adequacy Update



Northwest Power and Conservation Council
Power Committee
March 14, 2006

Progress on Implementation Mechanism

- General consensus at last Steering Committee meeting
 - Will be fleshed out for further review next meeting
- Focus on reporting and informed management decisions
- Reporting to a regional entity, likely PNUCC
- Assessment of regional results (Council? PNUCC? BPA?)
 - Alternative assessments from different perspectives?
 - Utilities can see how they and region are doing
 - No more detail needed if region looks OK
 - If a problem exists, perhaps more attention to sources of problem

Implementation Mechanism (cont'd)

- Utilities that are short in real time face high prices
 - Market prices for utilities relying on the market
 - BPA overrun penalty price for those exceeding allocations
 - Current BPA imbalance penalty: 125% of market index
- If BPA required to declare a hydro emergency and override fish restrictions, penalty would increase
 - Extra revenue to fish-mitigation measures

Capacity Metric and Target

- Technical Committee continuing to review issue
- Looking at same general approach as for energy
 - Simpler mechanism with underlying detailed modeling
- Problem is generally more complex in our hydro system than in thermal system
 - Reviewing models and approaches