Seattle City Light

REGIONAL ENERGY MARKET DEVELOPMENTS

Energy Committee

August 13, 2014

www.seattle.gov/light/strategic-plan

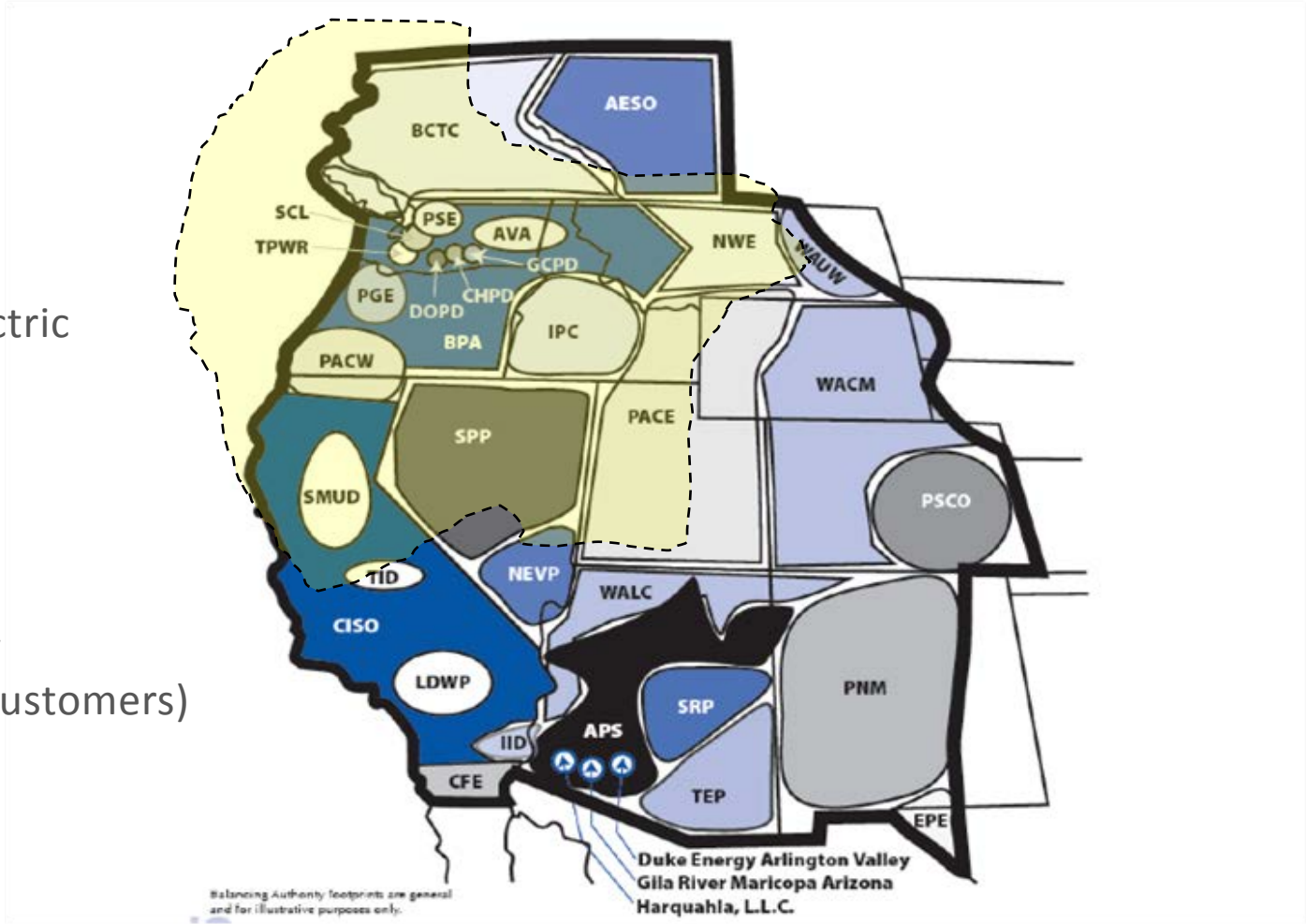
WHAT WILL WE COVER TODAY?

- What the NWPP does today
- Present structure
- Challenges to the status quo
- Possible solutions
- Future decisions for Seattle

WECC BA'S & THE NWPP FOOTPRINT

Members:

Puget Sound Energy
BC Hydro
Seattle City Light
Tacoma Power
Portland General Electric
Avista Utilities
Idaho Power
PacifiCorp
SMUD
Nevada Power
Northwestern Energy
BPA (142 wholesale customers)



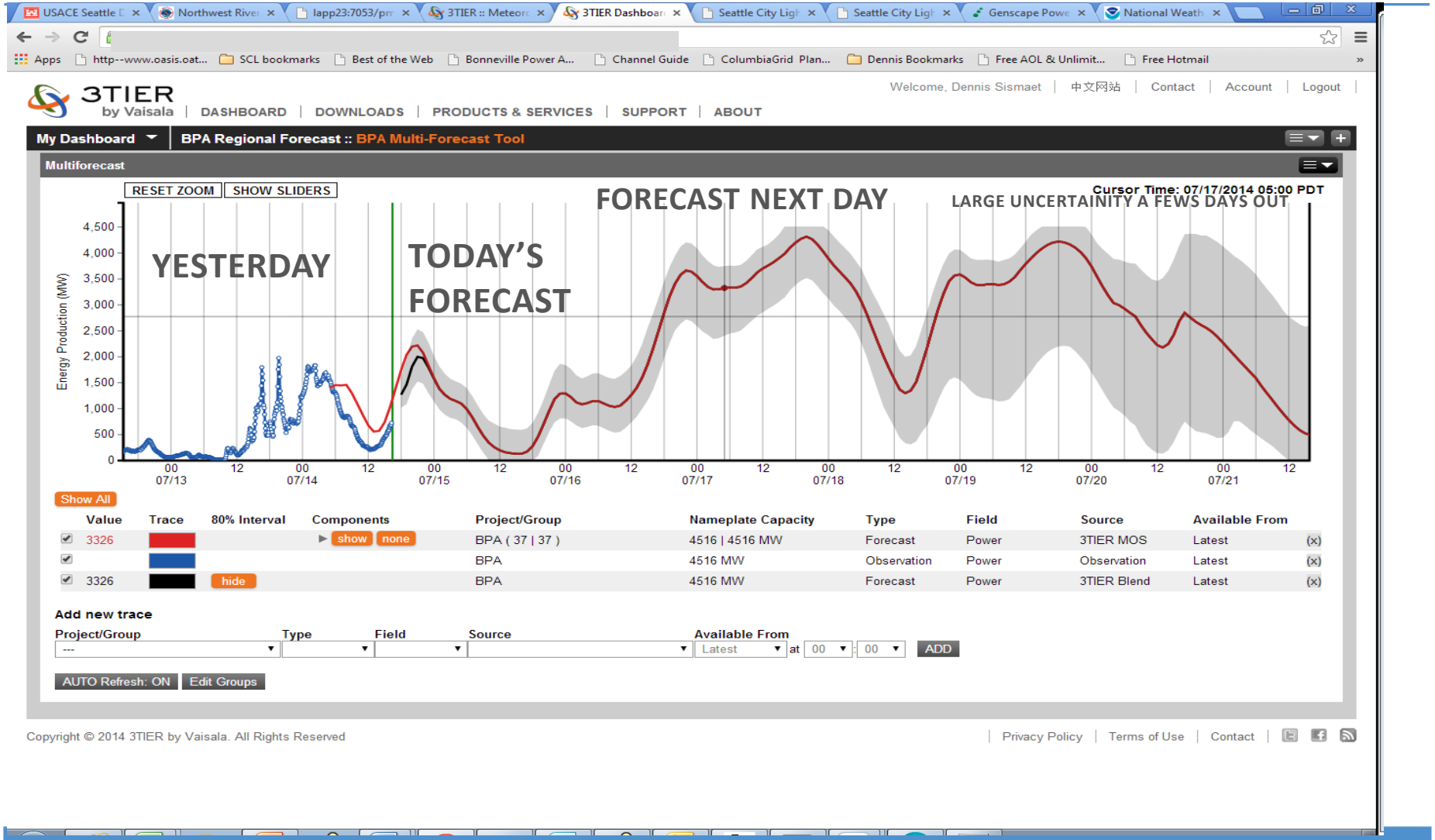
WHAT does the NWPP do?

- Assist member utilities with coordinated activities such as
  - Reliability reserve sharing
  - Upstream hydro storage optimization
- Initiated Market Coordination Initiative (NWPP-MC) in March 2012 to address other issues

WHAT are the challenges NW utilities are facing?

- Integration of wind generation with constrained federal hydro (BPA)
- Share generation diversity among utilities
- Enhance reliable service

BPA- WIND GENERATION

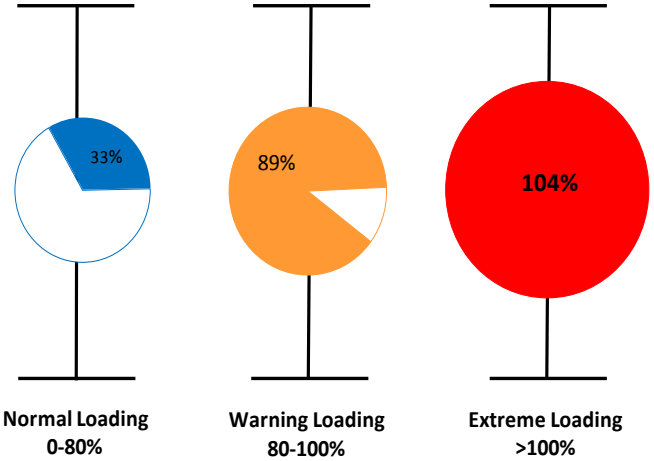


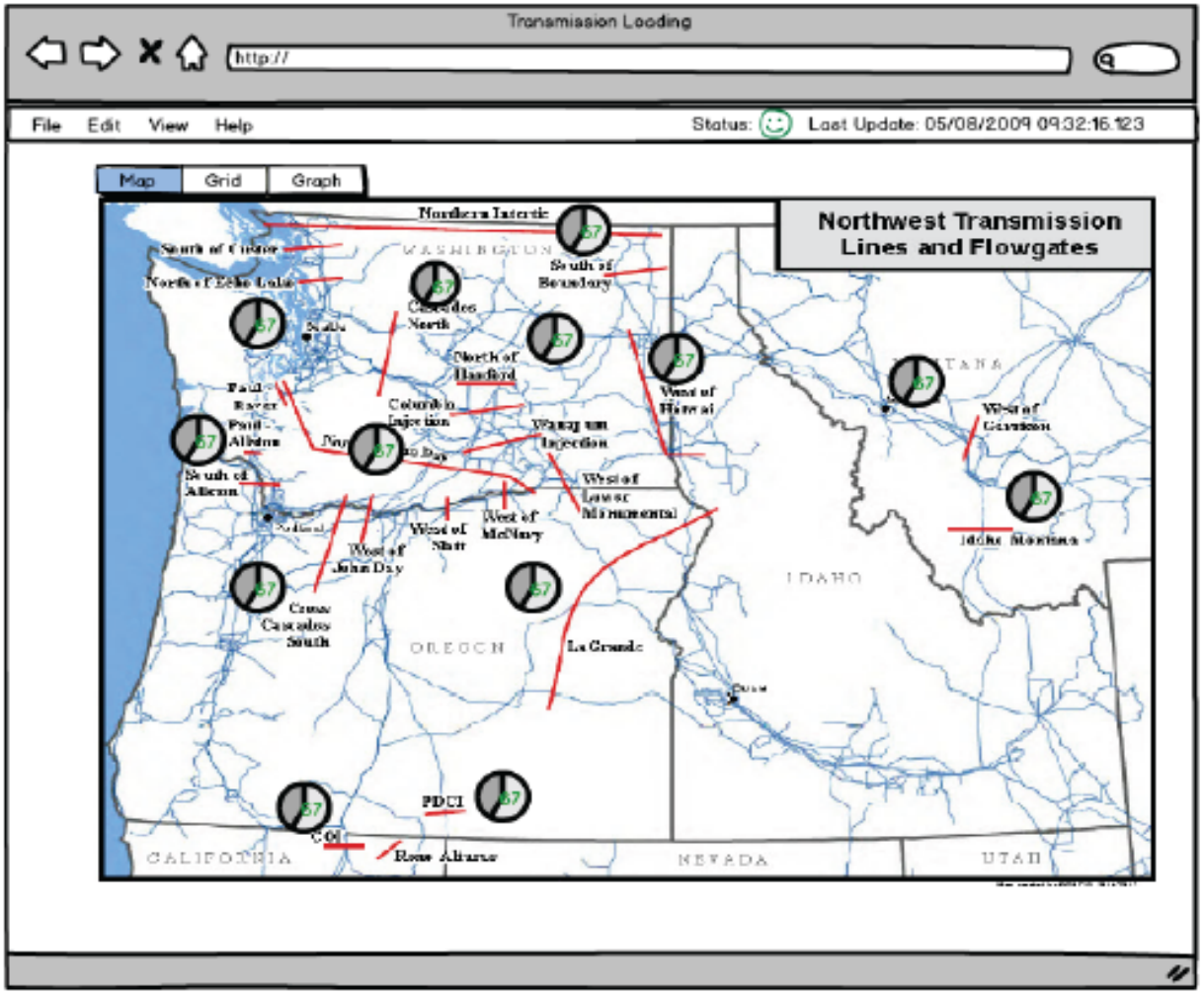
WHAT are some NWPP-MC solutions?

- Better visibility & reliability tools
- Resource sufficiency standards
  - Creates level playing field for all utilities
- Enhanced bi-lateral market tools
- Energy Imbalance Market

NWPP-MC REGIONAL FLOW FORECAST TOOL

- Shows percent loading of paths
- Provides a quick first glance of risk of limit violations





WHAT are some Enhanced Bi-lateral tool solutions?

- Dynamic Scheduling Service
- 15 minute energy & capacity trading
- Web Exchange Platform

WHAT are some solutions (continued)?

- **Energy Imbalance Market**
  - Intra hour, centrally cleared market
  - Offers to increase or decrease generation for a price at each generator
  - Computer system determines dispatch point for each generator to produce the most reliable and economic solution
  - Used in many areas of the country

WHAT & WHEN will decisions be made?

- Whether to participate in future NWPP-MC regional efforts
  - Resource Sufficiency & Enhanced bilateral trading
  - NWPP-MC Energy Imbalance Market with a start up most likely in 2017
- Decision timing – most likely early 2015
  - NWPP-MC may move ahead
  - Some utilities may decide to join the CAISO EIM
- SCL has funding for EIM in its 6 year plan
  - Revenues should cover costs to participate

Questions?