

WORKING GROUP PRESENTATION FOR DISCUSSION PURPOSES
DO NOT QUOTE OR CITE AS RESULTS ARE SUBJECT TO CHANGE

August 8, 2014

MEMORANDUM FOR: John Conti
Assistant Administrator for Energy Analysis

Jim Diefenderfer
Office Director
Office of Electricity, Coal, Nuclear, and Renewables
Analysis

Paul Holtberg
Team Leader
Analysis Integration Team

FROM: Electricity Analysis Team

SUBJECT: Summary of First AEO 2015 Electricity Working Group
Meeting held on July 31, 2014

ATTENDEES: Krall, Eric
Diefenderfer, Jim
†Aniti, Lori
Bowman, Michelle
Hodge, Tyler
Mellish, Mike
Slater-Thompson, Nancy
Marcy, Cara
Lowenthal-Savy, Danielle
Bredehoeft, Gwen
Martin, Laura
Shoosmith, Jordan
Johnson, Slade
Schramm, Kate
Napolitano, Sam
Booth, Bill
*Colbert, Christopher (NuScale)
*Nethercutt, Elliot (North American Electric Reliability
Corporation)
*Satsangi, Ann (U.S. DOE: Office of Clean Coal and
Carbon Management)
*Van Brunt, Michael (Covanta)
*Bergman, Aaron (U.S. DOE Office of Energy Policy and
Systems Analysis)
*Boyd, Erin (U.S. DOE Office of Energy Policy and
Systems Analysis)
†*Young, Garry (Entergy)
†*Arguello, Ed (Colorado Springs Utilities)

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†*Crawford, Chase (Southern Company)
†*Pickenpugh, Gavin (National Energy Technology
Laboratory)
†*Gueln, Gurcan (University of Texas)
†*Sandvik, Richard (NuScale)
†*Marshea, John (NuScale)
†*Wood, Frances (OnLocation)
†*Durbin, Kenneth (OnLocation)
†*Showalter, Sharon (OnLocation)
†*Suggs, Peggy (Edison Electric Institute)
†*Coleman, Leslie (National Manufacturers Association)
†*Neubauer, Max (American Council for an Energy
Efficient Economy)
†*Novak, Seth (American Council for an Energy Efficient
Economy)
†*Cooper, Adam (Edison Foundation)
†*Wright, Evelyn

* Non-EIA Attendees

† Webex Attendees

Presentation topics included a review of AEO2014 results, and the main regulatory assumptions that will be changed in the AEO2015. The presentation described changes to AEO cycle, noting that this year will be a light year with only limited model changes. AEO2016 will be a full AEO cycle. The presentation included a discussion of regulations, centered on AEO2015 updates to include the Cross State Air Pollution Rule (if the D.C. Circuit Court lifts the stay on the rule in time), and updated modeling of imports into California consistent with CA SB 1368. Staff commented that EPA's 111b and 111d proposed rules will not be included because they are not final rules, but are being watched closely.

Specific issues raised by participants included the following topics

Modeling Coal Plant Scrubber Systems

A participant asked if EIA models the usage of specific chemicals associated with scrubbers on coal plants. Staff responded that the model does not capture this level of detail.

Unplanned Nuclear Plant Retirements

A participant asked about the reasons for the removal of the generic unplanned nuclear retirements assumption used in AEO2014. Staff responded that assumptions are re-evaluated each year, and with no additional nuclear retirements announced recently, staff determined that the exogenous retirement assumption to represent market uncertainty should be relaxed.

Electricity Pricing

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A participant asked about a chart that illustrated a dip in retail electricity prices between 2020 and 2024 in the AEO2014 Reference case. Staff responded that in general the prices are correlated with natural gas prices, and followed up that in the specific period of interest there was a retail price dip of about 2 mills/kWh resulting from a slight dip in distribution prices as build-outs of smart meters and other distribution infrastructure upgrades trail off in the model.

Distributed Generation

A participant asked about upcoming report on utility scale distributed generation (small generators). Staff responded that the study will be similar to past reports on central station technologies and capital costs, but will focus on small generators.

Municipal Solid Waste Generation

A participant asked if EIA will develop a levelized cost report for municipal solid waste plants. Staff responded that there are no specific plans to do so, but that the electricity analysis team would be happy to talk further about information of interest to the participant.

Form EIA 860 Reporting

A participant asked when the Form EIA-860 preliminary release of 2013 data would take place. Staff responded that there is delayed reporting from previous years but there are monthly updates. The survey cycle is delayed because of the OMB approval process. The early release for the Form EIA-860 data is currently scheduled for 12/19/14.

CSPAR Modeling

A participant asked about restoring CSAPR for AEO2015, and whether it was likely the model would be frozen before the stay on CSAPR is lifted by the D.C. Circuit Court. Staff responded that the freeze date for the model is in early September, 2014.