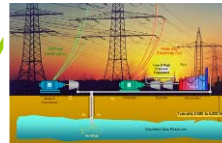




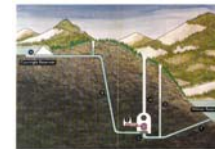
Building A 21st Century Electric System



Environmentally Sustainable



Reliable



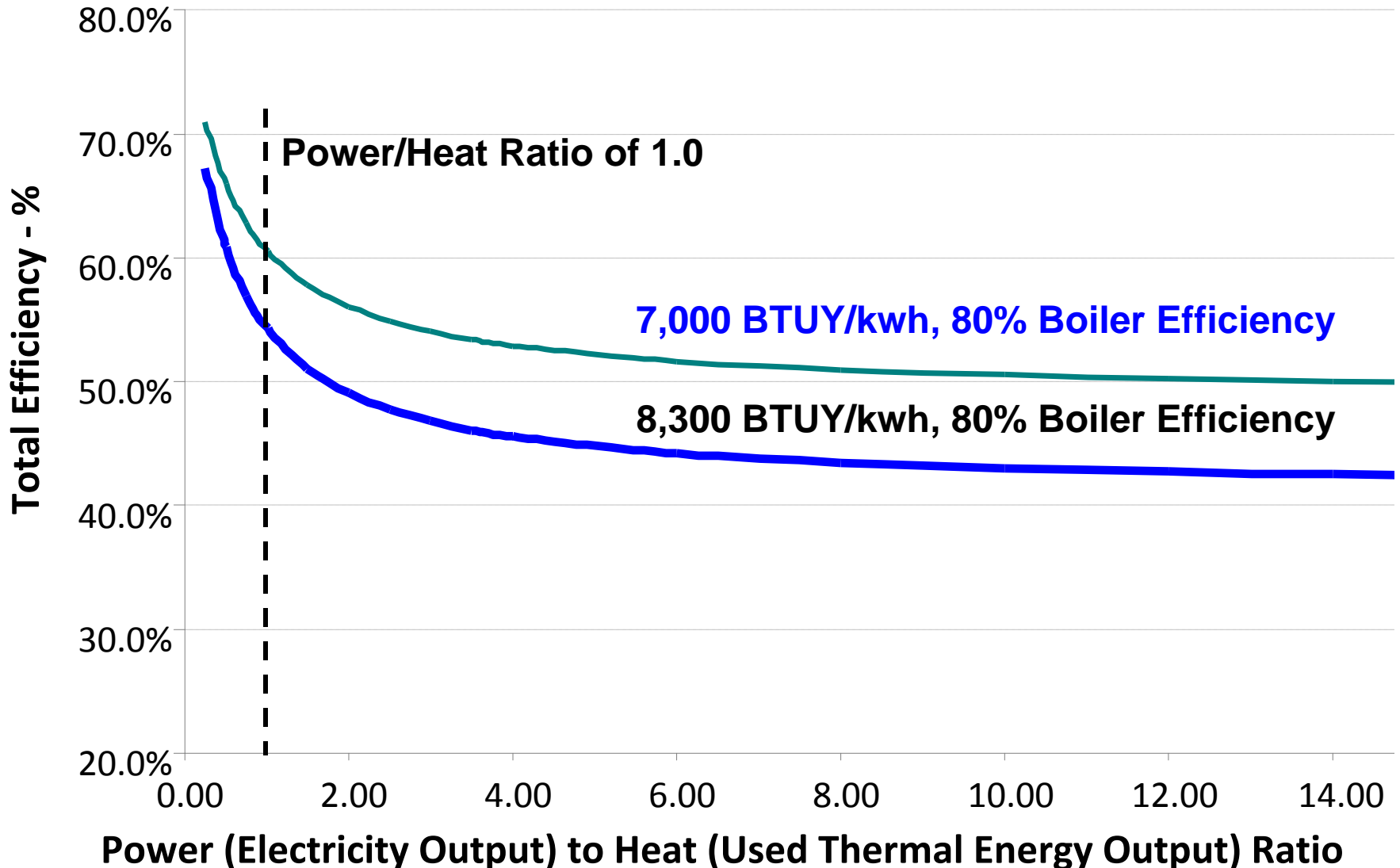
Reasonable Cost

Environmentally Sustainable

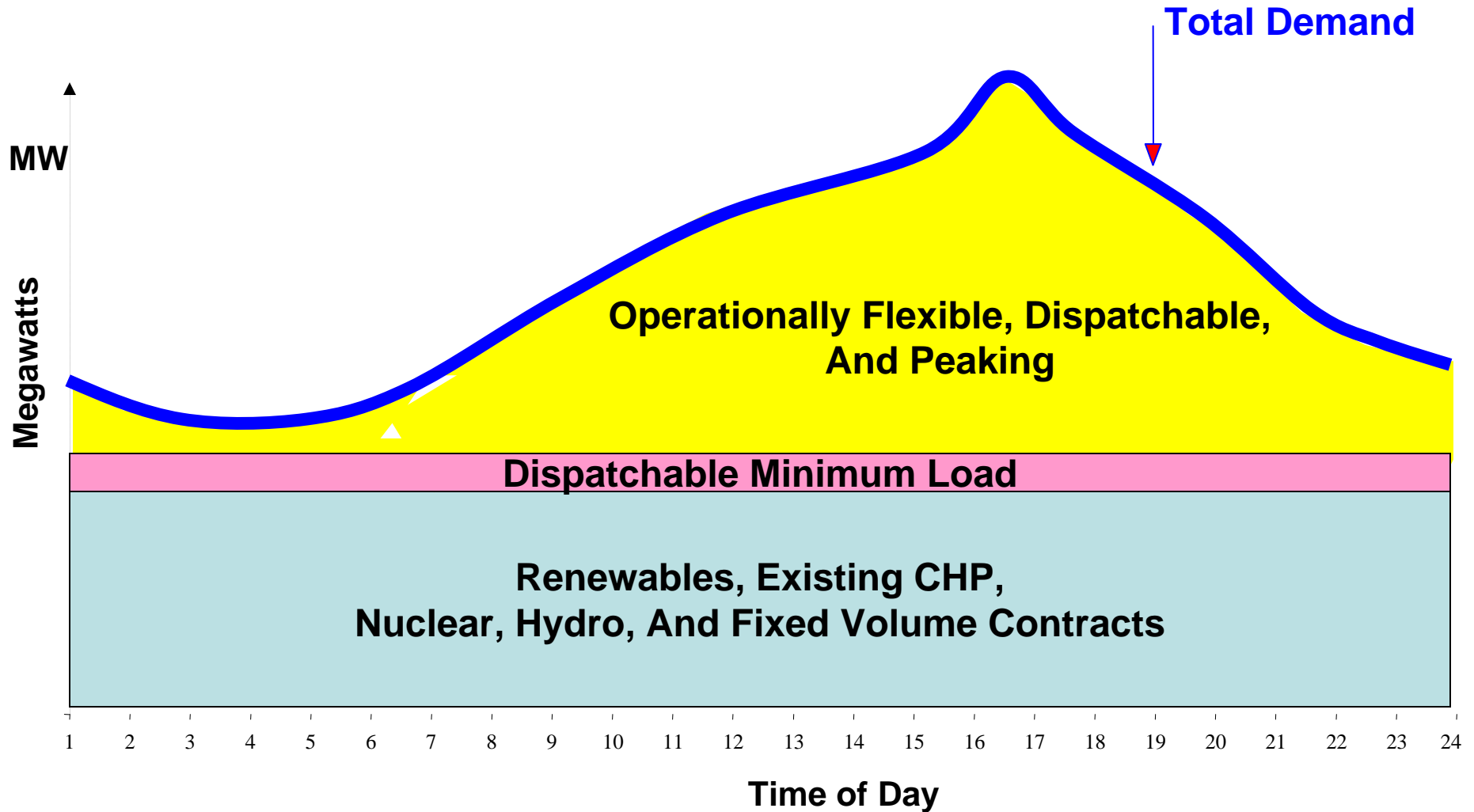
- Energy Action Plan Loading Order
- Renewables
 - Building portfolio to 33%
 - On peak and shaped deliveries
 - Integration considerations
- Combined Heat and Power
 - Convert solid fuel CHP to biomass or other cleaner fuels
 - Transition less efficient existing CHP to dispatchable, or repower, or retire
 - Promote new, efficient CHP with effective power/heat ratio
- Operationally flexible and dispatchable integration resources
 - Advance storage technologies like compressed air
 - Transition off less efficient once-through cooling units
 - Add new, fast ramp efficient units

Environmentally Sustainable

To deliver GHG emission reductions CHP needs to be more efficient than producing heat and power separately (SHP)



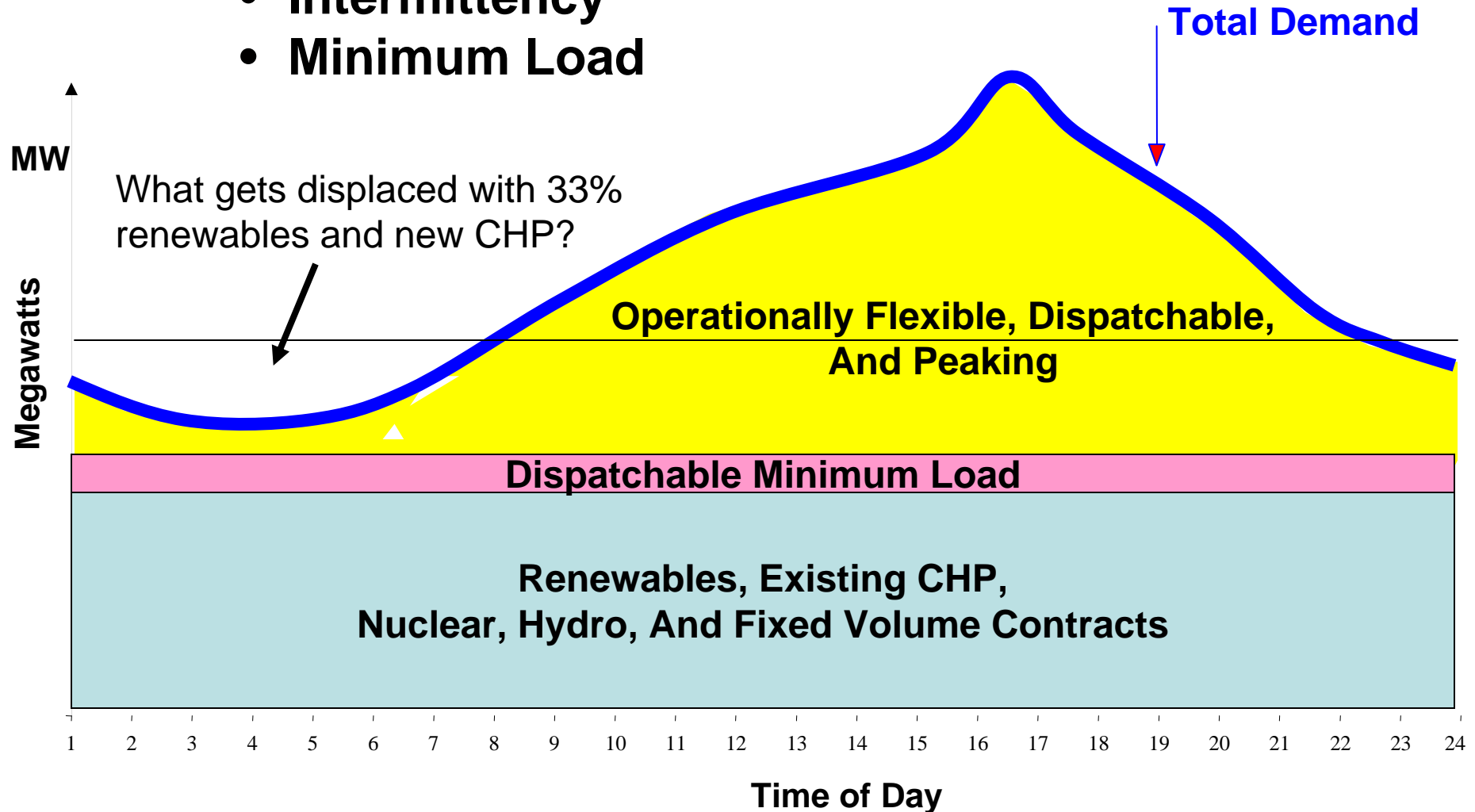
Reliable



Reliable

Operational Challenges:

- Intermittency
- Minimum Load



Reasonable Cost

- Don't pay twice
 - off-peak power
 - resource adequacy
- Encourage robust, sellers market
- Emphasis on project viability
- Integrated portfolio planning and procurement