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Energy
Policy
Division
-
Weekly
Energy
Status
Report

Inside this issue:

<i>Electricity, Petroleum and Natural Gas Prices</i>	2
<i>Northwest Power Pool Status</i>	3
<i>California Electricity</i>	3
<i>River & Snow Pack</i>	3
<i>Power Exchanged</i>	3
<i>Energy Information Administration feature</i>	4
<i>Energy Headlines</i>	5-7

The Go-one is a “human powered vehicle”, an enclosed tricycle with headlight, back light, turn signals and has an option for an electric assist motor.



Weekly Energy Price Summary

Since the last energy report two weeks ago crude oil has traded in the \$87-91 per barrel, closing today at just over \$91. Concerns about a recession, and relatively good inventory news has generally kept the price of oil down for the last several weeks — though a year ago such prices wouldn't have been considered depressed. Strong demand forecasts, and the specter of inflation have kept the price from slipping too far.

This week's EIA fuel report revealed that inventories for crude, and diesel decreased only slightly, while the gasoline inventory rose. Gasoline inventories are out of the danger zone, having moved back into the EIA's 5-year average range.

With improving inventories, wholesale and retail prices for gasoline, diesel and jet fuel have been slowly trending down. Don't expect the declines to continue much past mid-January. This is when prices are usually at their lowest for the year (refinery maintenance and increasing demand cause prices to rise in the spring)

Diesel and gasoline refinery production was up slightly (1%) last week, while diesel was down a similar amount. Refinery utilization capacity utilization decreased slightly by 0.5% to 88.7% Imports of gasoline and diesel were down

form the last report. NYMEX gasoline and heating oil futures have climbed a bit to \$2.33 and \$2.61 per gal—retail prices are still heading down.

The ethanol market continued to be strong with spot price up to \$2.05 per gallon (equivalent to a wholesale gasoline price of \$2.97/gal). Ethanol, with a 51 cent subsidy, is still an attractive substitute for fuel blenders. Corn futures (ethanol's feed stock) having been rising for several weeks; now \$4.20 per bushel. Soybean price (biodiesel feed-stock) is also under pressure and now stands at \$11.6 per bushel. A recent report disputes the concept that biofuels are increasing commodity and food prices:

http://www.informaecon.com/Renew_Fuels_Study_Dec_2007.pdf

US gasoline prices declined slightly from two weeks ago (last newsletter), as crude and wholesale prices declined. As of Monday the average US retail gasoline price was down 10 cent to \$3.00 per gallon, diesel was down 11 cent to \$3.33 for the week. The average Washington State gasoline price moved down 8 cents to \$3.17 per gallon. Washington now ranks sixth in the nation in average gasoline retail prices. Diesel price was down 13 cent for the week to \$3.60 per gallon; Washington ranks tenth in average die-

sel price. While WA prices have declined, they are up in several eastern states. Diesel and gasoline prices are about 70 cents higher than at this time last year.

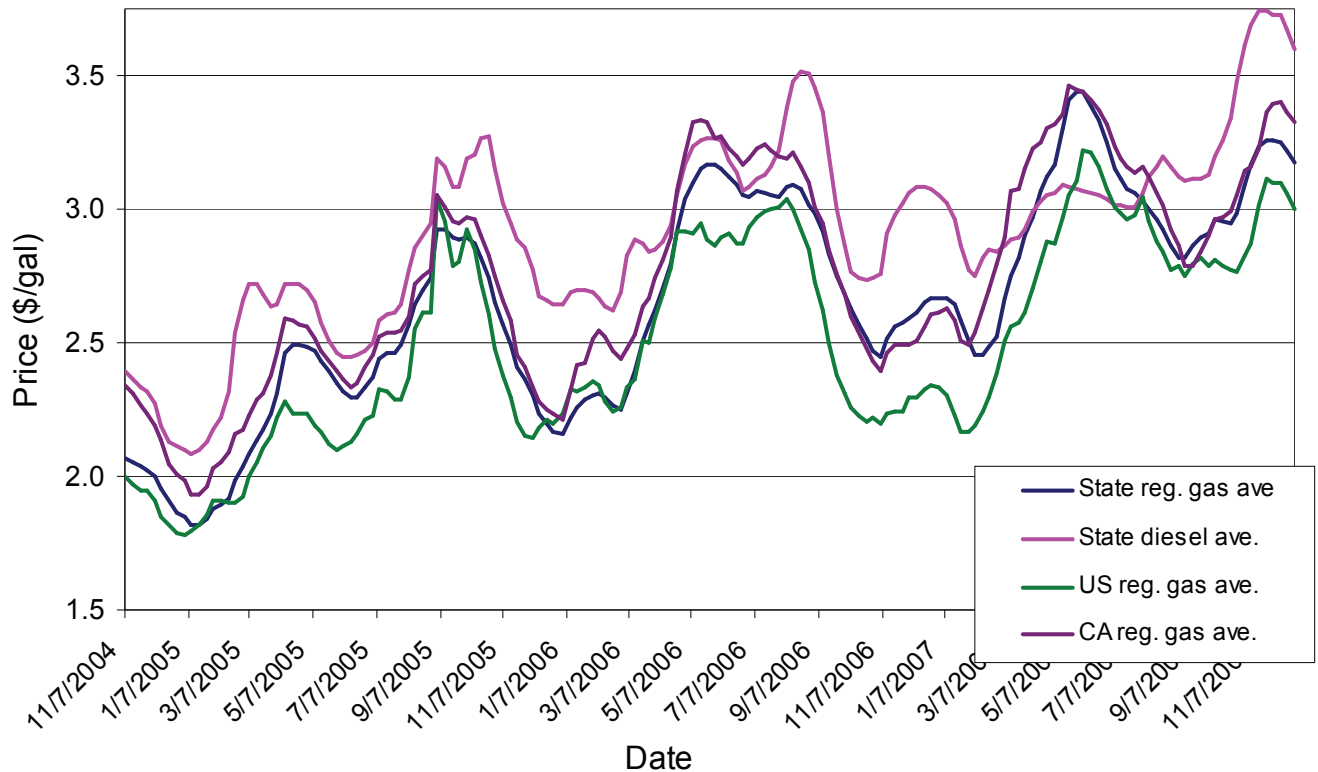
The Sumas natural gas spot price was at \$ 7.69 per MMBtu as cold weather returned to the region. Natural gas future price (Jan) on the NYMEX was down to \$7.02 MMBtu despite this weeks large inventory draw. Storage inventories decreased by 146 Bcf to 3,294 Bcf, about 8% above the 5-year average. Cold weather and winter storms blanketing much of the eastern part of the country should result in a large gas storage draw this week, perhaps putting pressure on spot prices.

The average electricity spot market price at the Mid Columbia trading hub was up last week, to \$70.7 per Mwh last week, rising much like the spot natural gas price as colder weather took hold.

The EIA released the early version of its Annual Energy Outlook 2008, which forecasts energy use and prices through 2030. The forecast is for higher energy prices, and lower consumption relative to the 2007 report:

<http://www.eia.doe.gov/oiaf/aeo/index.html>

WA State Gasoline and Diesel Prices: Nov. 04 - Dec. 07



Source: EIA , AAA

Electricity, Petroleum & Natural Gas Prices

- Weekly Range at Mid-C: \$63-78 per MWh, Ave. = \$70.7 (Year ago \$40.3)
- Approximate change from previous week \$ 1.7 per MWh
- Pre-2000 typical price range \$20-\$40 per MWh
- Petroleum, West Texas Intermediate: \$91.27 per barrel (year ago: \$60.99)
- Seattle gasoline price (12/12) \$3.17 per gallon (year ago \$2.58)
- Gasoline futures (NYMEX next month) \$2.34 per gallon
- State Diesel price (12/12) \$3.60 per gallon (year ago \$3.02)
- Heating oil futures (NYMEX next month) \$2.61 per gallon
- Natural gas (cash), Sumas Hub: \$7.69 per million BTU (year ago \$7.17)
- Natural gas futures (NYMEX next month) \$7.30 per million BTU
- Approximate change from last week. Oil: = -7.50 \$ per barrel; Nat. gas: +0.27 \$ per MMBtu
- Ethanol (CBT next month contract) \$2.08 per gallon
- E85 (national average) \$3.10 per gallon gasoline equivalent

California Electricity Situation

CA ISO and NWPP Alerts

- Transmission emergencies, So Calif. Oct. 22-24, due to fires
- August 28 2007, Stage 1 alert declared by CA ISO. Possible Stage 1 or 2 alert forecast for weekend.
- Nov. 29, 2006 NWPP peak load reaches record level—reserves adequate.
- Nov. 27, 2006 NWPP concerns that contingency reserve levels could not be met.

River & Snow Pack Information

- Observed Nov. stream flow at The Dalles: 81.4% of average,
- Observed Nov. precipitation above The Dalles: 82% of average,
- Forecast Jan.-July 2008 runoff at The Dalles: NA
- Federal hydropower generation in Nov. 6,433 aMW, 1995-2002 average: 7,431 aMW.
- Reservoir content (Libby, Hungry Horse, Grand Coulee, Dworshak): Oct., 73.7% , 5-year avg. 76.9%.

Northwest Power Pool

(WA, OR, ID, MT, WY, UT, No. NV, BC, AB)

Power Pool peak load (Dec. 13): 56,974 MW

Reserve margins were within comfortable ranges for Northwest Power Pool utilities.

Power Exchanged:

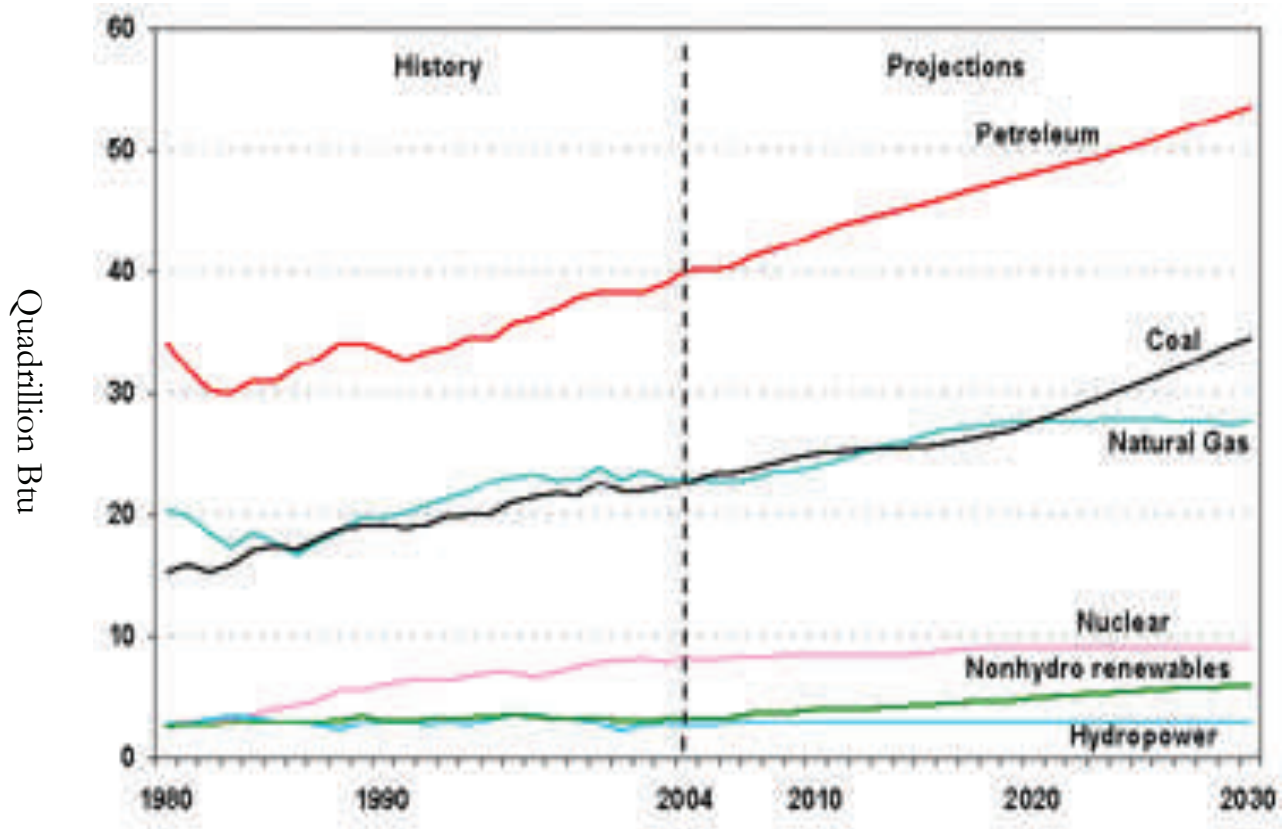
(Updated: Dec 13)

Average flow of power during the last 30 days

- California (exported to) 899 MW
- Canada (import from) 360 MW
- Net power export: 539 MW

- The WalkStation is a healthier option for the desk-bound. It is a height-adjustable workstation with an integrated treadmill. Many companies with little space are getting the small version and share the unit throughout the day. Steelcase furniture is distributing it and it is available in 6 styles, the largest having the treadmill to one side of a larger desktop.





US fuel consumption 1980-2030: EIA historical and forecast (AEO 2007)

Biofuels Data

http://www1.eere.energy.gov/biomass/biofuels_data.html

Biofuels Data Table

E85 Retail Price/Gallon	\$2.42 Dec 3	See OPISnet.com for more
Gasoline Retail Price/Gallon	\$3.06 Dec 3	See EIS for more
Biodiesel Rack Price/Gallon	\$3.72 Dec 3	See OPISnet.com for more
Diesel Rack Price/Gallon	\$2.87 Dec 3	See OPISnet.com for more
E85 Station Count	1,293 Dec 3	See AFDC for more
E85 Stations Opened	8 since Nov 26	See OPISnet.com for more
New Ethanol Production Facilities	0 since Sept 17	See OPISnet.com for more
U.S. Ethanol Production Capacity	7,229 million gallons Dec 3	See OPISnet.com for more

Energy headlines:

International

Bitter divisions at Climate talks. New York Times, Dec. 13.

http://www.nytimes.com/2007/12/14/world/14climate.html?_r=1&hp&oref=slogin

OPEC finds price range to live with. New York Times, Dec. 6.

<http://www.nytimes.com/2007/12/06/business/worldbusiness/06opec.html>

Climate skeptics say debate stifled. New York Times, Dec. 13.

<http://www.nytimes.com/aponline/world/AP-Climate-Naysayers.html>

Focus of climate talks shifts to helping poor nations. New York Times, Dec. 13.

<http://www.nytimes.com/2007/12/13/world/13climate.html>

Al Gore lays blame for Bali stalemate on US. New York Times, Dec. 13.

<http://www.nytimes.com/reuters/washington/politics-bali-gore.html>

Saudi's industrial drive strains its role as oil exporter. Wall Street Journal, Dec. 13.

<http://online.wsj.com/article/SB119748694155224239-email.html>

Scientists urge deep cuts in globe warming gases. Wall Street Journal, Dec. 12.

<http://online.wsj.com/article/SB119693032136515664-email.html>

Proposed refinery would be first in 23 years. Oil & Gas Journal, Dec.

http://www.ogj.com/display_article/314019/7/ONART/none/Prong/1/Proposed-Canadian-refinery-would-be-first-in-23-years/

Bali climate talks near compromise. Wall Street Journal, Dec. 14.

<http://online.wsj.com/article/SB119753563881626295-email.html>

Green exchange prepares to trade emissions. Wall Street Journal, Dec. 13.

<http://online.wsj.com/article/SB119748879169624303-email.html>

National

Federal judge upholds law on emissions in CA. New York Times, Dec. 13.

<http://www.nytimes.com/2007/12/13/washington/13emissions.html>

Broad energy bill stalls in Senate. New York Times, Dec. 13.

<http://www.nytimes.com/2007/12/13/washington/13cnd-energy.html?hp>

GM's fuel-test: 100 cars, no charge. New York Times, Dec. 9.

<http://www.nytimes.com/2007/12/09/automobiles/09equinox.html>

That giant sucking sound may be your TV. Wall Street Journal, Dec. 13.

<http://online.wsj.com/article/SB119751487989925779-email.html>

Shell will research algae as biofuel. Wall Street Journal, Dec. 12.

<http://online.wsj.com/article/SB119741500577521985-email.html>

Exxon plans LNG terminal off east coast. Wall Street Journal, Dec. 12.

<http://online.wsj.com/article/SB119740660934521627-email.html>

US, China won't set emission targets. Wall Street Journal, Dec. 10.

<http://online.wsj.com/article/SB119714081626018368-email.html>

Industry Flexes Muscle, Weaker Energy Bill Passes. New York Times, Dec. 14.

<http://www.nytimes.com/2007/12/14/washington/14energy.html?ex=1355288400&en=c9b83f8710a73a9b&ei=5088&partner=rssnyt&emc=rss>

Bloomberg: Carbon Tax Better Than Trades. Houston Chronicle, Dec. 13.

<http://www.chron.com/disp/story.mpl/ap/fn/5376441.html>

Gas prices spur consumer inflation. New York Times, Dec. 14.

http://www.nytimes.com/aponline/business/AP-Economy.html?_r=1&coref=slogin

Geochemists chart CO2 levels at 650,000-year high. Wall Street Journal, Dec. 14.

<http://online.wsj.com/article/SB119749713077524669-email.html>

Regional

Idaho has abundant power? Think again. The Idaho Statesman. Dec. 12

<http://www.idahostatesman.com/newsupdates/story/237066.html>

Environmental coalition outlines agenda for 2008. The Olympian, Dec. 12.

<http://www.theolympian.com/southsound/story/298447.html>

Carbon offsets: Landowners' and farmers' wave of the future? Trading Markets.

<http://www.tradingmarkets.com/.site/news/Stock%20News/908154/>

Seattle No. 8 on 'greenest city' list. Puget Sound Business Journal, Dec. 12. http://www.bizjournals.com/seattle/stories/2007/12/10/daily21.html?ana=from_rss

Thermal politics heat up. Seattle Times, Dec. 14.

http://seattletimes.nwsourc.com/html/opinion/2004069767_lance14.html?syndication=rss

Wind power bills rising. It costs more to be green. Rocky Mountain News, Dec. 13.

<http://www.rockymountainnews.com/news/2007/dec/13/wind-power-bills-rising/>



If you only have time to read a couple of articles—read these. ▼

Crude oil production may soon plateau. Wall Street Journal, Nov. 19.

<http://online.wsj.com/article/SB119543360596897443-email.html>

UN panel issues warning on climate. Wall Street Journal, Nov. 21.

<http://online.wsj.com/article/SB119527692839496890-email.html>

Ethanol craze cools as doubts grow. Wall Street Journal, Nov. 28.

<http://online.wsj.com/article/SB119621238761706021-email.html>

Recent Reports on Energy and Climate Change

Factor of Two: Halving the US Automobile Consumption by 2035. MIT, Oct. 2007.

<http://online.wsj.com/public/resources/documents/eyes-1119-2007.pdf>

How the palm oil industry is cooking the climate: Greenpeace, Nov. 8.

<http://www.greenpeace.org.uk/media/reports/cooking-the-climate>

Renewable energy and energy efficiency: Economic drivers of the 21 century. American Solar Energy Society, Nov, 2007.

<http://www.ases.org/ASES-JobsReport-Final.pdf>

Crude oil, the supply outlook. Energy Watch Group, Oct 2007.

http://www.energywatchgroup.org/fileadmin/global/pdf/EWG_Oilreport_10-2007.pdf

The US Economic Impacts of Climate Change, and the Costs of Inaction. University of Maryland, Oct. 2007.

<http://www.cier.umd.edu/climateadaptation/>

Puget Sound Trends: Vehicle miles traveled. August 2007.

<http://www.psrc.org/publications/pubs/trends/t2aug07.pdf>

OECD report on biofuels: Is the cure worse than the disease? Sept 12.

<http://media.ft.com/cms/fb8b5078-5fdb-11dc-b0fe-0000779fd2ac.pdf>

2007 Gas Price Study: Phase 1 Fact-finding, WA State Attorney General's Office, Aug. 16

http://www.atg.wa.gov/uploadedFiles/Another/Safeguarding_Consumers/Antitrust/Unfair_Trade_Practices/Gas_Prices/2007%20Gas%20Price%20Study%20-%20phase%20I.pdf

Energy and Economic impacts of S. 280, the Climate Stewardship Act of 2007. EIA, August 6 2007

<http://www.nytimes.com/reuters/washington/politics-usa-climate-legislation.html>

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Washington Climate change Challenge. Dept of Ecology & Community Trade and Economic Development

http://www.ecy.wa.gov/climatechange/cat_overview.htm

Mitigation of Climate Change, May 4, Working Group III, Intergovernmental Panel on Climate Change, United Nations. <http://www.ipcc.ch/SPM040507.pdf>

Climate Change 2007: Climate Change Impacts, Adaptation and Vulnerability. Apr. 6, Working Group II, Intergovernmental Panel on Climate Change, United Nations. <http://www.ipcc.ch/SPM6avr07.pdf>



Rare EV1 Electrifies Crowd at Renewable L.A. Eco-Fest

An EV1, one of the handful not notoriously crushed in 2005 by the all-electric car's maker, GM, made a surprise appearance at the Van Nuys Renewable L.A. eco-fest. GM donated the 1997 model to Western Washington University, whose engineers have been working to restore it for the past five years.

Read more at <http://blogs.edmunds.com/GreenCarAdvisor/126>

For German Homeowners, Renewable Energy is No Longer a Choice

All new homes built in Germany from January 1st 2009 will be required to install renewable energy heating systems under a new law called the Renewable Energies Heating Law (Erneubare-Energien-Warmegesetz). Existing houses will also have to be remodeled to incorporate renewable-energy-based heating systems from 2010 on. For old houses, 10% of the heating and domestic hot water energy needs will have to be provided by renewables. <http://www.renewableenergyaccess.com/rea/news/story?id=50746>

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<http://www.cted.wa.gov/DesktopModules/CTEDPublications/CTEDPublicationsView.aspx?tabID=0&ItemID=5008&MIID=863&wversion=Staging>

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