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February 28, 2007

MEMORANDUM

TO: Council

FROM: Jeff King

SUBJECT: Status of power system CO₂ production forecast

Resumption of work on the forecast of Northwest power system carbon dioxide production was delayed until the week of February 26 by preparation of the final draft Wind Integration Action Plan. The first task, underway, but not complete as of this writing, is to set up the AURORA model to provide the desired output data and to define and model a base case. Base Case results will serve as reference to the results of various scenario cases that the Council may wish to explore in this forecast. To define the Base Case we propose to model the regional outlook as of the adoption of the Fifth Power Plan in December 2004. Parameters of this case will include:

- Fifth Plan medium case demand forecast
- Fifth Plan medium case fuel price forecast
- Existing and confirmed resources as of December 2004
- Fifth Plan new resource characteristics
- Fifth Plan new resource portfolio (mean value schedule of additions)
- AURORA capacity expansion resource mix for remainder of WECC

This case differs somewhat from the Base Case proposed at the January meeting. That case would have included modified near-term fuel prices, confirmed resource development occurring since December 2004, and resulting acceleration of the Fifth Plan portfolio. Because it is important to understand possible effects of current resource development trends on CO₂ production, we propose to add the original base case as a "Current Trends" case to the set of scenarios proposed at the January Power Committee meeting (Low Conservation, High Renewables, No Summer Spill, and Lower Snake River Dam Removal).

Staff expects to have Base Case results for discussion at the Power Committee meeting.

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