



Monthly Energy Update

EPA Floats Sharply Increased Social Cost of Carbon

Page 5

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WECC: A Reprieve, then Worsening Resource Adequacy Landscape..... 1

FERC Approves Historic Removal of the Klamath Dams.....Error! Bookmark not defined.

CAISO Report: Day-Ahead Market Could Save \$1.2 Billion AnnuallyError! Bookmark not defined.

Western States Consider Regional Grid as Renewables Grow....Error! Bookmark not defined.

EPA Floats Sharply Increased Social Cost of CarbonError! Bookmark not defined.

DOE Opens \$13 billion Funding Opportunity for Transmission ExpansionError! Bookmark not defined.

Democrats Promote Reforms on Transmission Siting and PermittingError! Bookmark not defined.

White House Calls on Utilities to Voluntarily Share Outage Data...Error! Bookmark not defined.

With Congress Divided, Climate Activists Set to Pressure BidenError! Bookmark not defined.

Western Power PricesError! Bookmark not defined.

WECC: A Reprieve, then Worsening Resource Adequacy Landscape

The Western Interconnection's near-term risk of a capacity shortfall appears to be decreasing in the next few years, but the planning reserve margin is increasing.

That upward trend is a result of the grid's growing reliance on intermittent resources, a trend projected to increase, according to the Western Electricity Coordinating Council's (WECC) 2022 resource adequacy assessment.

The annual assessment looks ahead 10 years at resource adequacy across WECC and in the interconnection's five subregions—California and the Desert Southwest plus the Northwest Power Pool (now Western Power Pool) split into three areas: Northeast, Northwest and Central.

The assessment uses both energy- and capacity-based approaches to evaluate Resource Adequacy (RA) through a demand-at-risk indicator (DRI) and planning reserve margin indicator (PRMI). The DRI quantifies how many hours are at risk of demand surpassing generation. PRMI measures the reserve margins entities should have to handle the grid's variability and maintain RA.

Compared to last year's assessment, the DRI decreased through 2025, "suggesting that the risk for load loss decreased," the report states. "However, the PRMI has increased, indicating that there is greater variability in the system, which needs to be accounted for to maintain reliability."

The DRI decrease results from reduced load forecasts in the Pacific Northwest and northern Rocky Mountains, as well as efforts to increase RA since the August 2020 heat wave. Those efforts include adding almost 3,000 MW of new resources—mostly battery storage—in the next