

Henry Lorenzen
Chair
Oregon

Bill Bradbury
Oregon

Phil Rockefeller
Washington

Tom Karier
Washington



Northwest Power and Conservation Council

W. Bill Booth
Vice Chair
Idaho

James Yost
Idaho

Pat Smith
Montana

Jennifer Anders
Montana

February 2, 2016

MEMORANDUM

TO: Council members

FROM: Tom Eckman

SUBJECT: Final Review of Seventh Power Plan

BACKGROUND:

Presenter: Tom Eckman and Power Division Staff

Summary: The Council is scheduled to review the final draft Chapters and Technical Appendices of the Seventh Power Plan at its meeting Monday afternoon February 8th from 2:30 – 4:30 pm. Staff will revise these documents to incorporate Council recommended changes. On Wednesday morning February 10th the Council is scheduled to conduct its final review of the Seventh Power Plan and consider it for adoption. The Council is instructed by the Northwest Power Act to review and revise as needed its power plan at least once every five years. The Council's Sixth Power Plan was adopted in February of 2010.

Relevance: One of the Council's primary charges under the Northwest Power Act is to prepare a "regional conservation and electric power plan."

Work Plan: 1. B. Develop Seventh Power Plan and maintain analytical capability
Approve Final Plan/Action Plan

Background: The Northwest Power Act details the specific elements that must be included in the power plan in order to accomplish the priorities established

by Congress in the Act. The Council is to include these elements “in such detail as the Council determines to be appropriate”:

- (A) an energy conservation program, including model conservation standards¹
- (B) recommendation for research and development
- (C) a methodology for determining quantifiable environmental costs and benefits under section 3(4) of this Act²
- (D) an electricity demand forecast of at least 20 years; a forecast of the power resources estimated by the Council to be required to meet the obligations of the Bonneville Power Administrator; and the portion of those obligations can be met by resources in the Act’s priority categories. The power resource forecast shall also (i) include regional reliability and reserve requirements, (ii) take into account the effect, if any, of the requirements of the Council’s fish and wildlife program on the availability of resources to Bonneville, and (iii) include the approximate amounts of power the Council recommends should be acquired by Bonneville and may include, to the extent practicable, an estimate of the types of resources from which such power should be acquired
- (E) an analysis of electricity reserve and reliability requirements and cost-effective methods of providing reserves designed to insure adequate electric power at the lowest probable cost
- (F) the fish and wildlife program promulgated prior to the power plan by the Council under Section 4(h) of the Act
- (G) any surcharge recommendation relevant to implementation of the model conservation standards and a methodology for calculating the surcharge

It is the view of the Council staff that the Seventh Power Plan fulfils these requirements.

¹ Conservation is defined in Section 3(3) of the Act. Detailed requirements for the model conservation standards are set forth described in Section 4(f) of the Act. For further discussion, see Chapters 12 and 17.

² Section 3(4) of the Act defines what it means for a conservation measure or generating resource to be “cost-effective”. Cost-effectiveness, per the Act, is based on the “incremental system cost” of each measure or resource, and is to include all direct costs of that measure or resource over its effective life, including all direct and quantifiable environmental costs and benefits. Cost-effectiveness under the Act also requires the measure or resource must be forecast to be reliable and available when needed to meet or reduce demand. See Chapter 19 for the required “methodology for determining quantifiable environmental costs and benefits” and further discussion of that element of the Act and of the “due consideration” requirements on the Council in developing the plan’s resource strategy. “Resource” is defined in Section 3(19).