

Northwest Power & Conservation Council
Systems Analysis Advisory Committee
June 8, 2022

John Ollis, NWPCC, began the meeting at 1:00, explaining that Council staff is looking for guidance for their annual studies. He then introduced new staff member and SAAC Vice Chair Dor Hirsh Bar Gai.

Chad Madron, NWPCC, reviewed how to best use the Go-to-Webinar features. Ollis reviewed the day's agenda.

Price Forecast Setup and Purpose

Ollis explained what we are doing this year for the annual market price forecast, including how the purpose for the price forecast has changed and been renewed, scenarios based on this renewed purpose, and discussed very early and initial results on the WECC buildout, cautioning that they are very preliminary and used only to discuss modeling strategies.

Sanjeev Joshi, Critfc, asked what is meant by “coal retirement” on [Slide 2.] Ollis explained that he meant power plant retirements where coal is the underlying fuel resource.

Rob Diffely, BPA, addressed using planned resources for the resource adequacy work, noting that this was a departure from using actual resources that were on the ground [Slide 9.] Ollis agreed that sited and licensed resources were used in the past, but this Plan has a renewable buildout which is new. Ollis said the question of including this buildout or sticking to sited and licensed and exploring the buildout with a scenario will be explored by the RAAC, but the whole strategy will be used for the price forecast.

Diffely agreed that this is a whole new approach. Ollis thanked him for his input as co-chair of the RAAC Technical. Diffely said the WECC forecast will be important as the new GENESYS model relies so heavily on resources outside the region. He added that the actuals are coming in a lot lower than what was forecast in the 2021 Power Plan. Ollis said this will be a good topic to bring up during the scenario discussions later in the afternoon.

Diffely asked how electrification will be folded into the demand update wondering if more than what the 2021 Power Plan assumed will be added [Slide 21]. Ollis clarified that the regional demand will not be updated but activity on the WECC may warrant a scenario or two to tease out the implications for the Adequacy assessment.

Eric Graessley, BPA, dropped a [link](#) to the Alberta hourly load forecast vintage August 2021 in the chat. Steve Simmons, NWPCC, noted that it is difficult to forecast fuels right now and posted a [link](#) to a presentation that offered more details.

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Potential Scenarios

Massoud Jourabchi, NWPCC, asked if any scenarios are going to model the impact of extreme temperature and fire events. Ollis said staff is still trying to figure out how to do that modeling as it is important. Ollis acknowledged that it will be tricky but there are ways to do it in GENESYS for the adequacy assessment. Jourabchi agreed but said that there will be a price effect as well. Ollis said modeling the price impacts will take more research into things like vulnerable transmission lines.

REC/Clean Credit Price Forecast

Ahlmahz Negash, Tacoma Power, asked if the shadow price is different when gas was added back in [Slide 9]. Ollis answered yes more for the clean policy shadow price than the REC shadow price.

Negash asked for a clarification on shadow price methodology [Slide 10]. Ollis said he's proposing a 2022 forecast with lots of batteries to combat transmission issues. Ollis said policies were met almost across the board [Slide 12] which is what they wanted.

Negash said she was troubled that the REC prices were higher in the 2022 proposal. Ollis hypothesized that hydro was being dispatched more than renewables in the 2021 forecast but offered to investigate more.

Diffely noted that the 2021 Power Plan started in Jan 2021 and [Slide 18] starts in 2023. He asked what happened between 2021 and 2023. Ollis said he has not put actuals in yet and this chart isolates the change of the REC and clean price forecast and small policy changes. Ollis said he plans to update but doesn't expect much change.

Diffely reiterated that he thought the Power Plan included a resource forecast to include RECs and clean energy policies but was not necessarily what the Council thought the forecast really was [Slide 20]. Ollis said [Slide 18] is the WECC forecast but the regional portion is much smaller.

Diffely clarified that [Slide 18] is the forecast to meet RECs and policies. Ollis said you can meet those with much less but meeting the planning reserve margin with limited gas calls for many more renewables.

Diffely asked which forecast Ollis thinks is correct. Ollis did not know as we don't know which resources will show up, but he said our current trajectory is closer to the limited markets on [Slide 16] because people are leaning on each other in the West. Ollis said he thinks it will be highly unlikely to see as many builds outlined on [Slide 18]. Ollis said the scenarios will reveal much more information.

Diffely said the Plan shows what the world should look like while Resource Adequacy shows what the world really is. Ollis said both use scenarios so there should be multiple perspectives and even [Slide 16] is a huge number of builds.

John Fazio, NWPCC, agreed that Diffely makes a good point that market assumptions make a big difference in Resource Adequacy.

Ollis said it is worth evaluating different perspectives for Resource Adequacy. Fazio agreed and said there will be many discussions about it in the RAAC.

Ollis ended the meeting at 3:40.

Attendees via Go-to-Webinar

John Ollis, NWPCC	Dan Hua, NWPCC
John Fazio, NWPCC	Leann Bleakney, NWPCC
Andrea Goodwin, NWPCC	Massoud Jourabchi, NWPCC
Elizabeth Osborne, NWPCC	Steve Simmons, NWPCC
Brian Dekiep, NWPCC	Adam Borison
Frank Brown, BPA	Thomas Cuffaro, Caithness Energy
Rob Diffely, BPA	Eric Graessley, BPA
Fred Heutte, NW Energy	Sanjeev Joshi, Critfc
Ben Kujala, Dunsy	John Lyons, Avista Corp
Garrison Marr, Snohomish PUD	Ian McGetrick, Idaho Power
Marie Morrison, Snohomish PUD	Tomás Morrissey, PGN
Heather Nicholson	Kathi Scanlan, WA UTC
Kris Scudder, Snohomish PUD	Landon Snyder, PSE
Jisong Wu, PSE	Ahlmahz Negash, Tacoma Power
Craig Patterson	Lowell Chandler, UDA Law
Blake Scherer, Benton PUD	