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June 28, 2006

MEMORANDUM

TO: Council members

FROM: Jeff King

SUBJECT: Panel discussion of Northwest wind integration experience

The 5th Power Plan calls for construction of up to 6,000 MW of new wind capacity over the next 20 years. Extension of the federal production tax credit, state renewable portfolio standards, increased recognition by utilities of the fuel price and environmental risk mitigation attributes of wind and other factors have resulted in a more rapid rate of windpower development than envisioned in the 5th Plan. More than 970 MW has been placed in operation or under construction in the Northwest since adoption of the 5th Plan and construction of at least 250 additional MW is likely to commence within the next year. The developers of over 3000 additional megawatts of wind capacity are seeking integration services and facilities over the next several years.

Utilities, developers and the Bonneville Power Administration have expressed concern regarding the continued availability and cost of load-following, regulating, transmission and other services and facilities needed to integrate the output of wind projects into the system. These concerns led to the formation of the Regional Renewable Resource Integration Action Plan effort, agreed to by the Council at its June meeting and scheduled to kick off later in July. At its Missoula meeting, the Council will hear from a panel of representatives from Northwest utilities currently engaged in windpower integration. The panelists will describe the nature of windpower integration, discuss their integration experience and identify issues needing resolution if currently proposed amounts of windpower are to be realized.

Panel members include Kevin Conway of Grant County PUD, Casey Johnston of NorthWestern Energy and Elliot Mainzer of the Bonneville Power Administration. Grant PUD integrates the 64 MW Energy Northwest Nine Canyon project, NorthWestern integrates the 135 MW Judith Gap project and Bonneville integrates the output of numerous Northwest wind projects. Each panelist has been asked to describe their utility's wind integration experience and speak to issues needing resolution. Time will be available for discussion following each presentation and at the end of the session. Council members may wish to take this opportunity to identify issues and priorities for consideration by the forthcoming Regional Renewable Resource Integration Action Plan process.