



PNUCC

Natural Gas & Electric Power Workshop



Presenter:

David Mills, Director, Energy Supply & Planning

May 24, 2011



What long-term planning issues are keeping you up at night?

- VER integration solution and how does the region get to a functioning Energy Imbalance Market?
- Power Cost and environmental impacts of having to use thermal resources to integrate VERs.
- Political backslide on RPS levels in response to a sluggish economy.
- Transmission reliability impacts of early shut-down of regional coal generating plants.
- Regional inconsistency in how capacity values of DSM measures are treated.



What does the “other” group need to know?

- An awareness of the looming heavy reliance on natural gas to replace lost base-load generation and integrate VERs.
- Inconsistencies between trading days and schedule intervals between natural gas and power markets will frustrate our ability to effectively use natural gas resources to integrate VERs. More storage? Local LNG?



What long-term planning issues concern you about the “other” industry?

- Environmental regulation of shale gas exploration could tighten the market leading to higher prices and a return to price volatility.
- Low North American natural gas prices could drive an uptick in LNG for export which will have upward pressure on prices.
- The lack of redundancy or N-1+ contingency planning for loss of major natural gas assets.
- Much like the concern about high-voltage transmission, a concern that capital investment in new pipeline capacity will not keep pace or be sited in optimal locations.



Questions

