

## Weekly Energy Status Report

### 1. Northwest Power Pool Status (WA, OR, ID, MT, WY, UT, No. NV, BC, AB)

- Power Pool peak load (Tuesday, 3/9): 44,320 MW
- Reserve margins were within comfortable ranges for Northwest Power Pool utilities.

### 2. Electricity, Petroleum and Natural Gas Prices

- Weekly Range at Mid-C: \$39.9-42.5 per MWh, Ave. = \$40.7
- Approximate change from previous week \$+1.3 per MWh
- "Normal" price range, before 5/00 \$20-\$40 per MWh
- Petroleum, West Texas Intermediate: \$37.08 per barrel (year ago: \$37.75)
- Seattle gasoline price (3/10) \$1.84 per gallon (year ago \$1.87),
- Natural gas, Sumas Hub: \$4.80 per million British Thermal Units (year ago \$5.45)
- Approximate change from last week. Oil: +1.75 \$ per barrel; Nat. gas: +0.38 \$ per MMBtu

### 3. California Electricity Situation

- CA ISO Alert Status
  - o A stage 1 alert (7% reserve margin) was declared on May 28, 2003.
  - o A stage 2 alert (5% reserve margin) was declared on July 10, 2002.
  - o Most recent rotating blackouts: Tuesday, May 8, 2001
- Energy News Headlines from around the Nation
  - o Throttle on Northwest power use wide open (Seattle PI, Mar 10)
  - o Dams more valuable than fish (Seattle PI, Mar 4)
  - o Power Council projects energy surpluses (Seattle PI, Mar 3)

### 4. River and Snowpack Information (Updated: Mar. 10, 2004)

- Observed February stream flow at The Dalles: 81.8% of average,
- Observed February precipitation above The Dalles: 69% of average,
- Observed snow pack, early February: 101% of average,
- Estimated Jan.-July runoff at The Dalles: 92.9 MAF, 87% of normal,
- Federal hydropower generation in February: 7,174 aMW, 1995-2002 average: 10,329 aMW.

### 5. Energy Conservation Achievement (Updated: Feb. 11, 2004)

- **State Agencies:** From Oct thru Dec 2003 electrical usage was 9 % less and natural gas usage was 21.3% less compared to the same period in 2000.

### 6. Power Exchanged: (Updated: Mar. 10, 2004)

- Average flow of power during the last 30 days
  - o California (exported to) 1,611 MW
  - o Canada (exported to) 605 MW
  - o Net power export: 2,216 MW

## Throttle on Northwest power use wide open We're not as green as we'd like to think, report finds

By Robert McClure  
SEATTLE POST-INTELLIGENCER, Mar. 12, 2004

Despite our eco-conscious image, Northwesterners are pretty big energy hogs -- above the national average in using gas and electricity, and not all that far behind those pickup-driving, oil-drilling Texans.

At the same time, the Pacific Northwest has failed to aggressively pursue environmentally friendly forms of energy -- even while our life spans are increasing, our economic well-being is stagnant, forests have been clearcut at a generous clip and urban sprawl continues, albeit at a slower pace.

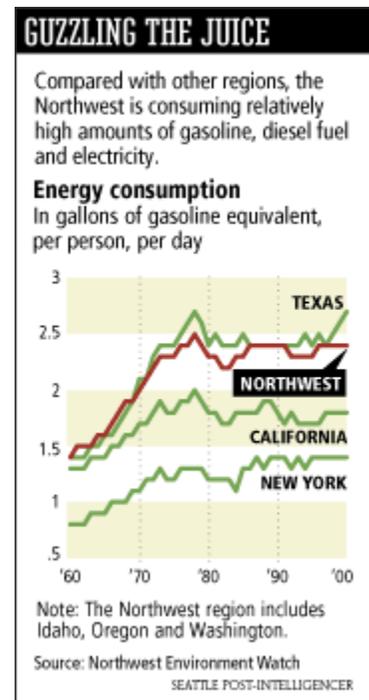
These are some of the findings of the "Cascadia Scorecard" report being released today by Northwest Environment Watch, a Seattle think tank that spent three years crunching numbers to get an overall look at the region's quality of life.

The results are a mixed bag, but many indicators appear to be improving, the authors concluded. And there are examples within Cascadia -- the region defined as Washington, Oregon, Idaho and British Columbia -- and around the world that people can seek out as blueprints for improvement.

"There's an old adage in business that what gets measured gets fixed," said Clark Williams-Derry, a primary author. The report, he said, is a tool to help build here "a way of life that can last, where the human economy is reconciled with the natural systems that support it -- where people are doing fine and nature is, too."

Measuring success, the authors argue, means asking: Are Northwesterners living longer, healthier lives? Building stronger communities? Repairing the Earth? The answers: Yes. In some ways. Not all the time.

Northwesterners number among the longest-living people on the planet. If British Columbia were a nation of its own, its residents' 80.7 average years of living would be second globally only to Japan. The Northwest as a whole would come out eighth.



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We're living longer than ever -- an average of 79 years. That's up three years in the last 20 years alone -- even though Northwesterners spend less on health care than other Americans.

At the other end of the scale, Northwesterners are power pigs.

"Despite a well-deserved reputation for innovation in energy efficiency ... today's Northwesterners are no more efficient in their energy use than they were two decades ago," the report says.

Automobile fuel consumption declined steeply in the '80s, the report found, but the purchase of more trucks and SUVs since then has put the brakes on that trend.

Fuel efficiency isn't the top concern of shoppers at Chevrolet of Bellevue, said fleet manager Bruce Huskinson. The dealership sells plenty of SUVs, ranging from the Chevy Equinox to the vast Suburban, which gets about 14 mpg.

"When you get to that bigger rig, you're looking for safety and towing capability," Huskinson said. When it comes down to fuel efficiency versus these other features, "you've got to give up one for the other."

Heating homes and the water that's used there accounts for more than half of residential electric consumption in the region. Although dams provide two-thirds of the region's electricity, most new juice generation is coming from burning natural gas and coal.

At Northwesterners' current pace of boosting energy efficiency, it would take 86 years to match what Germany, a world leader, already has done, the authors say.

The news on the energy front isn't all bad. The authors congratulated Seattle City Light, which has pursued a vigorous energy-efficiency campaign and invested heavily in wind power. It also runs its hydroelectric dams in a manner eco-friendly enough to win an environmental award for the way they treat salmon.

It's true that some large wind-energy facilities are being built or are on the drawing boards, but Cascadia could do much better, the authors say.

Kilowatt for kilowatt, Northwesterners over the last three years added 17 times as much generating capacity from natural gas as for wind power -- which comes without gas' pollution and globe-warming properties.

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"Cost-effective opportunities for clean-power investments are emerging more quickly than the region is seizing them," the report says.

Then, the authors add in a jab: "Texans, despite their culture of big trucks and oil wells, far outpace Northwesterners in wind-power development."

Helping to fuel the energy consumption, the authors point out, is urban sprawl.

In King County and particularly in Seattle, there has been marked improvement in getting more folks to live in more highly populated urban areas. Almost one-fifth of the new housing permits in Seattle in recent years were for housing in such areas.

The revitalization of Seattle's Belltown is emblematic. Errol Adkins, who's lived in the neighborhood for three years, loves walking everywhere and has even given up his car. He's lost 30 pounds.

"It's cool," said Adkins, 25. "Everything you need is downtown."

While Portland and Eugene started earlier on reining in sprawl, Seattle and Spokane are catching up. The best example is Vancouver, B.C., where nearly two-thirds of the population lives in a compact urban area. In Seattle it's one out of four people.

The authors point out that this may have an effect on some of the health measurements. For example, obesity is one-third less common in British Columbia than elsewhere in the region. One reason, they speculate, is that the Canadians living more heavily in compact, densely settled neighborhoods are walking more.

Forests are another place where such choices are being made. The authors carefully examined five forested regions that represent about 15 percent of the region's forested area. They found high rates of clearcutting that appear to have moderated in recent years.

For example, on the Olympic Peninsula, almost 29 percent of the forest -- an area larger than Olympic National Park and five adjacent wilderness areas -- was clearcut between 1971 and 2002.

Our economic prospects could be better, the report says. While economic output has grown by two-thirds and personal income by nearly a quarter since 1990, the scorecard

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looked at what the authors call a more telling set of measures: household income, unemployment, and poverty rates.

Under this "economic security" index, Northwest states and British Columbia underperformed their counterparts elsewhere in the two countries, the report says. The poverty rate rose from 9.7 percent to 11 percent in the Northwest states between 1990 and 2002.

The report recommends rethinking economic incentives. For example, instead of taxing paychecks and profit, they ask: Why not tax pollution, urban sprawl and traffic?

"Fund government in a way that repairs a flaw of the marketplace -- the failure of prices to tell the ecological and social truth," the report argues

The authors conclude that by paying attention to the measures that matter, Northwesterners can help the whole country.

"Daunting, complex, systematic, seemingly quixotic, this goal -- harmonizing people and place -- is nonetheless more attainable here than anywhere else on this continent," the authors wrote.

"If Northwesterners can reconcile themselves with their landscapes, they can set an example for the world."

## **Dams more valuable than fish**

By CYRUS NOE  
Seattle Post-Intelligencer, Mar. 4, 2004.

The Seattle Post-Intelligencer editorial "Protect salmon if you want dams" (Feb. 22) needs to be seen in a factual and credibility context. Stopping summer spill is important in making salmon recovery more cost effective. As 2004 returns are seen as likely to set even more records, saving money is a logical order of business.

The Northwest Power and Conservation Council is about to report that Bonneville Power Administration salmon costs since 1978 have totaled \$6.452 billion. In January, the council heard from BPA, the Corps of Engineers and National Oceanic and Atmospheric Administration's Fisheries on summer spill economics and benefits. The cost is colossal, benefits marginal.

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Cost is pegged at \$77 million and benefits as a return of 24 more endangered salmon. That's \$3 million per listed fish.

How can this be? Juvenile runs in July and August fall off steeply and become a few stragglers by August. There are simply too few summer fish in the river to benefit from spill at the four dams involved.

Bonneville authorized summer spill in 1995 without a biological mandate as a political gesture described by those familiar with the situation as a "sop to the tribes." Summer spill is now institutionalized and benefits assumed rather than demonstrated.

Some call eliminating summer spill a step backward from what the editorial calls "the promises of aggressive salmon protection that, supposedly, can prevent the need to remove any dams." But the BPA-Corps-NOAA study includes a list of protection projects that could be funded as offsets for such summer spill benefits as there are.

The editorial says that while saving money is OK, "The steep increases in electric rates in recent years are the result of the scandalous push for electric deregulation, not environmental remediation."

Facts suggest otherwise. The biggest single rate increase factor has to have been BPA paying \$1.5 billion to purchase high-priced power in 2001 to comply with water management provisions in the 2000 NOAA Fisheries Biological Opinion.

The editorial is right to suggest that recovery funding and operations should involve cooperation. But it is wrong to suppose that dam breaching remains a viable trump card solution if lesser remediation turns out not to be aggressive enough. Tearing out dams was also a political gesture as a sop to fish advocates during the last administration.

The Corps of Engineers in a huge study said breaching was without merit. But political operatives insinuated breaching into the Biological Opinion recovery mix after subverting Corps study conclusions.

The truth is that the lower Snake dams with their multiple uses are more valuable to the state and region than salmon runs. But choosing dams or fish is flat-out not an honest option. Record-setting counts of recent years, now continuing, show once and for all that salmon runs can rise toward recovery with dams in place.

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Salmon recovery has wide support, as indeed it should. But it's not anti-recovery to point out that the cost of that effort is breathtaking. We know about BPA's \$6.452 billion cost since 1978. But there are more millions and even billions of dollars in costs incurred by regional utility systems, federal and state governments, resource industries, businesses and volunteer organizations.

This super-sized recovery enterprise spent much remediation money during years when salmon runs tended to decline, which raises fish management credibility issues. Now that runs are setting records, it's surely a good time to emphasize management accountability on such issues as summer spill.

BPA, the Corps and NOAA's Fisheries have put the summer spill issue in a scientific and factual context. So now federal decision makers should select offsets and put an end to summer spill. To do otherwise would compromise the recovery enterprise's credibility.

## **Power council projects energy surpluses**

By Bill Virgin  
SEATTLE POST-INTELLIGENCER, Mar. 3, 2004

The Pacific Northwest should continue to have a surplus of electricity through 2011, and stable wholesale power prices through the end of the decade, according to draft forecasts from the Northwest Power and Conservation Council.

If those forecasts prove to be true it would be good news for a region that was battered with droughts, tight supplies of electricity and soaring prices that clobbered household, business and utility budgets.

The council's draft forecasts, which are to go into a regional power plan later this year, is loaded with caveats and contingencies. Those include water conditions on the Columbia River hydroelectric system, the price and supply of natural gas (which now supplies 15 percent of the region's electricity) and the rate of economic growth and demand for additional power.

The region -- defined as Washington, Oregon, Idaho and western Montana -- currently has an electrical surplus of about 1,000 average megawatts, roughly what it takes to serve a city the size of Seattle. That surplus estimate is based on the low end of average water conditions.

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The council report says the surplus resulted from new generating capacity and conservation added in the region following the price spikes of 2000 and 2001, as well as a drop in demand that resulted from the recession.

That surplus in turn should keep prices in check, an accompanying study says. Although a recent increase in natural-gas prices boosted wholesale power rates to about \$40 a megawatt-hour, they should stay at that level through the rest of the decade.

Eric Markell, senior vice president for Puget Sound Energy, said the council's projections for natural-gas prices are "probably among the most optimistic out there today." Puget is expecting more natural-gas price increases than the council is, and if gas prices stay where they are or go higher it raises the question "will electricity prices ultimately be forced to follow."

Although the estimate of the size of the power surplus sounds "about right," Markell noted that some of that surplus may prove uneconomic to operate, depending on what happens to gas prices.

The council's study says prices may even decline a bit after 2010 as conservation, coal-fired plants and wind generators are added. It projects an average wholesale price of \$36.50 (in 2000 dollars) through 2025.

What happens to rates at the retail level depends on such factors as who individual utilities purchase power from and at what price.

Rates will also be affected by contracts between the Bonneville Power Administration, the region's major wholesaler, and its customer utilities.

BPA is involved in disputes and suits with customers over existing contracts, and faces major negotiations for new contracts that would take effect in 2006.

Gasoline and Diesel prices continue to climb.

