



Pacific NorthWest Economic Region

2004-2005

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Pacific NW Regional Bi-National Energy Planning Initiative

The Pacific NorthWest Economic Region, a statutory organization chartered by the Northwest states of Alaska, Washington, Idaho, Montana, and Oregon, and the western Canadian provinces of British Columbia, Alberta, and the Yukon through its Energy Working Group has launched a bi-national energy planning initiative designed to create a Pacific Northwest energy planning council of regional public/private stakeholders from both Canada and the US.

The goal of this process is to address key issues that have come through a serious process of regional collaboration with public and private leaders, led by the state and provincial energy policymakers, and develop a consensus for a permanent structure to deal with them. These issues include but are not limited to:

- Data sharing on resource availability – supply / demand of gas, petroleum, electricity
- Analysis of the feasibility of moving megawatts vs. BTU's
- Least cost corridor planning
- Unified permitting across jurisdictions

There is an urgent need to deal with the comprehensive energy picture now before our hoped for economic recovery results in energy price spikes which are likely to happen because the current supply will not meet predicted demand. Also recent events of August 14th have shown that our bi-national energy grid system is intricately interdependent, and additional planning for future capacity is desperately needed.

The PNWER Annual Summit in Calgary, Alberta July 13 – 17, 2003 brought together over 400 state and provincial policymakers with industry leaders in the energy sector to discuss key issues of regional concern in oil, gas, electricity, coal, and renewable energy technologies. The four day meeting resulted in a clear agreement to move forward to develop a "Pacific Northwest Bi-National Regional Energy Planning Council".

*Partial listing

The Resolution passed at the annual summit called for a facilitative process bringing together as many of the energy groups in the northwest as possible for a scoping meeting which would determine the scope of the initiative, and would lead to four additional meetings in different jurisdictions to gather additional information from key stakeholders in both countries as to how a planning council should be structured.

PNWER proposes that this process be kicked off with a scoping meeting of key energy planning agencies in the bi-national region. This would include all major stakeholders: Northwest Power Planning Council, Northwest Power Pool, Alberta Energy, BC Hydro, BC Transmission Corp, Bonneville Power Administration, Alberta Electric System Operator (AESO), Western Governor's Association, Alaska Energy Authority, Energy Council, PUD Associations, and private energy companies.

This would be followed by four quarterly meetings to work toward bi-national solutions to the key issues necessary to ensure the best cost energy for consumers across the PNWER region.

One of the goals of this process is to define an ongoing structure that can facilitate this type of cross jurisdictional, bi-national, and multi-sectoral planning. The states and provinces need to be involved, both executive and legislative policymakers, as well as private sector business leadership. It is clear to the PNWER leadership that this overall, bi-national planning is not adequately being done now, as evidenced by the six meetings we have facilitated over the past six months with BPA, NWPPC, Northwest Power Pool, Alberta Energy, BC Hydro, and the BC Ministry of Energy and Mines on regional inter-ties between BC, Alberta, and the BPA grid. In addition, the growing interdependence of gas and electricity in the region must include Alaska, and looking at the impact and potential of Alaska's natural gas supplies becoming a resource to the rest of North America. Both the Alaska natural gas pipeline, and the MacKenzie Delta pipeline will have a significant impact on the entire energy picture of the region.

If we do not work out the difficult issues of least cost corridor planning, inter – regional inter ties of the bi-national grid system, and greater feasibility studies of the interchanging markets of petroleum, gas, coal, and renewables, then the economy of the entire region will be negatively impacted.

PNWER has requested \$325,000 from US DOE to facilitate this process. The request was appropriated in the 2005 Appropriations. The deliverables will include:

- Bi-National Scoping meeting of Federal, State and Provincial, and private sector industry representatives (at least 250 delegates)
- Four additional quarterly meetings in different parts of the region, to address stakeholder concerns and input.
- Regional stakeholder agreement for the structure of an ongoing planning council
- Multi-jurisdictional corridor study
- Analysis of supply/demand forecast for bi-national region

PNWER held a Bi-National Energy Forum in Portland, Oregon on November 21 & 22, 2003. At the forum a task force was established made up of the state and provincial energy legislative chairmen of all the states and provinces in PNWER. The Legislative Energy Chairs Task Force has held several teleconferences and has done an inventory of all state/provincial enabling legislation related to energy corridor siting. The Washington state legislature has introduced legislation which would enable the Washington Energy Facilities Siting and Evaluation Council to meet with counterparts in the other states to prepare a plan for multi-state energy corridor siting in the Pacific Northwest.

PNWER continues to work with the Northwest Transmission Advisory Committee, Bonneville Power Administration, the Alberta Electric System Operator, and British Columbia Transmission Corporation, and the Northwest Power Pool on a study of the regional inter-ties in the electric grid in the bi-national Pacific Northwest.

Private Sector stakeholders are supporting this initiative, but greater resources are required to facilitate policymakers to address and become fully informed of key issues of critical importance to the entire multi-state region. The PNWER legislators agree that this is a federal responsibility, and that the federal government would be well served to support this vital regional planning. PNWER as a statutory, public/private partnership is ideally suited to carry out this initiative.

For further information, please consult the PNWER web site: www.pnwer.org, or phone the PNWER Executive Director, Matt Morrison at (206) 443-7723.