

LEI Semi-Annual Regional Market Update and 10-year Energy Price Forecast -WECC-

Table of contents

1	MARKET OVERVIEW AND RECENT DEVELOPMENTS	1
2	MODELING ASSUMPTIONS	7
2.1	MARKET TOPOLOGY.....	7
2.2	FUEL PRICE PROJECTIONS.....	7
2.3	EMISSIONS COSTS	9
2.4	COST OF GENERIC NEW ENTRY	9
2.5	HYDROLOGY	12
2.6	RENEWABLE PORTFOLIO STANDARDS REQUIREMENTS.....	12
2.7	IMPORT AND EXPORT FLOWS	13
2.8	DEMAND AND SUPPLY	14
3	10-YEAR PRICE FORECAST	17
3.1	ENERGY MARKET PRICES.....	17
	APPENDIX: OVERVIEW OF FORECASTING METHODOLOGY	20

List of figures

FIGURE 1.	INSTALLED CAPACITY IN MW (LEFT) AND GENERATION IN GWH (RIGHT) BY TECHNOLOGY TYPE, 2010	1
FIGURE 2.	INSTALLED CAPACITY IN MW (LEFT) AND GENERATION IN GWH (RIGHT) BY MARKET PLAYER, 2010.....	1
FIGURE 3.	REGIONAL TRANSMISSION INTERFACE LIMITS IN MW	7
FIGURE 4.	FOSSIL FUEL PRICE PROJECTIONS (NOMINAL \$)	8
FIGURE 5.	EMISSIONS COST PROJECTIONS (NOMINAL \$/TON)	9
FIGURE 6.	COST OF GENERIC NEW ENTRY FOR AZ/NE/SNV, 2015 ASSUMPTIONS.....	10
FIGURE 7.	COST OF GENERIC NEW ENTRY FOR NWPP, 2015 ASSUMPTIONS	10
FIGURE 8.	COST OF GENERIC NEW ENTRY FOR BASIN, 2015 ASSUMPTIONS	11
FIGURE 9.	COST OF GENERIC NEW ENTRY FOR RMPP, 2015 ASSUMPTIONS	11
FIGURE 10.	AVERAGE MONTHLY HYDROELECTRIC ENERGY BUDGET FOR ALL EXISTING WECC (EXCLUDING CALIFORNIA) HYDROELECTRIC PLANTS (GWH/MONTH)	12
FIGURE 11.	RPS REQUIREMENTS IN WECC.....	13
FIGURE 12.	MODELED NET IMPORT AND EXPORT TARGETS FOR WECC (GWH PER YEAR).....	13
FIGURE 13.	MODELED NEW ENTRY BY FUEL TYPE BETWEEN 2011 AND 2020, IN MW.....	14
FIGURE 14.	MODELED RETIREMENT BY FUEL TYPE BETWEEN 2011 AND 2020, IN MW	14
FIGURE 15.	REGION-WIDE DEMAND-SUPPLY BALANCE FOR WECC (EXCLUDING CAISO)	15
FIGURE 16.	MODELED INTERNAL RESERVE MARGINS (BY ZONE)	15
FIGURE 17.	REGION WIDE SUPPLY CURVE FOR WECC (EXCLUDING CAISO) (2015)	16
FIGURE 18.	FORECAST ANNUAL AVERAGE ENERGY MARKET PRICES, 2011 THROUGH 2020 (NOMINAL \$/MWH)..	17
FIGURE 19.	FORECAST MARKET HEAT RATES 2011 THROUGH 2020.....	18
FIGURE 20.	POOLMOD'S TWO-STAGE PROCESS.....	20