STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT
ENERGY POLICY DIVISION

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Aug. 2007—Ford Motor Company made history by reaching 209 mph with the Ford Fusion Hydrogen 999, the world's first production-based hydrogen fuel cell race car.

Energy Policy Division - Weekly Energy Status Report

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Weekly Energy Price Summary

Hurricane Dean and declining inventories overwhelmed the downward pressure exerted by the credit "liquidity" crunch on the spot and futures fuels markets. Over the past week West Texas Intermediate (WTI) frequently traded near $73 per barrel—up nearly $4 for the week. There have also been signs that the sub prime mortgage market calamities are contained and that economic growth will continue.

Gasoline prices declined slightly from last week, but have begun to rise over the past couple of days. This week's EIA fuel report revealed that inventories for crude and gasoline declined - crude inventories are still above average, but gasoline inventories are below normal levels, and in terms of days of supply are at lowest levels in nearly 17 years.. Diesel production rose slightly last week, and inventories are at the middle of normal levels. Refinery utilization capacity dropped to 90.3% with a couple of unscheduled shutdowns. The recent better economic news, hurricane Dean, and the refinery shutdowns pushed NYMEX gas futures up 16 cents to the $2.08 per gallon level. If maintained this would cause retail gasoline prices to rise over the course of two weeks or so. US production of gasoline is at 9.1 million barrels per day. Imports of gasoline were up a bit to 1.0 million barrels per day; likely due to the higher spot market prices.

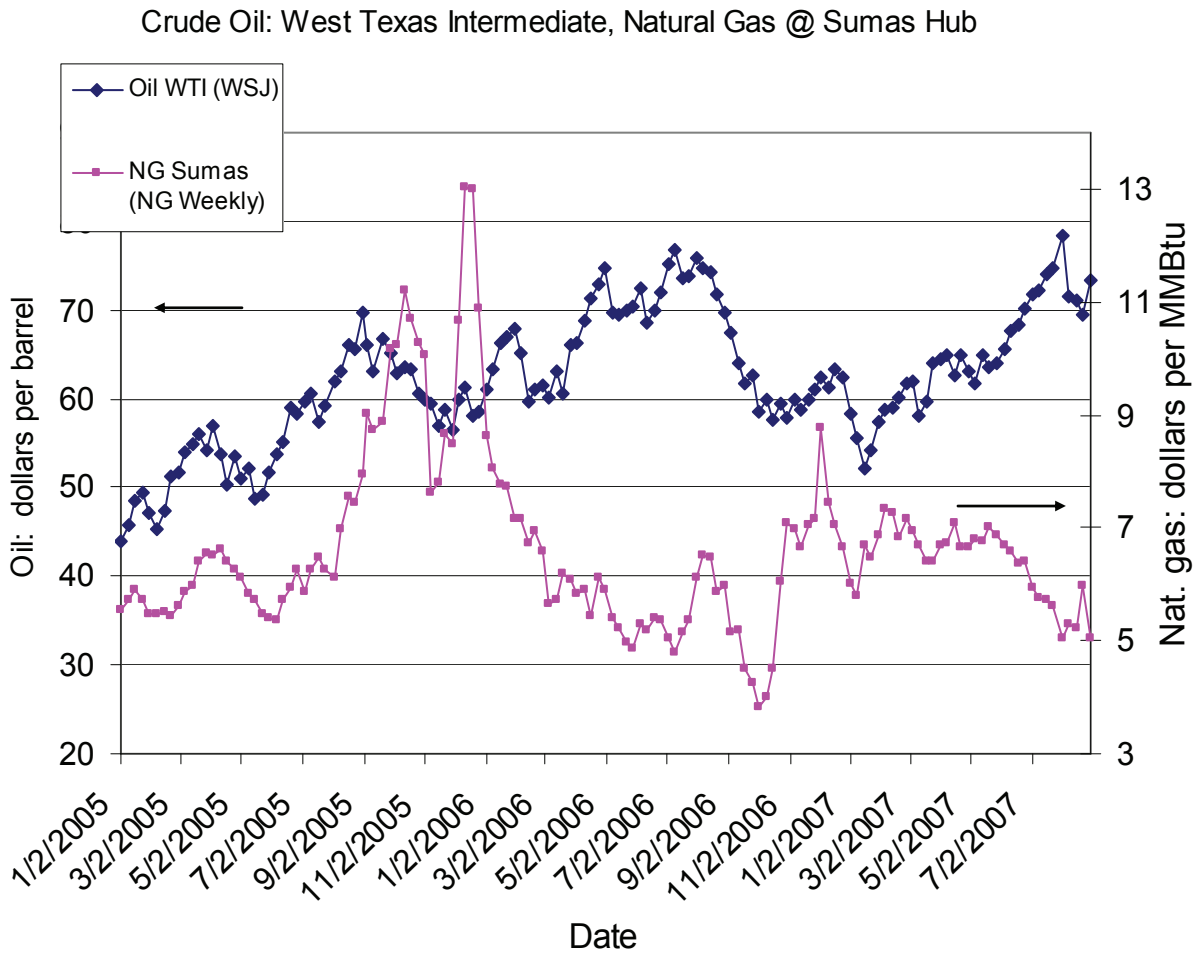
Despite a higher wholesale gasoline price, wholesale ethanol price was down 4 cents to $1.69 per gallon (equivalent to a wholesale gasoline price of $2.5/gal). Corn futures (ethanol's feed stock) price dipped slightly to $3.2 per bushel. With higher feedstock prices and lower product prices several analysts have questioned the profitability of the smaller and older (less efficient) ethanol plants. Soybean prices (biodiesel feedstock) increased a to $8.7 per bushel, up almost 50% from last year.

As of Monday the average US retail gasoline price was down 4 to $2.73 per gallon. Average weekly Washington State gasoline price was unchanged at $2.82 per gallon. Washington now ranks about 16th in the nation in average retail prices. Diesel price edged down and is now at $3.11 per gallon. Diesel and gasoline prices are now significantly below the levels seen at this time last year ($3.48 and $3.06). On Aug. 16 the WA Attorney General released the phase 1 report evaluating WA high gas prices: see link on pg 7.

Though still high, prices for gas, diesel and natural gas are generally lower than they were at this time last year. Spot market electricity prices are at about the same level.

Natural gas spot price was down sharply last week to $5.06 per MMBtu at Sumas, though next weeks numbers will likely be up due to the heat wave in the SW. Natural gas futures (Sept.) on the NYMEX for Thursday were virtually unchanged at $5.64 MMBtu despite high temperatures on the east coast. High gas storage levels appears to be what is keeping prices in check. Storage inventories increased by 43 to 2,969 Bcf, and are nearly 12% above the 5-year average. Historically the price of natural gas and crude oil have tended to follow each other, but over the past year and a half they have trended in opposite directions much of the time.

Average weekly electricity spot market price at the Mid Columbia trading hub rose $5.8 to $65.2 per Mwh last week. Regionally, hot weather in the Southwest has helped maintain demand for power and the high regional spot prices. The California ISO declared a stage 1 emergency on Wednesday as high temps caused power use to surge. California residents were urged to curtail electricity use.



Source: AAA & EIA

Electricity, Petroleum & Natural Gas Prices

- Weekly Range at Mid-C: $52-101 per MWh, Ave. = $65.2 (Year ago $63.9)
- Approximate change from previous week $+5.8 per MWh
- Pre-2000 typical price range $20-$40 per MWh
- Petroleum, West Texas Intermediate: $73.36 per barrel (year ago: $69.71)
- Seattle gasoline price (8/28) $2.79 per gallon (year ago $2.96)
- Gasoline futures (NYMEX next month) $2.08 per gallon
- State Diesel price (8/28) $3.11 per gallon (year ago $3.51)
- Heating oil futures (NYMEX next month) $2.03 per gallon
- Natural gas (cash), Sumas Hub: $5.06 per million BTU (year ago $5.98)
- Natural gas futures (NYMEX next month) $5.64 per million BTU
- Approximate change from last week. Oil: = 3.86 $ per barrel; Nat. gas: -.92 $ per MMBtu
- Ethanol (CBT next month contract) $1.69 per gallon

California Electricity Situation

CA ISO and NWPP Alerts

- August 28 2007, Stage 1 alert declared by CA ISO. Possible Stage 1 or 2 alert forecast for weekend.
- Nov. 29, 2006 NWPP peak load reaches record level—reserves adequate.
- Nov. 27, 2006 NWPP concerns that contingency reserve levels could not be met.
- July 24, 2006 More record power use in CA, Stage 2 emergency declared, localized blackouts occur..

River & Snow Pack Information

- Observed July stream flow at The Dalles: 85.8% of average,
- Observed August precipitation above The Dalles: 35% of average,
- Forecast Jan.-July 2007 runoff at The Dalles: 95.5 MAF, 89% of average
- Federal hydropower generation in July 8,243 aMW, 1995-2002 average: 9,208 aMW.
- Snow pack: NA

Northwest Power Pool Status

(WA, OR, ID, MT, WY, UT, No. NV, BC, AB)

Power Pool peak load (Aug 28): 51,025 MW

Reserve margins were within comfortable ranges for Northwest Power Pool utilities.

Power Exchanged:

(Updated: Aug 28 2007)

Average flow of power during the last 30 days

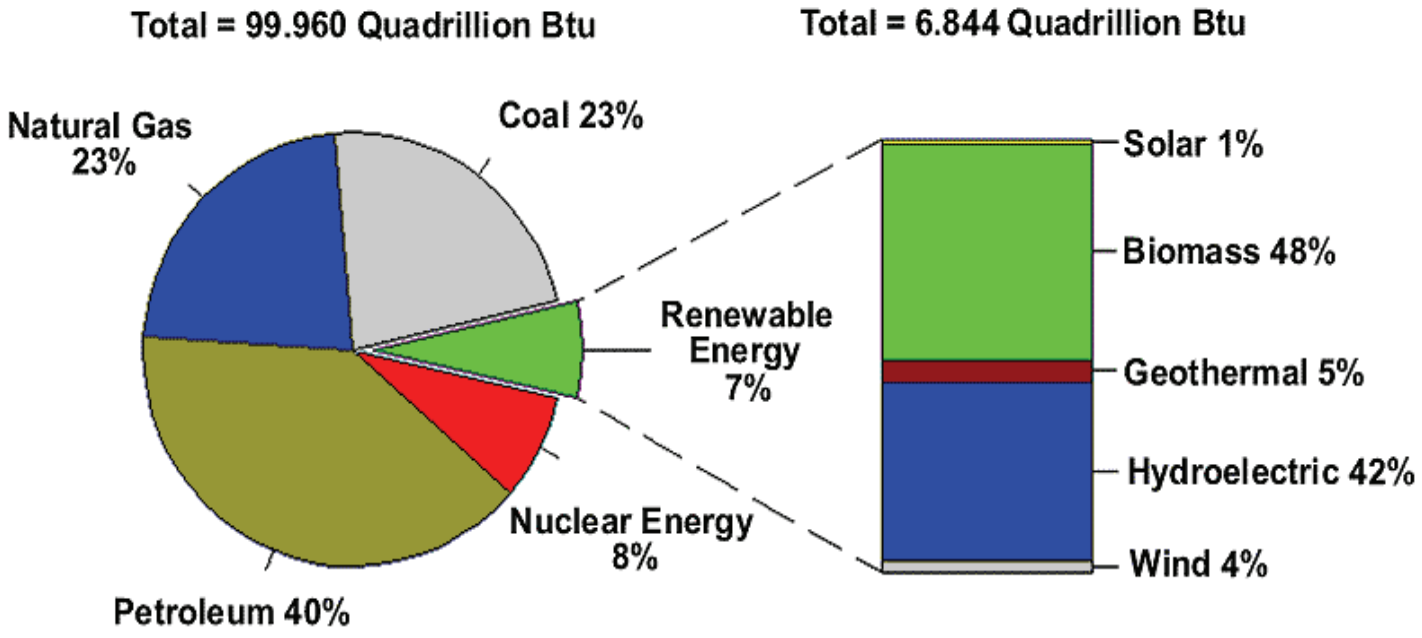
- California (exported to) 3,541 MW
- Canada (import from) 1,438 MW
- Net power export: 2,103 MW

And Volvo cars will now offer coffee alerts for drivers…. Perfect for Washington state.

Year	Annual diesel consumption (gal.)	Percent change to 2000	Population	Per capita consumption (gal/yr)	Percent change in per capita: to 2000
2000	1,117,374,500		5,894,143	189.6	--
2001	1,141,099,500	2.1%	5,974,910	191.0	0.7%
2002	1,051,711,000	-5.9%	6,041,710	174.1	-8.2%
2003	1,008,130,000	-9.8%	6,098,300	165.3	-12.8%
2004	1,075,857,000	-3.7%	6,167,800	174.4	-8.0%
2005	1,250,344,000	11.9%	6,256,400	199.9	5.4%
2006	1,232,532,000	10.3%	6,375,600	193.3	2.0%
2007	1,259,346,320	12.7%	6,471,234	194.6	2.7%

Source: EIA and Census

The Role of Renewable Energy Consumption in the Nation's Energy Supply, 2006



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If you only have time to read a couple of articles—read these. ▼

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