

Melinda S. Eden
Chair
Oregon

Joan M. Dukes
Oregon

Frank L. Cassidy Jr.
"Larry"
Washington

Tom Karier
Washington



Jim Kempton
Vice-Chair
Idaho

Judi Danielson
Idaho

Bruce A. Measure
Montana

Rhonda Whiting
Montana

November 30, 2005

MEMORANDUM

TO: Power Four

FROM: John Fazio

SUBJECT: Update on the Resource Adequacy Forum

The Northwest Resource Adequacy (RA) Forum's steering committee met on November 30th at the Council offices. The group was presented with the RA technical committee's recommendation for an energy metric and target and with the options that it was considering for a capacity metric and target. The technical committee was not ready to make a recommendation regarding the capacity metric but has several promising options. It was agreed that the steering committee would try to make a decision on the energy and capacity metrics and targets at its January 24th meeting.

It was generally agreed that an annual load/resource (L/R) balance calculation would be used as the energy metric and that the target would be zero. It was also agreed that the calculation of the L/R balance would be based on critical hydro and on average regional demand. This is how the L/R balance is currently calculated in regional publications such as BPA's White Book and PNUCC's Northwest Regional Forecast (NRF). However, two line items would be added for the Forum's calculation. The first separates out the net uncommitted independent power producer (IPP) generation (total IPP energy capability minus their out-of-region contractual obligations). The second adds the region's assessment of "reliable" non-firm out-of-region winter energy as a resource. As a placeholder, the technical committee suggested using 1,500 average megawatts for the available out-of-region market supply. A discussion ensued regarding whether the energy target should be set to assess physical risk or economic risk. It was decided to continue the discussion at the January meeting.

Several options for the capacity metric were presented. Each option reflected some sort of "sustained" peaking capability, that is, the ability of the system to sustain a desired generation over an extended period of hours over a certain number of days. The options ranged from a single hour capability to a 50-hour capability. It was decided that the technical committee should continue its work and present its recommendation to the steering committee as soon as possible. The hope is to develop a capacity metric that is easy to calculate (but could be linked to a more sophisticated method, such as an hourly hydro simulation program).

The steering committee spent a good deal of time discussing current data reporting processes. The question was whether current processes provided all of the required data for the Forum's adequacy computation. The general consensus was that more information would likely be required but the hope was to use existing reporting methods to acquire it. It is likely that the WECC will be collecting relevant information, which could be made available to the northwest for assessment. For the present, current available data would be used to make the adequacy assessment for this year.

The next meeting for the technical committee is scheduled for January 12th at the Council offices.

q:\tm\council mtgs\dec05\p4 ra update 113005.doc