



# **Western Interstate Energy Board Board of Directors Meeting**

## **Western Natural Gas Assessment**

### **Proposed Analytical Approach**

by

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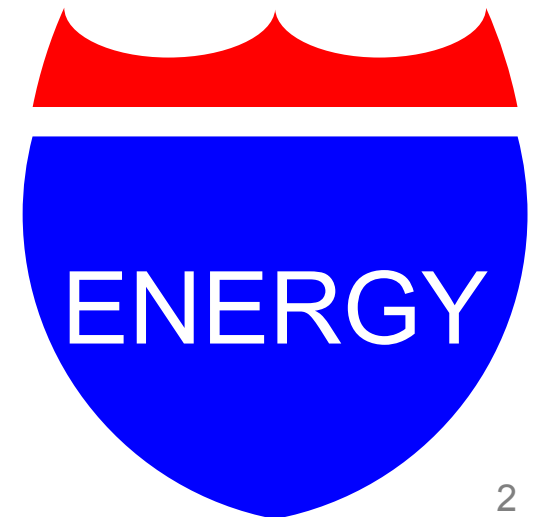
California Energy Commission

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# *Today's Presentation*

- Western Governor's Energy Road Map
- Course of Action
- Recent Calif. Energy Commission Work
- Western Natural Gas Assessment
- Stakeholders
- Feedback





## *Western Governor's Energy Road Map*

- Amended and re-adopted in September 2003
- Resolution calls for an assessment to determine if there is:
  - “...sufficient natural gas resources and infrastructure to fuel natural gas power plants, and sufficient energy and infrastructure to avoid extreme scarcity, high prices, and the ability of market participants to exercise market power...”



## *Status*

- Conducted initial coordination discussions
- Developed a draft list of important questions
- Will convene a conference call to:
  - Finalize list of questions
  - Detail analytical approach
  - Identify additional studies
  - Determine next steps



## *Recent California Energy Commission Work*

- Integrated Energy Policy Report
- Electricity and Natural Gas Report
- Natural Gas Market Assessment Report
- Key analytical tool:
  - North American Regional Gas Model
- [www.energy.ca.gov](http://www.energy.ca.gov)



## *Western Natural Gas Assessment*

Propose two phases for this project:

Phase I: Long term analysis

Phase II: Short term analysis



## *Phase I*

- Long term perspective - next 10 years
- Based on annual average conditions
- Includes abnormal sensitivity analysis
  - Poor hydroelectricity generation and adverse weather conditions
- Focus on infrastructure and resource adequacy
- \* Completion in Fall 2004 \*



## *Phase II*

- Short term perspective
- Focus on natural gas storage
  - Can storage help to mitigate the West's supply concerns?
- \* Completion in Fall 2005 \*



# *Stakeholders and Coordinating Partners*

- Sponsors
  - WIEB and WGA
- Partners
  - Western Canadian Provinces
  - Western United States
  - U.S. DOE and the FERC
  - CREPC, WECC, and SSG-WI



# *Roles and Responsibilities*

- Project manager
  - WIEB
- Technical analysis
  - California Energy Commission will be the technical lead
- Data and information submissions
  - States and Provinces
  - Regional Organizations
  - California Energy Commission
- Report coordination
  - WIEB and California Energy Commission



## *Expected Technical Effort*

- California Energy Commission will...
  - Improve modeling and analytical tools via:
    - National Petroleum Council's resource analysis
    - Updated pipeline capacity and tariff data
    - Updated natural gas demand forecasts
  - Coordinate with technical stakeholders the analytical plan, inputs, assessment, and results



## *Expected Analytical Efforts and Needs*

- States and Provinces will provide...
  - Demand data
  - Natural gas infrastructure information
    - Pipeline capacities
    - Storage facilities and capacities
  - Overall project guidance
  - Feedback



## *Summary*

- Follow-up conference call is required to finalize questions and analytical approach
- Two phase project:
  - Phase I will be long term, focusing on infrastructure and resource adequacy with completion in Fall 2004
  - Phase II will look at short term needs assessing the role of storage with completion in Fall 2005
- Collaborative role is needed



# *Questions?*

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