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April 2, 2009

MEMORANDUM

TO: Power Committee

FROM: Terry Morlan

SUBJECT: Discussion of a Vision for the Power System

There have been suggestions that the Council consider developing a vision of the power system of the future. There are various views about what that means. One vision might be that the region implements the Council's Power Plan. That approach may be too short-sighted for many because the Power Plan is legally constrained to something close to current technologies. The region's choices of cost-effective resources have always evolved over time, and each time the power plan is updated, available resource choices and their costs have changed.

A more robust vision might recognize that technologies and costs will change over time and focus on a longer-term view. This approach will be more speculative and to a larger extent based more on hopes and values than analysis. Reaching for such a vision could expand the temporal scope of some of the Plan's actions and propose some new priorities for the regional power system.

A third approach would be to focus on how the region develops policies and makes decisions as the future unfolds. This is perhaps closest to the vision included in the Fifth Power Plan.¹ I have attached a statement of vision that I developed to illustrate this approach. This approach is more focused on actions than on some desired end state.

The Northwest Energy Coalition (NWEC) developed a paper called "Bright Future" that might be considered a mix of the first and second vision approaches. It is based on fairly basic analysis, but considers more possibilities for technology and cost changes over time than the Council's Power Plan does. NWEC will present their "Bright Future" analysis during the Council work session on the Power Plan. More information is included in the Council packet.

The nature and role of a vision statement will be discussed in the Power Committee and revisited during the Council work session as well.

¹ Introduction to Fifth Power Plan, pages 1-9 and 1-10. <u>http://www.nwcouncil.org/energy/powerplan/5/(01)%20Introduction.pdf</u>