

Electricity Market Price Forecasts



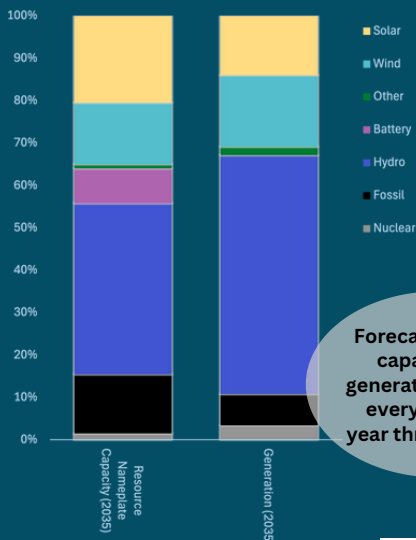
Snapshot on Pacific NW

Key Trends

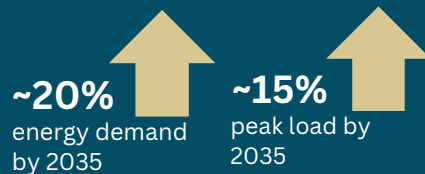
- + Load growth in the PNW is expected to come primarily from electric vehicles and new data centers. Together, these two segments make up more than 75% of incremental new load by 2050. We estimate that data centers will make up 8% of total load in the region by 2050.
- + Though the PNW's existing portfolio is very clean in aggregate, new solar and wind capacity is needed to meet state policy targets—in particular, OR's renewable energy targets drive near term renewable need. WA's generation portfolio exceeds the state's clean energy targets initially, but decarbonization targets in WA become binding and require additional renewables in the longer term.
- + The PNW system relies heavily on its existing hydro resources as a source of clean firm capacity. Changing weather patterns and uncertainties around continued hydro reliability drive a need for additional firm generation resources over the forecast horizon.

Resource Mix in 2035

The PNW is very clean today and continues to procure more renewables over time. Due to geographical and transmission constraints for new onshore wind projects, solar is also an important resource, despite lower capacity factors relative to the Southwest or CA. Short duration battery storage (<8 hours) is added only in small quantities given its limited incremental capacity value in the storage-rich hydroelectric system.



Forecasts include capacity and generation data for every zone and year through 2050.



Hourly Day-Ahead Energy Prices

Oregon's RPS and Washington's CES are major drivers of solar and wind builds in the region, putting downward pressure on prices that is counterbalanced by the load growth and escalating fuel and carbon prices. Overall, annual energy prices are expected to climb upwards going forward, though the balance between growth in new renewable generation relative to load determines the steepness of the trajectory.

