

Weekly Energy Status Report

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

- Power Pool peak load (Friday, 1/20): 45,173 MW
- Reserve margins were within comfortable ranges for Northwest Power Pool utilities.

2. Electricity, Petroleum and Natural Gas Prices

- Weekly Range at Mid-C: \$36.7-\$42.7 per MWh
- "Normal" price range, before 5/00 \$20-\$40 per MWh
- Approximate change from previous week \$+1.0 per MWh
- Petroleum, West Texas Intermediate: \$33.91 per barrel (year ago: \$19.08)
- Approximate change from last week: \$+1.65 per barrel
- Seattle gasoline price (1/20) \$1.408 per gallon (year ago \$1.254)
- Natural gas, Sumas Hub: \$4.18 per million British Thermal Units (year ago \$2.06)

3. California Electricity Situation

- CA ISO Alert Status
 - o A stage 2 alert was declared on July 10, 2002.
 - o Restricted maintenance warning declared, Sept. 23, 2001
 - o Most recent rotating blackouts: Tuesday, May 8, 2001
- Energy News Headlines from California and the Nation
 - o US is pressuring industries to cut greenhouse gases (New York Times, Jan. 20)
 - o

4. River and Snowpack Information (Updated Jan. 13, 2002)

- Observed December stream flow at The Dalles: 59.5% of average
- Observed December precipitation above the Dalles: 102% of average
- Observed 2003 snow pack as of Jan. 9: 71% of average
- The latest forecast of Columbia River stream flows this January through June is 80.5 million acre feet, 75 percent of normal: National Weather Service Northwest River Forecast Center.

5. Energy Conservation Achievement (Updated Jan. 13, 2002)

- **State Agencies:** From January to November 2002 electrical usage was 6.8 % less and natural gas usage was 6.0% less compared to the same period in 2000.

6. Winter Load Loss/Reservoir Impacts/Fish (Updated Jan. 6)

- Federal reservoir system storage: 53% full
- Estimated winter (2002/03) load loss probability of 4%

7. Power Exchanged: (Jan. 6)

- Average flow of power during the last 30 days
 - o California (exported to) 1597 MW
 - o Canada (imported from) 653 MW
 - o Net power export: 944 MW

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U.S. Is Pressuring Industries to Cut Greenhouse Gases

By ANDREW C. REVKIN

In an aggressive effort to show that President Bush's voluntary climate strategy can work, senior administration officials are traveling the country collecting written promises from industries to curb emissions of gases linked to global warming.

White House officials, insisting on concrete commitments measured in tons of gases, have rejected written offers from some industry groups to take nonspecific actions, several industry officials said. The administration and industry leaders plan to unveil a broad array of pledges at the White House on Feb. 6.

This is the administration's latest and most intensive effort to demonstrate that voluntarily controlling emissions can make mandatory reductions unnecessary. Mr. Bush has said such reductions will harm the economy. The effort has no teeth, officials and company representatives say, other than the growing realization in industry that without measurable success from voluntary reductions, it will become ever harder in coming years to stave off legislation requiring companies to act. Senators of both parties introduced such legislation in Congress this month, and states are acting on their own as well.

The administration's intent, once all the industries' commitments are tallied, is to meet Mr. Bush's stated goal: an 18 percent reduction, by 2012, in emissions of greenhouse gases for each unit of gross domestic product. Overall emissions would continue to grow, but more slowly.

Some company officials and other opponents of regulation have criticized the administration's effort as a mandatory program disguised as a voluntary one.

"This is meant to give the impression that the administration is doing something to control CO₂ emissions," said Myron Ebell, a climate policy expert at the Competitive Enterprise Institute, which promotes free markets and limited government. "The danger is that they could easily get pushed from that position into actually regulating emissions, which would be very expensive, pointless."

At the same time, many scientists, environmental groups and political foes of Mr. Bush have said his target is so modest that no matter what industries do to achieve it, it will not help stem climate change. Most other industrialized countries have chosen to pursue binding reductions in emissions through the Kyoto Protocol, the climate treaty Mr. Bush rejected shortly after taking office.

"Over a decade ago, the United States committed to voluntary greenhouse gas reductions, and emissions have continued to rise," said Elizabeth Cook, an expert on corporate environmental policies at the World Resources Institute.

Citing an expanding body of research pointing to rising concentrations of carbon dioxide and other greenhouse gases as a cause of global warming, she and other critics said more action was needed.

White House officials said the new effort was just the beginning of a protracted campaign for voluntary reductions. "We're not declaring victory here and going home," an administration official said. "It'll be an ongoing thing from here."

Many big companies, expecting that regulation of greenhouse gases is inevitable, have already moved independently to set up voluntary caps and trading schemes in which companies that aggressively cut their emissions acquire pollution credits they can sell to other companies. The list of such companies includes most of the country's biggest energy, mineral and industrial concerns,

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including DuPont, Motorola, Waste Management Inc. and American Electric Power, a Midwestern utility that is the largest emitter of greenhouse gases in the Western Hemisphere.

The newest effort began on Thursday, with the start of the Chicago Climate Exchange, under which big manufacturers and energy companies agreed to cut emissions and trade credits with one another.

As they considered the administration's initiative, industries at first resisted committing themselves to specific targets.

The American Petroleum Institute, the oil industry's principal trade group, initially offered the White House a proposal for efforts on emissions, but without a specific timetable or targets. It cited the difficulty of getting all its members to agree on a single plan — and of measuring emissions from every facet of far-flung operations.

That was rejected, but after several rounds of discussions with the administration, the institute — like other industry groups — agreed to emissions changes that would mesh with Mr. Bush's 2012 goal.

"Oil, gas and other industries have all had significant discussions in trying to achieve the types of commitments the administration is desiring," said Robert L. Greco III, a senior manager at the institute. "Industry is committed to supporting this type of approach and is willing to step up to further the objective of the president's program."

Trade groups for companies pumping oil, mining coal, making cars, synthesizing plastics, smelting metals and manufacturing microchips have been recruited and have scrambled to settle on various targets for reducing or in some cases eliminating emissions.

These include some of the most influential voices for industry in Washington, the American Chemistry Council, National Mining Association, the Alliance of Automobile Manufacturers and the Edison Electric Institute, which represents power-plant owners.

Talks are still under way, and agreements could change, but some details are starting to emerge.

Under the program, magnesium producers have agreed to eliminate releases of a potent heat-trapping greenhouse gas, sulfur hexafluoride, by 2010. The gas is very rare, but each molecule has 23,600 times as much heat-trapping potential as a molecule of carbon dioxide.

Chip makers have said that by 2010 they will cut emissions of perfluorocarbons, another potent warming gas, 10 percent below 1995 levels.

Among other actions, all the major oil companies have agreed to scour pipelines and oil fields for leaking methane, another powerful heat-trapping gas. Coal companies have promised to expand efforts to capture methane and other greenhouse gases escaping from mines.

Individual companies are being asked to set more general goals.

Under a simultaneous initiative, also to begin on Feb. 6, the Business Roundtable, which represents 140 of the country's biggest companies, is working with the White House to obtain commitments from its members to start assessing their activities and considering ways to reduce their impact on climate.

Although that effort is theoretically voluntary, the Business Roundtable has already promised to deliver 100 percent of its members.

Some industry officials have quietly objected to the heavy pressure to sign on.

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On Jan. 8, James L. Connaughton, chairman of the White House Council on Environmental Quality, addressed a private gathering of leaders of electric utilities at the Ritz Carlton in Naples, Fla. Several executives who were there said his insistence on substantive commitments prompted some of them to label the effort the "mandatory voluntary climate program."

The administration's push has intensified as criticisms of its cautious climate policies have increased, and more aggressive alternatives have been proposed.

On the day Mr. Connaughton spoke in Florida, Senator John McCain, Republican of Arizona, and Senator Joseph I. Lieberman, Democrat of Connecticut, unveiled a bill that would require restrictions on emissions. California and New York are moving toward restricting greenhouse gases from vehicles.

Administration officials acknowledge that they are trying to tread a fine line. They do not want to alienate voters in states like West Virginia, where the economy revolves around coal, a major source of carbon dioxide, but they do want to appease moderates, particularly women, for whom global warming is a growing concern.

But in seeking that path, many experts and lobbyists for different factions said, the administration could end up satisfying no one and doing little to solve the problem.

Many people involved in the White House effort, including government officials and executives from industries, say it is unlikely to lead to improvements much beyond those already taking place as the economy shifts from old-style manufacturing and businesses grow less wasteful.

And the effort, aimed mainly at manufacturing, encompasses only a small portion of America's greenhouse-gas emissions.

For example, while the auto industry is agreeing to curb gases from its assembly lines, it has not been asked — nor has it promised — to reduce gases from the tailpipes of the cars and trucks it builds.

Nevertheless, Ms. Cook, at the World Resources Institute, said there was some value in finally pushing a broad array of industries to start looking for ways to reduce their impact on climate. Once they have committed to change, she said, it will be hard for them to reverse course.