

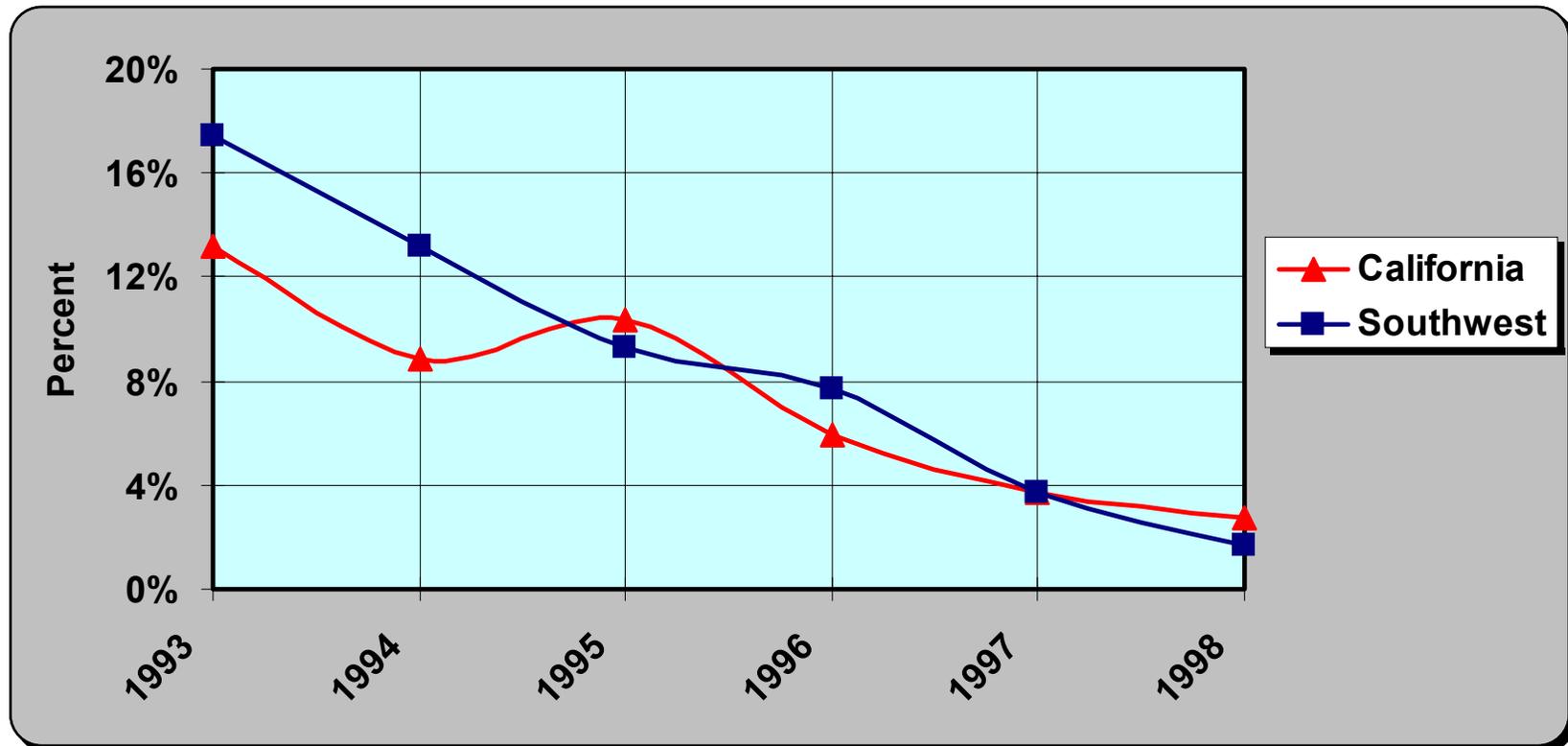
*SVMG Energy Summit IV:  
Competitive Energy Solutions for California*

# California Electricity Supply/Demand Outlook



William J. Keese  
California Energy Commission  
May 27, 2004

# Resource Adequacy Is Not a New Concept...



...and will be a major driver for future energy policy development.



# The "Island" of California

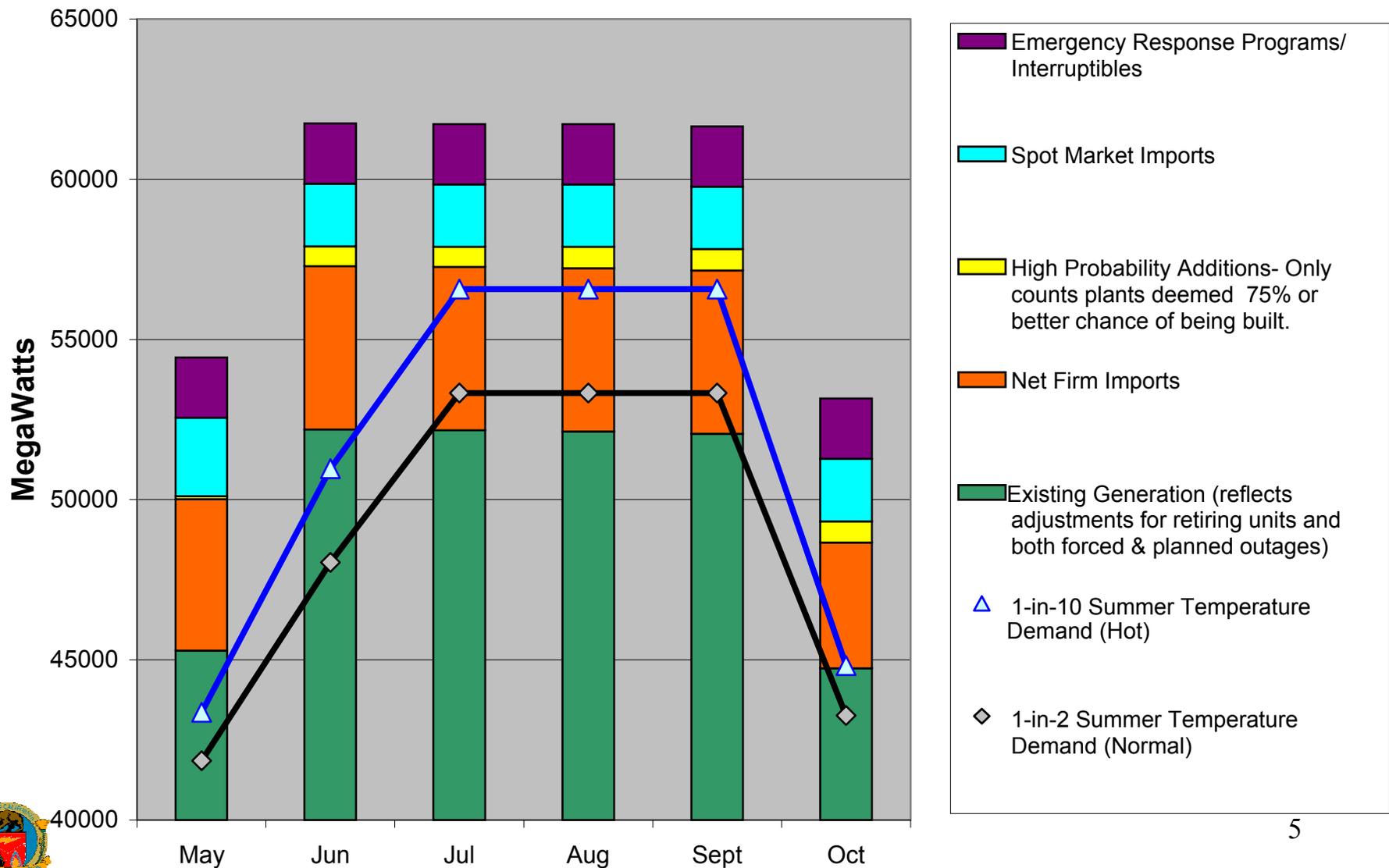


# The “Island” of California

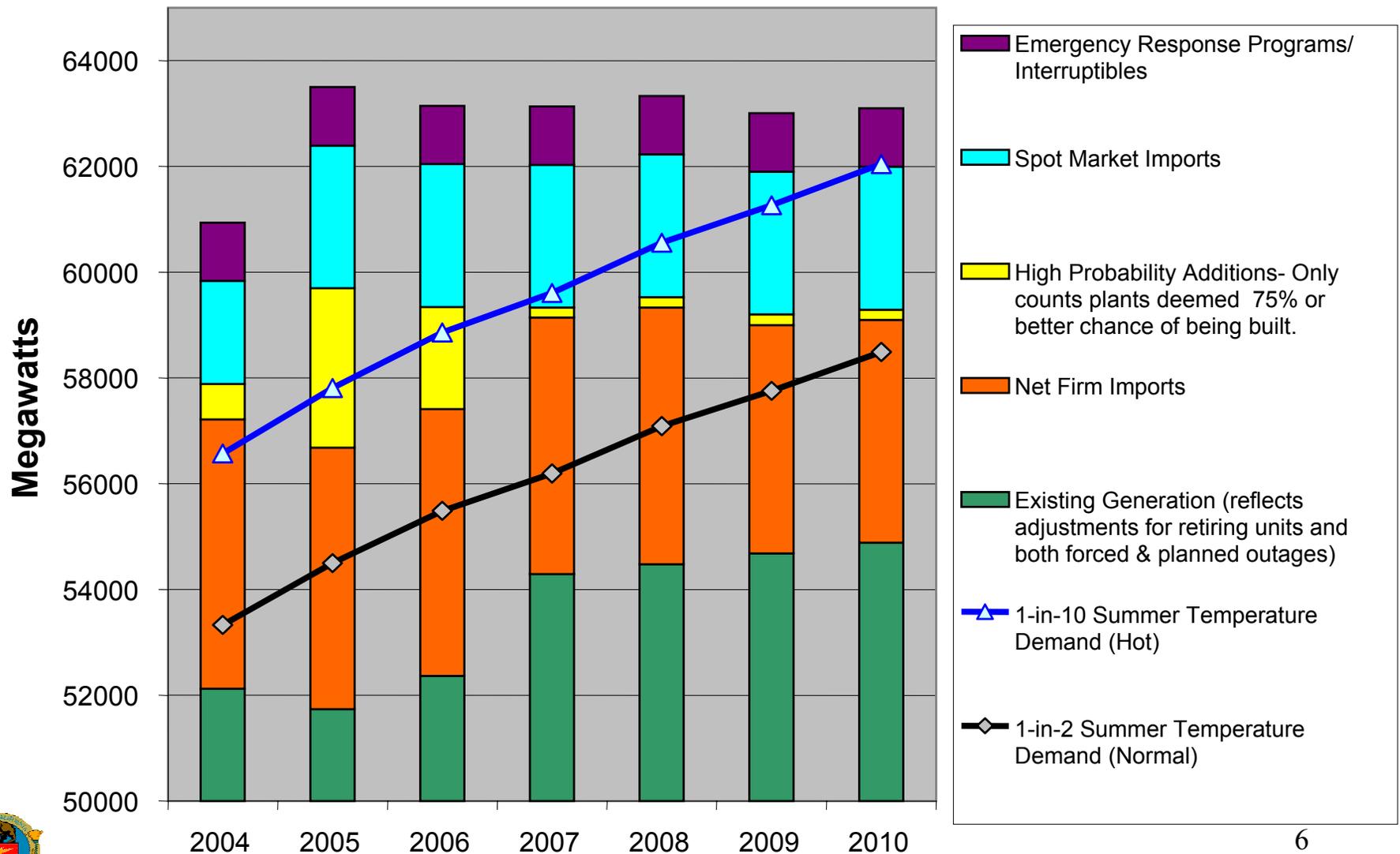
The island of California no longer exists in the energy world!



# California Electricity Supply/Demand Assessment Summer 2004

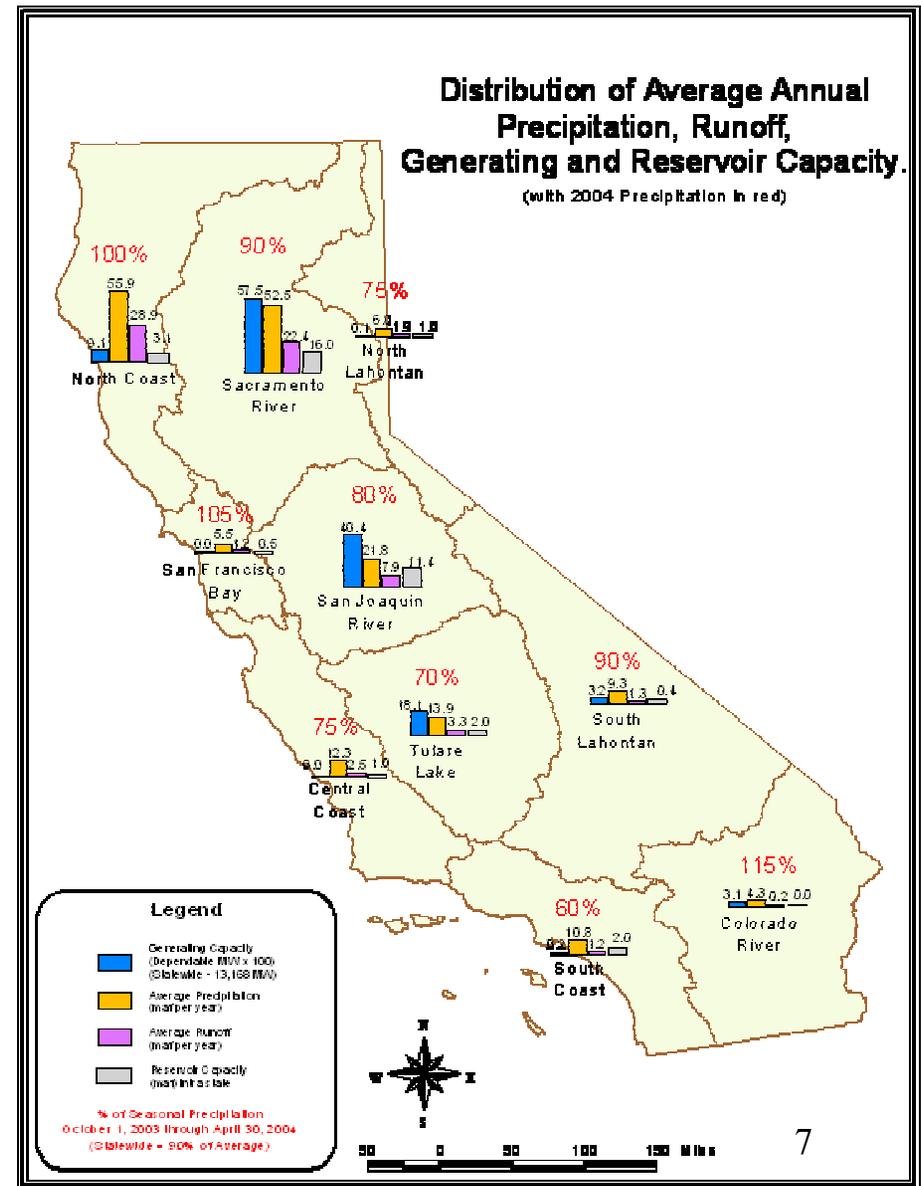


# California Electricity Supply/Demand Assessment 2004 - 2010



# The Hydroelectric Outlook is Adequate for This Year

- California reservoir levels are presently at 85% of normal, 75% in the Pacific Northwest.
  - State and Federal dam managers began the year with excess water in the state's reservoirs.
  - Much of the early snowpack runoff was retained in the reservoir system..
  - Water levels will be managed accordingly to meet summer peak demand.



# Wind Energy Potential Will Drive Development of Renewable Resources in California....



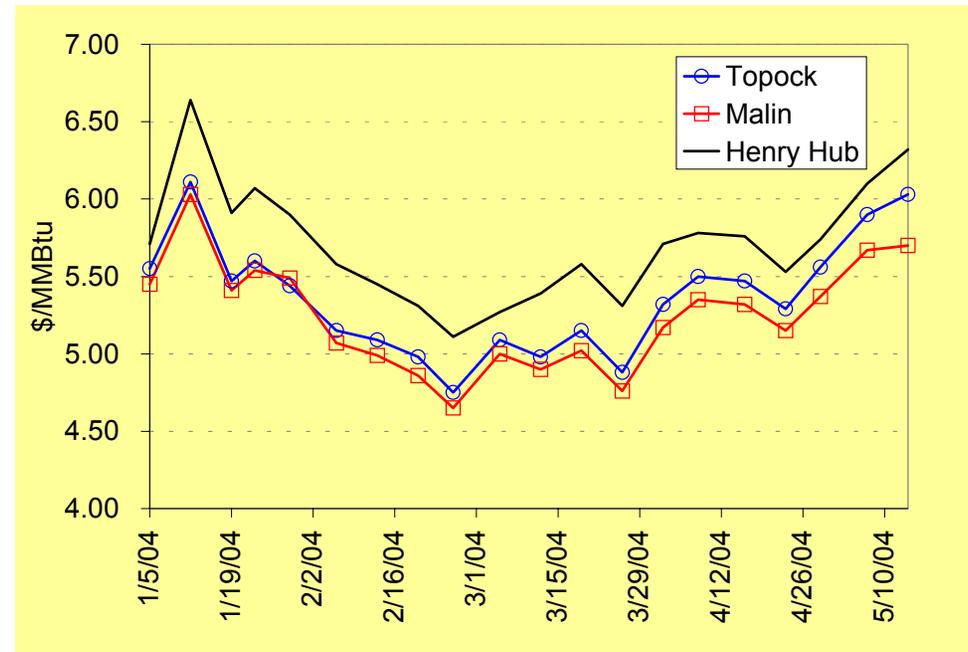
- Approximately 2,000 MW of wind capacity currently operating in California.
- 4500 MW technical potential in the Tehachapi region.
- Problem: Which comes first: transmission lines or generation?



# Natural Gas Price Situation

(Dollars per MMBtu)

- High natural gas prices continue to be a national problem.
- California natural gas prices have exceeded \$5.00 per MMBtu for most of this year.
- California is actually doing better than the rest of the nation.
  - Main reason: infrastructure enhancements and efficient use of storage.



# Natural Gas Storage Capacity and Inventories (Billion Cubic Feet)

