



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

## **Western Natural Gas Assessment**

by

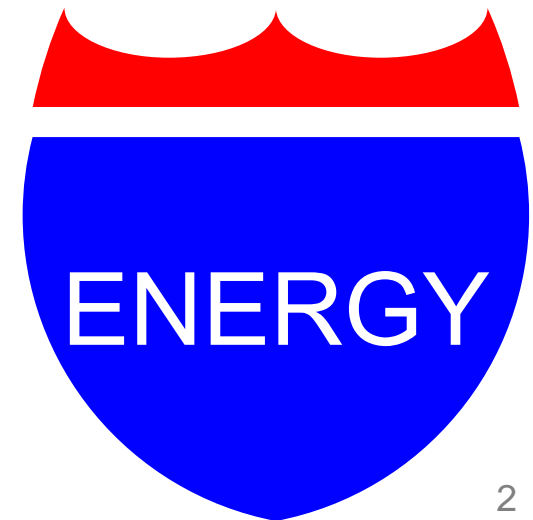
**David Maul, Manager**  
**Natural Gas and Special Projects Office**  
**On behalf of the WIEB NGAT**

**California Energy Commission**  
**October 19, 2004**



# *Today's Presentation*

- Western Governor's Direction
- Proposed Work
- Accomplishments and Status
- Future Activities
- Guidance from Board
- Questions?





## *Guidance Needed From Board*

- Does this study appear to meet the Board's needs?
- Do we have the correct Core Team members?
- Are there additional stakeholders that need to be included?
- Are we incorporating the electric/gas interface correctly?
- Anything else?



## *Western Governor's Direction*

- Energy Map 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...”



## *Western Governor's Direction*

- Staff presented offer to WIEB Board in April 2004
- Offer was accepted
- Staff initiated work
- Staff are reporting back to Board today



# *Proposed Work*

## Western Natural Gas Assessment

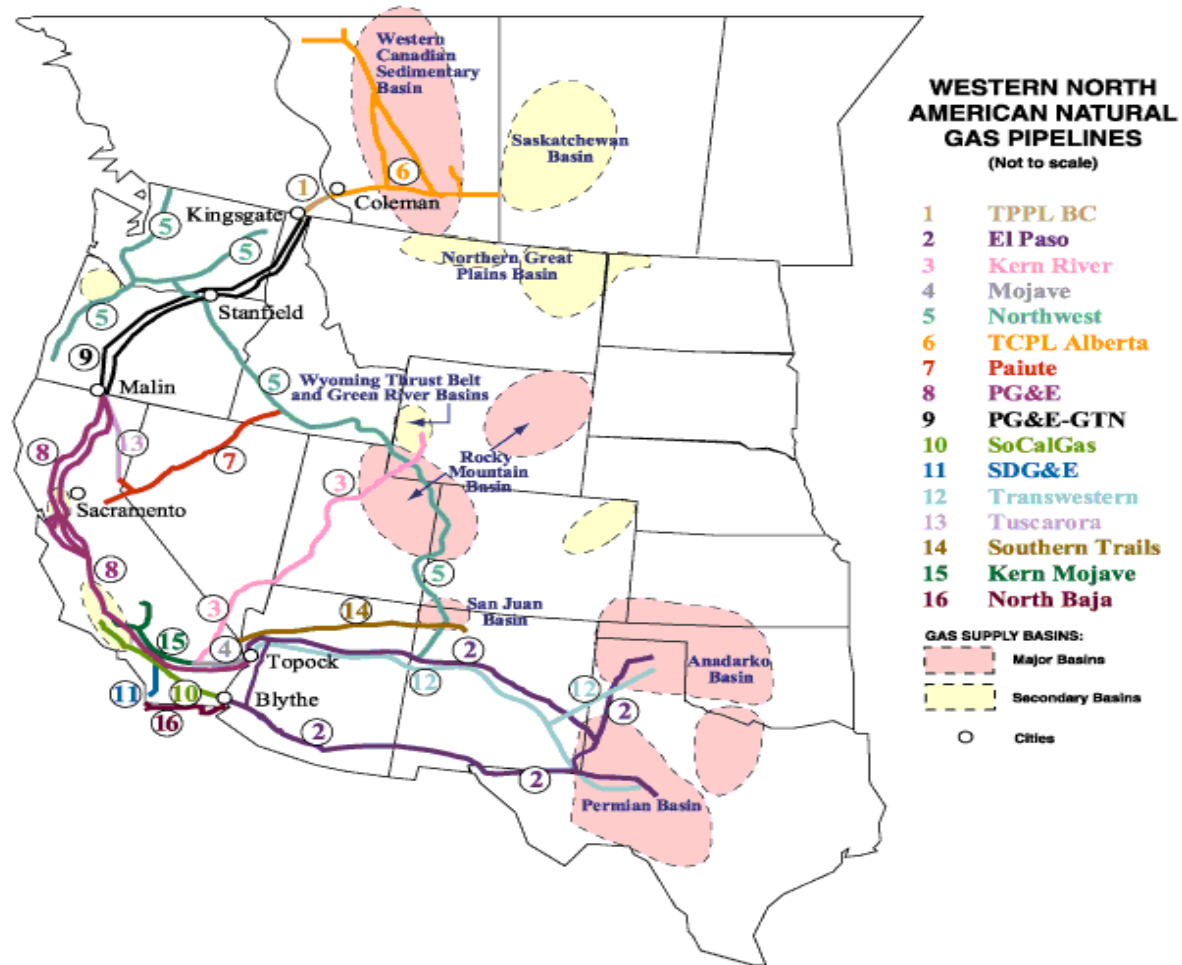
Two phases for this project:

Phase I: Long term analysis

Phase II: Short term analysis



# Western Natural Gas System





## *Phase I*

- Long term perspective - next 10 years
- Based on annual average conditions
- Evaluate abnormal conditions
  - Poor hydroelectricity generation and adverse temperature conditions
- Focus on infrastructure and resource adequacy
- \* Completion in mid-2005 \*



## *Phase II*

- Short term perspective
  - Examining monthly conditions
- Focus on natural gas storage
  - Seasonality
  - Peak demand
  - Role of storage

\* Completion in 2005/06 \*



## *Roles and Responsibilities*

- Project manager
  - WIEB staff
- Technical analysis
  - California Energy Commission staff are the technical lead
- Data and analytical team
  - States and Provinces
  - Regional Organizations
  - California Energy Commission
- Report coordination
  - WIEB and California Energy Commission



# *Stakeholders and Coordinating Partners*

- Sponsors
  - WIEB and WGA
- Partners
  - Western Canadian Provinces
  - Western U.S. States
  - U.S. DOE and the FERC
  - CREPC, WECC, and SSG-WI
  - Individuals representing: NG producers, generators, traders, environmentalists, utilities, pipelines, land managers



# *Accomplishments*

- Process
- Content



## *Accomplishments*

- Conducted initial coordination discussions
- Developed framing questions
- Conducted numerous conference calls
- Established website at WIEB
- Conducted training session
- Conducted public workshop
- Developed initial data
- Convened Advisory Group
- Reached understanding on initial data



## *Accomplishments*

- Developed “Strawman” to initiate discussion on the reference case to be used for analysis
- Reached consensus on initial data
  - Demand; not yet on NG demand for EG
  - Supply
  - Infrastructure
  - Modeling tool



## *Core Team Members*

- **Alberta:** Larry Charach, Matthew Foss
- **Arizona:** George Seitts
- **British Columbia:** David Molinski, Ines Piccinino
- **California:** Jim Fore, et al
- **Colorado:** Shane Henry
- **Montana:** Art Compton
- **Nevada:** Dick Burdette, Pete Konesky
- **New Mexico:** David Brooks
- **Oregon:** Phil Carver, Michael Grainey
- **Saskatchewan:** Bruce Wilhelm
- **Utah:** Thomas Brill
- **Washington:** Tony Usibelli
- **WIEB:** Doug Larson
- **Wyoming:** Steve Ellenbecker
- **NPCC:** Terry Morlan



## *Advisory Team Members*

- NG consumers
- NG suppliers
- NG infrastructure
- Environmental stewards
- Gov energy policy
- Energy market experts
- Avista Power, WECC, PG&E, ConocoPhillips
- EnCana, Shell
- TransCanada, Unocal
- NRDC, US BLM
- Arizona, BC, CA, PNW, Utah
- Stanford, US DOE, Altos



# *Accomplishments*

- Advisory Team meeting outcomes:
  - Focal issue
  - Reference Case
  - Uncertainties/risk
  - Sensitivities
  - Scenarios
  - Advice



# *Advisory Team*

- Focal Issue:
  - Application of WGA’s resolution
  - “To what extent can Western states/provinces rely on NG to supply our energy needs, particularly for power generation, in a reliable and environmental-responsible manner, and at competitive prices?”



# *Advisory Team*

- Reference Case:
  - A starting point for analysis
  - A reference point for comparisons
  - Projection into the future based on current trends and knowledge
  - Not a forecast of future changes



# *Advisory Team*

- Alternative futures
  - Future uncertainties introduce risk
  - Sensitivities (What ifs?)
  - Scenarios—different themes how the future might unfold
  - Help identify consequences
  - Form the basis for policy discussions and action by WIEB



# *Advisory Team*

- Advice:
  - Ensure information is provided to a broader audience
  - Focus analysis to support decision-making
  - Conduct dynamic electric/gas modeling
  - Develop “stretch” goals in scenarios
  - Offer to stay engaged



## *Future Activities--Content*

- Define initial reference case assumptions as the basis for analysis
- Conduct reference case modeling and analysis
- Determine how to handle uncertainties
- Define alternative scenarios and sensitivities
- Conduct analysis
- Prepare draft reports
- Conduct review process



## *Future Activities--Process*

- Core Team review
- State/Province review
- Advisory Team review
- Public workshops
- Coordinate with CREPC
- Report back to WIEB Board



## *Guidance Needed From Board*

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- Anything else?



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• Questions?