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October 2, 2006

MEMORANDUM

TO: Power Committee

FROM: Terry Morlan

SUBJECT: Biennial Review Reports

The Power Division staff will discuss several parts of the Biennial Assessment of the Fifth Power Plan at the Power Committee meeting in Helena. Four of the presentations will deal with assumptions underlying the Plan, and two will report on progress in implementing two policy recommendations of the Plan. Additional components of the assessment will be presented in November and December. I am proposing that a summary of our assessment of Plan components be described to the full Council in December. For January, staff would prepare a draft paper describing the Biennial Assessment and possibly recommending changes or updates to the plan if necessary. If changes were needed in the plan, the Council would have to decide on a schedule for the update and how it would be integrated with the fish and wildlife program changes that are required to precede a revised power plan.

At this meeting, the Power Committee will hear about recent developments in electric demand, fuel prices, electricity prices, and gas-fired resource costs. These will be compared to assumptions used in the Power Plan. The progress on implementing the resource adequacy and transmission action items in the Power Plan will also be reported. All of these interim assessments are included in this packet. These assessments are intended to be placed on the Council website under Biennial Review of the Fifth Power Plan where the public will be able respond and comment. However, we do not envision a formal public comment process on the interim assessments. That would be saved for the January paper and its recommendations.

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