MEMORANDUM

TO: Power Committee

FROM: Terry Morlan

SUBJECT: Discussion of Draft Power Plan Outline

I have developed a preliminary draft outline for the Sixth Power Plan. It is possible that the final outline will bear little resemblance to this one, but the process of developing an outline helps frame the topics and issues that the plan must deal with. It also helps to fill out and organize our thinking about the plan and what it should accomplish.

Although the outline is a first cut, a discussion with the Power Committee will be useful. It will give staff a chance to hear ideas from the Council on the plan’s organization and content. It will give Council members a way to start thinking about the plan as a more concrete product instead of the rather isolated and abstract components that we have talked about so far.

The general structure of the proposed plan is similar to the Council’s Fifth Power Plan. There are five components with increasing amounts of detail and specificity: a executive summary, an overview of the plan, a short-term action (or implementation) plan, and a more detailed document that describes the plan in several chapters, and a set of very detailed technical appendices. The general structure is shown below:

Executive Summary
Overview
Implementation Plan
Body of the Plan
  Introduction
  Background
  Assumptions and Forecasts
  Resource Strategy
  Discussion of Key Issues
    Climate Change, Capacity and Ancillary Services, Transmission
    Administrator’s Obligations
Appendices
I have attached two items. One is an annotated high-level outline, and the other is a schematic of the power plan with issues to be addressed in each area of the analysis. These are for discussion at the meeting as time allows.

Attachments
PROPOSED OUTLINE FOR DISCUSSION PURPOSES

Executive Summary
This provides a high level summary of the plan that focuses on the recommendations and implementation actions (15 pages)

Overview
The overview would provide a longer summary of the plan and the underlying assumptions and analysis. (25 pages)

Implementation Plan
Usually called the Action Plan, this is the section of the plan that describes what specific actions the region should be undertaking in the next five years to move toward the long-term plan. (10-15 pages. My view is that the action plan in the 5th Plan was too detailed in some areas.)

Body of the Plan
This is the detailed version of the Power Plan, but it is backed up by Appendices with far more detailed analysis and data. (120 - 150 pages)

Introduction
This section introduces the Power Plan. It describes the Council and the basic purposes of the Power Plan. It describes the goals of the plan in general terms. It should introduce the theme of the plan and the major issue facing the regional power system. It may contain a vision for the future of the power system (5 pages)

Background
This section could be called the planning environment. It would describe the past trends in the region’s loads and resources and our current state of adequacy. It would describe the current state of the region’s power system, fuel and electricity prices, and major policy issues, such as climate change and the growing need for capacity analysis and transmission system enhancement. It could include a discussion of past Council plans, and, in particular, the Fifth Plan and its implementation status. (20 pages)

Assumptions and Forecasts
This section would contain the forecast of energy prices and demand for electricity. Conservation and generating resource alternatives and their cost and other characteristics would be described. (30 pages)

Resource Strategy
The resource strategy section would describe how the strategy is developed; how loads are met with conservation and generating resources that minimize cost, reduce risk, and meet environmental goals and requirements. This section
would also discuss any specific scenarios that are examined relating to climate change policies. (30 pages)

**Discussion of Key Issues**
*This section is intended to focus on particular issues including, climate change, capacity and ancillary services, and transmission. For example, this is where analysis of alternative policies on climate change would be discussed. This might include a scenario of meeting different CO2 emission goals at least cost, or describing the cost of meeting climate change goals versus a traditional least cost electricity plan. These could be separate chapters? (30 pages)*

**Administrator’s Obligations**
*I think that the plan needs a section addressing the administrator’s obligation directly. It would describe how the plan applies to Bonneville’s actions, and may recognize the relationship of Bonneville’s Resource Program to the Power Plan. (5 pages)*

**Relationship to the Fish and Wildlife Program**
*This section describes the relationship between the Council’s Fish and Wildlife Program and the Power Plan.*

**Appendices**

- Fuel Price Forecast
- Economic Forecast
- Demand Forecast
- Wholesale and Retail Price Forecast
- Conservation
- Demand Response
- Smart Grid and New Approaches to Efficiency
- Bulk Electric Generating Technologies
- Cogeneration and Distributed Generation
- Analytical Process and Model Descriptions
- Model Conservation Standards
- MCS Cost Effectiveness for Residences
- Fish and Wildlife Program
- Carbon Emission Reduction and Sequestration Technologies
- Climate Change and the Hydroelectric System
- Data Summary? (or included in each appendix)
Draft Outline for the Sixth Power Plan

Power Committee
September 16, 2008
Astoria, Oregon

Five Levels of Detail

- Executive Summary
- Overview
- Implementation Plan

- Main Body of Plan
- Appendices
Executive Summary

• Short (10-15 pages)
  – Focused on findings, recommendations, and implementation actions

Overview

• Compact description of the Plan (25-30 pages)
  – The current environment and issues
  – Summary of the resource strategy and actions
  – Resource needs
  – Conservation and generation alternatives
  – Implementation plan
Implementation Plan

• Description of actions needed in region to implement the Plan (20-25 pages)
  – Includes Council actions and recommendations for others in the region
    • Bonneville
    • Utilities
    • State and local government
    • Others

Main Body of Plan

• Description of analysis, findings, and recommendations (130-150 pages)
  – Introduction
  – Background
  – Assumptions and forecasts
  – Resource strategy
  – Climate change issues
  – Capacity and ancillary services
  – Plus sections on Bonneville, adequacy standards, and possibly others
Appendices

• Separate appendices providing details on forecasts, models, analysis, some required elements of the Plan (Unlimited pages)
  • Economic forecasts
  • Fuel prices
  • Demand forecast
  • Electricity price forecast
  • Conservation assessment
  • Demand response
  • Model conservation stds.
  • MCS cost effectiveness
  • Smart grid approaches
  • Generating resources
  • Climate change issues
  • Fish and Wildlife program
  • Model descriptions
  • Others as needed