

TO: Natural Gas Core Team

FROM: Doug Larson/Alison Wilson

DATE: August 17, 2004

SUBJECT: **Summary of August 16 conference call**

Four states (CA, NV, OR, WA), three provinces (AB, BC, SK), Hal Chapelle (project consultant), and WIEB staff participated in the call. Todd Peterson (CEC) reviewed the proposed approach to developing a reference case that would be a starting point in examining different scenarios. The reference case would assume a status quo future. The discussion moved to how to define the status quo (e.g., what to assume in terms of new gas-fired generation and LNG terminals). The modeling team noted that the model builds least-cost infrastructure to satisfy demand but that model-generated new infrastructure, such as the location of LNG terminals, can be turned off to test the sensitivity of results to such assumptions. Higher costs for an option can be entered into the model to reflect supply constraints (e.g., limited access to Rocky Mountain gas).

The CEC modeling team proposed a case development subgroup of diverse stakeholders and core team members. Based on concerns about the time necessary to assemble a 3-day ( ½ day, full day, ½ day) stakeholders' meeting, it was agreed that:

- The CEC modeling team will develop a strawman reference case with adequate text to explain what is contained in the strawman (The strawman case will need to be vetted through internal CEC processes.);
- The Natural Gas Core Team will review and suggest modifications to the strawman reference case;
- A stakeholders' group, comprised of LDCs, gas producers, environmental groups WECC, DOE, DOI and others, will review and comment on the strawman reference case; and
- The strawman reference case, stakeholder comments, and any sensitivity analysis of factors in the strawman reference case will be presented at the joint WIEB/CREPC workshop in Vancouver on the afternoon of October 19.

The next Natural Gas Core Team conference call will focus on assumptions outlined in the matrix of low, medium, and high impact variables that was provided for the call.

Questions about the demand data provided to the Core Team prior to the call should be addressed to Mark DiGiovanna at (916) 654-4747 or [mdigiova@energy.state.ca.us](mailto:mdigiova@energy.state.ca.us) . Mark will develop a list of questions received and answers provided and share this with the Core Team.

Note that there will be a conference call of the oil sands working group on Thursday, August 19, at 9:30 a.m. MDT/8:30 PDT.

The next conference call of the WIEB Natural Gas Core Team will be held on August 30 at 11:00 a.m. MDT/10:00 a.m. PDT.