

Tom Karier
Chair
Washington

Frank L. Cassidy Jr.
"Larry"
Washington

Jim Kempton
Idaho

Judi Danielson
Idaho



Joan M. Dukes
Vice-Chair
Oregon

Melinda S. Eden
Oregon

Bruce A. Measure
Montana

Rhonda Whiting
Montana

August 28, 2006

MEMORANDUM

TO: Council Members

FROM: Terry Morlan

SUBJECT: Renewal of Natural Gas Advisory Committee Charter

Staff will ask the Council to approve the renewal of the Natural Gas Advisory Committee (NGAC) charter. The current charter expired this month. However, the NGAC will be valuable in reviewing the Power Plan fuel price assumptions and also has been given the task of assessing the availability of natural gas for electricity generation by the Northwest Adequacy Forum.

A decision memorandum is attached to authorize renewal of the NGAC and too appoint myself as Chair and Jeff King as Vice-Chair of the committee. A copy of the charter is also attached, along with a list of the current members. If the Council approves renewal of the NGAC staff will reaffirm interest on the part of the current members and adjust the committee accordingly.

Attachments

q:\tm\council mtgs\sept 06\ngac cm.doc

Tom Karier
Chair
Washington

Frank L. Cassidy Jr.
"Larry"
Washington

Jim Kempton
Idaho

Judi Danielson
Idaho



Joan M. Dukes
Vice-Chair
Oregon

Melinda S. Eden
Oregon

Bruce A. Measure
Montana

Rhonda Whiting
Montana

DECISION MEMORANDUM

8/28/2006

TO: Council Members

FROM: Terry Morlan

SUBJECT: Approval of Natural Gas Advisory Committee Charter

PROPOSED ACTION

Authorize the creation of, and approve a charter for, a Natural Gas Advisory Committee (NGAC). Appoint Terry Morlan as chairperson for the Natural Gas Advisory Committee and Jeff King as vice-chairperson.

SIGNIFICANCE

The charter of the Council's Natural Gas Advisory Committee expired this month. The NGAC helped to develop the fuel price assumptions in the Council's Fifth Power Plan. There is a continuing role for the NGAC in the regular assessment of fuel prices compared to the Power Plan, in helping the Northwest Adequacy Forum assess the availability of natural gas to fuel power generation, and in continued coordination between the natural gas industry and the electricity industry. The Council needs the technical advice of experts in both the gas and electric industries to credibly develop and assess its power plans.

BUDGETARY/ECONOMIC EFFECTS

Support for the Natural Gas Advisory Committee will cost approximately \$7,500 per year in travel support to public committee members. In addition, about two weeks of staff time will be required to coordinate meetings and prepare minutes. It is the staff's intention to maximize the use of electronic correspondence to keep the cost and time commitment of Natural Gas Advisory Committee members to a minimum.

BACKGROUND

In the past, natural gas and other fuels price forecasts were part of the Economic Forecasting Advisory Committee charter. Because of the growing use of natural gas for

851 S.W. Sixth Avenue, Suite 1100
5161
Portland, Oregon 97204-1348
5161
www.nwcouncil.org
2370

Steve Crow
Executive Director

503-222-
800-452-
Fax: 503-820-

electricity generation, the issues surrounding natural gas have gotten much broader. We now need advice on more than just price forecasts. We need advice on the structure and workings of the natural gas industry and how it coordinates with the electric industry.

In addition to informing the Council's analysis, the Natural Gas Advisory Committee, in the past, has provided a forum for improved understanding between the two industries. It will be important that the committee include representatives from gas distribution companies (LDCs), pipeline companies, and major gas users. It will also involve electric utilities that are using gas or have valuable experience in the coordination of gas and electric markets. In addition, qualified members of public interest groups and representatives of state energy offices (including California perhaps) should be included.

ANALYSIS

Attached is a copy of the proposed charter for the NGAC (Natural Gas Advisory Committee). The charter was prepared in accordance with the Federal Advisory Committee Act. It is proposed that the current NGAC members be retained. Adjustments would be made based on any changes in the jobs or time availability of the individual members. The current membership exhibits both a high level of technical expertise and a balance among various regional interest groups.

ALTERNATIVES

1. We could accomplish similar results without actually creating an advisory committee. That would require meetings and consultations with many different groups and would lack the attractive feature of getting gas and electric utility experts together to discuss the issues.
2. The Council chairman may wish to appoint a different chairperson and vice-chairperson. Since the first Council plan, the Manager of Demand Forecasting has served as chairperson of both the Economic and Demand Forecasting Advisory Committees with other staff as vice chairpersons. Having a chairperson from the Council instead of an outside organization facilitates meeting coordination and timely preparation of meeting minutes. It is recommended that this practice be continued.
3. The manner of member selection is an issue to consider. Sometimes in the past the Council has formally solicited nominations for advisory committees from various groups. This is more time consuming than selection by staff, although it has a more open appearance. When outside nominations are solicited, the committee's tend to be larger, the expertise less, and the focus of committee discussions less technical and more political. The hope here is to keep the DFAC technical and leave the more political and philosophical debates to public comment. In addition, staff expects to continue the membership of the committee that has just expired with adjustments to members only to the extent that changing jobs or time availability requires.

Attachment

Tom Karier
Chair
Washington

Frank L. Cassidy Jr.
"Larry"
Washington

Jim Kempton
Idaho

Judi Danielson
Idaho



Joan M. Dukes
Vice-Chair
Oregon

Melinda S. Eden
Oregon

Bruce A. Measure
Montana

Rhonda Whiting
Montana

PACIFIC NORTHWEST ELECTRIC POWER AND CONSERVATION PLANNING COUNCIL:

CHARTER OF THE NATURAL GAS ADVISORY COMMITTEE

1. **Official Designation:** This advisory committee will be known as the Pacific Northwest Electric Power and Conservation Planning Council's Natural Gas Advisory Committee.
2. **Background:** The Pacific Northwest Electric Power Planning and Conservation Act, P.L. 96-501, 16 U.S.C. 839 *et seq.* ("Act"), in section 4.(e)(3)(D), requires the Pacific Northwest Electric Power and Conservation Planning Council ("Council") to develop "a regional conservation and electric power plan." The plan is to include a twenty year forecast of electricity demands and a resource plan for the development of conservation and generation to meet the demand at the lowest cost consistent with adequate and reliable electricity service. Natural gas plays an important role in both the forecast of electricity demands and the cost of electricity generation using natural gas fueled alternatives. The Natural Gas Advisory Committee is being formed to assist the Council in its development of the Pacific Northwest Conservation and Electric Power Plan by advising on important assumptions and analyses regarding the natural gas markets in the region. This advisory committee is established as part of a network of advisory committees satisfying the Council's obligation under the Act to establish a Scientific and Statistical Advisory Committee. 16 U.S.C. 839b(c)(11). Under section 4(a)(4) of the Act, the terms of the Federal Advisory Committee Act, 5 U.S.C. Appendix I, sections 1-14, apply "to the extent appropriate" to the Council's advisory committees. 16 U.S.C. 839b(a)(4).
3. **Objectives and Scope of Activity:** The Natural Gas Advisory Committee will advise the Council during the development of its power plan of changing conditions in the natural gas markets and their implications for the Council's plan by:
 - (A) Assisting the Council to identify significant changes in natural gas markets and their implications for future gas supplies and prices;
 - (B) Providing guidance on the availability and deliverability of natural gas to electric generation plants as part of the assessment of resource adequacy;
 - (C) Assisting the Council to evaluate new analytical tools, and advising on the most appropriate study designs;
 - (D) Helping to identify sources of information and data, and suggesting ways that electric and gas utilities can cooperate in analysis and planning; and

4. Official to Whom the Advisory Committee Reports: The Natural Gas Advisory Committee will report to the Executive Director of the Council.
5. Authority of the Advisory Committee: The Natural Gas Advisory Committee will serve in an advisory capacity only. Neither the Committee nor its members are authorized to make statements or commitments on behalf of the Council. Committee members will not be considered to be members of the Council staff.
6. Estimated Annual Operating Costs in Dollars and Staff Time: \$7,500 plus two weeks of staff time.
7. Advisory Committee Management Officer: The Advisory Committee Management Officer ("Management Officer") for the Natural Gas Advisory Committee will be the Director of the Council's Division of Power Planning. The Management Officer will designate members of the Council's staff to coordinate and attend meetings of the Committee.
8. Chairperson:
 - (A) The Chairperson of the Natural Gas Advisory Committee will be appointed by the Chairman of the Council, with the concurrence of the Council members, and will serve at the pleasure of the Council.
 - (B) The Chairperson may be called upon to report to the Executive Director of the Council on appropriate matters, including the Advisory Committee's progress on the tasks described in Part 3 of this Charter.
 - (C) The duties of the Chairperson will include presiding over Natural Gas Advisory Committee meetings, ensuring that detailed minutes of such meetings are prepared and submitted to the Executive Director of the Council in a timely manner, and maintaining communication between the Committee and the Council's staff.
 - (D) The Chairperson will certify detailed minutes of meetings of the Natural Gas Advisory Committee. The minutes should include a complete and accurate description on matters discussed, conclusions reached, actions taken, persons invited to meet with the Committee, and persons in attendance. The minutes also will include copies of reports received, issued or approved by the Committee. Minutes of meetings will be prepared and released within ten days of the meeting, unless an extension is granted by the Management Officer. The Management Officer will distribute copies of the minutes to members of the Committee and the other interested persons.
 - (E) Small sub-groups of the Natural Gas Advisory Committee may be established by the Chairperson of the Committee to undertake particular aspects of the Committee's work. Methods for organizing the work and procedures of the Committee must follow the scope of responsibilities assigned to the Committee by the Council. The work of the staff for the Committee will include making arrangements for Committee meetings, solving logistical problems, and providing clerical services.

9. Vice-Chairperson: A Vice-Chairperson of the Natural Gas Advisory Committee may be appointed by the Chairman of the Council, with the concurrence of the Council members, and will serve at the pleasure of the Council. The Vice-Chairperson will perform the duties of the Chairperson of the Committee, in the absence of that Chairperson, and such other duties as the Chairperson of the Committee may assign.
10. Rules: The advisory committee rules approved and adopted by the Council on March 17, 1982, as amended from time to time, will apply to the Natural Gas Advisory Committee.
11. Estimated Frequency of Committee Meetings: The Chairperson of the Natural Gas Advisory Committee, after consultation with the Management Officer, or his designee, will call meetings as necessary. All meetings will be open to the public, unless closed pursuant to 5 U.S.C. 552b(c). Timely notice of meetings, including agendas, will be made. Interested persons may attend Committee meetings and appear before or file statements with the Committee, subject to such reasonable rules as the Council may prescribe.
12. Reimbursement of Expenses: The Council will reimburse public members of the Natural Gas Advisory Committee for travel, including per diem in lieu of subsistence in accordance with the Council's travel regulations for contractors and advisory committee members, for the purpose of attending Committee meetings as authorized by 5 U.S.C. Section 5703. The Executive Director shall determine who are public members.
13. Duration: The Natural Gas Advisory Committee will terminate two years from the filing date of this Charter, unless renewed in accordance with the Federal Advisory Committee Act. All Members of the Committee serve at the pleasure of the Council.

This Charter for the Natural Gas Advisory Committee was approved and adopted at a duly called meeting of the Pacific Northwest Power and Conservation Planning Council, September 13-14, 2006 at Astoria, Oregon.

PACIFIC NORTHWEST ELECTRIC POWER
AND CONSERVATION PLANNING COUNCIL

By: 
Tom Karier, Chair

Date Filed: September 14, 2006

NATURAL GAS ADVISORY COMMITTEE

5th Power Plan

Name	Affiliation	Phone	E-mail	Sector
Bill Donahue	Puget Sound Energy	425-456-2356	bdonah@puget.com	Electric/Gas Utility
Byron Defenbach	Intermountain Gas	208-377-6080	bdefen@intgas.com	Distribution
Clay Riding	Power Resource Managers	425-451-9123	criding@prmlp.com	Consultant
Colin Coe	Calpine	925-479-6643	ccoe@calpine.com	Generation/Marketing
Dan Kirschner	Northwest Gas Association	503-624-2160	dkirschner@nwga.org	Gas Industry Group
Dan McAstocker	Burlington Resources	403-260-8057	dmcAstocker@br-inc.ca	Producer
David Bennett	Terasen Gas	604-592-7850	david.bennett@terasengas.com	Distribution
David Hawk	J R Simplot Co.	208-389-7306	david.hawk@simplot.com	Industrial Consumer
Greg Staple	Westcoast Energy	604-691-5721	gstaple@duke-energy.com	Pipeline
Jairam Gopal	California Energy Com.	916-654-4880	jgopal@energy.state.ca.us	Public
Jane Harrison	Williams Pipeline NW	801-584-7225	Jane.F.Harrison@Williams.com	Pipeline
Jeff King	NWPCC	503-222-5161	jking@nwcouncil.org	Council
Jeffrey Currie	Goldman Sachs	+44 (0)20 7774 6112	jeffrey.currie@gs.com	Financial
John Bridges	TransCanada	403-920-2244	John_Bridges@transcanada.com	Pipeline
Ken Zimmerman	Oregon PUC	503-373-1583	ken.zimmerman@state.or.us	Public
Kevin Christie	Avista Corp.	509-495-2001	kevin.christie@avistacorp.com	Electric/Gas Utility
Leslie Ferron-Jones	Gas Transmission NW	503-833-4350	leslie.ferron-jones@negt.com	Pipeline
Paula Pyron	NW Industrial Gas Users	503-636-2580	ppyron@nwigu.org	Industrial Consumers
Peter Schwartz	Cascade Natural Gas	206-381-6746	pschwartz@cngc.com	Distribution
Phil Carver	Oregon Office of Energy	503-378-6874	philip.h.carver@state.or.us	Public
Randy Friedman	NW Natural Gas	503-721-2475	randy.friedman@nwnatural.com	Distribution
Rick Harper	Consultant	503-887-4940	rick_harper@earthlink.net	Consultant
Rick Kunz	Shell Trading Gas & Power	503-227-3616	rkunz02@coral-energy.com	Producer/Marketer
Rob Anderson	Bonneville Power Admin.	503-230-5952	rwanderson@bpa.gov	Electric Utility
Sam Van Vactor	Economic Insight, Inc.	503-222-2425	svv@econ.com	Consultant
Terry Morlan	NWPCC	503-222-5161	tmorlan@nwcouncil.org	Council
Greg Nothstein	CTED		gregn@cted.wa.gov	Public