

“Anticipating, Analyzing and Responding to Changing Energy Markets” Energy Resources 2015-2019 Business Plan Summary

Changes to 2014 Plan

- Five-year slice has been postponed due to Wanapum Dam issues
- The 2014 incremental revenue target has been exceeded

Initiatives for 2015-2019

- Increase revenues through new energy-related services and products
- Optimize conservation benefits to customers by improving conservation capabilities and resources
- Manage emerging issues and market risks and opportunities by improving policy-level analytical capabilities and resources
- Continue to improve processes and tools to optimize river operations and revenue opportunities by improving analytical capabilities and resources
- Support Smart Grid initiative
- Support the hydro’s
 - Hydro asset management
 - Outage scheduling support

Known Unknowns

- Market Prices
 - Natural gas
 - Variable energy resource market penetration
 - Market structure and support for hydro/flexible capacity
 - Green house gas emission pricing
 - Streamflow
- Impacts from regulations like 111(d) and the Energy Independence Act
- Results of the Columbia River Treaty 2014-2024 review process
- Mid-C coordination issues
- Wanapum interim pool raise

Schedule of Energy Resources Initiatives and Areas of Focus

| Funding Type | Description | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------|---|------|------|------|------|------|
| O&M | Balancing Authority Implementation | | | | | |
| O&M | RR Unit Outage Scheduling Support | | | | | |
| O&M | Energy Imbalance Market | | | | | |
| O&M | Columbia River Treaty | | | | | |
| O&M | Distributed Generation Support | | | | | |
| O&M | Mid-C Hourly Coordination Agreement | | | | | |
| O&M | Monitor and React to Electric Market Development and Emerging Issues | | | | | |
| O&M | Enhance Reporting Tools for Energy Services And Products | | | | | |
| O&M | Strategic Planning Efforts | | | | | |
| O&M | Support Smart Grid Activities | | | | | |
| O&M | Stabilize and Enhance Revenues through New Energy Products and Services | | | | | |
| O&M | Slice Marketing and Sales | | | | | |
| O&M | LED Streetlight Study | | | | | |
| CAP | Enhance Conservation Efforts | | | | | |