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## Northwest Power and Conservation Council

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May 3, 2016

### DECISION MEMORANDUM

**TO:** Council members

**FROM:** Ben Kujala, Director Power Planning  
Sandra Hirotsu, Senior Counsel  
John Shurts, General Counsel

**SUBJECT:** Completion of the Seventh Power Plan.

**PROPOSED ACTION:** Approve the Statement of Basis and Purpose for the Seventh Power Plan and Response to Comments.

**SIGNIFICANCE:**

With the approval of the Statement of Basis and Purpose for the Seventh Power Plan and Response to Comments, the Seventh Power Plan will be complete.

**BUDGETARY / ECONOMIC IMPACTS**

There are no budgetary impacts associated with this decision.

**BACKGROUND**

The Council adopted the Seventh Power Plan at its February 2016 Council meeting. With the approval and adoption of the Statement and Response, a notice can be placed in the Federal Register at which time the Seventh Power Plan would be officially complete.

**ANALYSIS**

The general statement of basis and purpose should enable the public to obtain a general idea of the purpose of, and a statement of the basic justification for, the power plan. The response to comments should demonstrate the Council's consideration of the comments received.

**ALTERNATIVES**

Staff recommends adoption of the Statement. Alternatively, the Council could recommend substantive changes to the Statement and delay approval until those changes have been made and reviewed. Alternatively, the Council could make substantive changes to the Statement at this Council meeting and approve the Statement subject to the agreed-upon changes being incorporated by staff.

**ATTACHMENTS**

Draft Statement of Basis and Purpose for the Seventh Power Plan and Response to Comments

# Seventh Power Plan

## Public engagement in the amendment process



## Statement of Basis and Purpose

- Council completes a power plan process by approving a statement that explains the statutory framework for the power plan; the process the Council followed; and how the Council considered and addressed comments.
- Required as part of basic principles of administrative law. Council in particular follows the notice-and-comment rulemaking requirements of the federal Administrative Procedures Act as much as possible. The APA requires an agency to include with an adopted rule a "statement of basis and purpose" with this type of content.



## High level of public engagement in amendment process

- 60 day public comment period on the draft plan
- 8 public hearings with over 140 individuals testifying
- Over 500 written comments
- Consultations/meetings with state energy offices, regulators, environmental and clean energy advocacy groups, energy services providers, utilities and Bonneville.

## Use of advisory committee expertise

- Extensive use of the Council's advisory committees in developing the Seventh Power Plan.
- All advisory committee meetings open to the public.
- Over 250 member experts with wide-ranging public and industry expertise advised the Council on System Analysis, Resource Strategies, Resource Adequacy, Generating Resources, Conservation Resources, Natural Gas and Demand Forecasting.
- Vetted technical information
- Provided policy feedback to the Council on 7<sup>th</sup> Plan issues

## A few of the ways comments influenced the final plan

- Scenarios added and existing scenarios updated – i.e., coal retirement and no new thermal builds scenario; no DR and no carbon cost scenario; increased reliance on external markets scenario;
- Forecasts updated - i.e. natural gas price forecast
- RPM resource options added – solar, geothermal
- Modeling of resources improved to better reflect seasonal requirements for adequacy and a system-based capacity contribution -- development of quarterly ARMs and ASCCs

## Thank You!

- **Council staff would like to thank the many regional parties who were involved in the public engagement process. Their contribution to the Seventh Plan was significant and appreciated.**