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June 30, 2009

MEMORANDUM

TO: Council Members

FROM: Terry Morlan

SUBJECT: A Vision for the Regional Power System

The vision statement for the regional power system has been gathering dust for a few months now. There were some suggestions made at the Council meeting in April, but there was no decision about how to proceed.

I have edited the vision statement to include some suggestions and placed it at the end of the introductory chapter of the draft plan. The Council will discuss the vision and its role in the plan.

I have attached the draft vision statement in both clean and redlined versions. Some of the key changes were:

- Include fish and wildlife objectives into the vision;
- Recognize the importance of maintaining a reliable power system as changes are implemented;
- Include the idea that the region's population will be well informed about electricity issues and how they affect them.

One of the objectives has recently become controversial. That is the vision of decommissioning regional coal plants. I think of the decreasing use of coal plants as a result of our analysis of carbon price risk rather than as a separate objective. However, it is clear that reduced use of coal will be required if we are to meet carbon emission reduction goals.

Attachments

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The Sixth Power Plan: Toward a Clean Energy Future

The Northwest's energy environment has never been more complex, for we are living in a time of profound change. From concerns about the effects of greenhouse gases on our climate to the operation of the region's hydroelectric system to meet peak demand, integrate variable wind generation, and recover endangered salmon, the challenges are many, and they are interrelated.

The Council's Sixth Power Plan recognizes and responds to this new environment. It lays out a strategy for moving toward the power system of the future while maintaining a reliable and affordable system along the way.

How will we address these challenges and what will the energy system of the future look like? The Council's Sixth Power Plan envisions a cleaner and more efficient system for the region.

- Nearly 6,000 average megawatts of achievable energy efficiency will stabilize the Northwest's demand and CO₂ production over the next 20 years.
- Improved operation of the regional power system will help accommodate diverse and variable renewable generation while providing improved conditions for salmon and steelhead migration.
- Conventional coal plants will be decommissioned gradually, and no new coal plants will be built without effective carbon-reducing technologies.
- Smart grid technology will make the energy system run more efficiently, improving its reliability and safety. Although it's an emerging technology, its impact would transform the system in the way the Internet has transformed communications.
- Plug-in electric vehicles may become part of the energy system, recharging them and relying on them to store energy at night and other off-peak times.
- The region will preserve the capability of the hydroelectric system to supply the majority of the region's power, providing the system flexibility to integrate wind and other variable resources while contributing to a reliable and affordable electricity supply for the region.
- Citizens of the Pacific Northwest will be well informed regarding their electricity supply and participate in the formation of important regional policies and their implementation.

For nearly 30 years, the Council's mission to ensure the region of an adequate, efficient, economical, and reliable power supply has not changed. Today, the road to that end means addressing many new questions along the way. The Sixth Power Plan is a map to that future.

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