
CEAB Workshop

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SCENARIO ANALYSIS INTRODUCTION

Donald Downes



Scenario Analysis

Understanding the Effects of Various Electric Strategies

- Policy makers across country are considering strategies to reduce electric prices through development of various resources for serving load, such as:
 - Renewables
 - Nuclear
 - IGCC
 - Conservation
- Scenario Analysis is like manufacturers field testing cars – extreme conditions bring flaws and strengths of tested vehicles or strategies into sharp focus

Scenario Analysis

Understanding the Effects of Various Electric Strategies

- **Just The Facts, Ma'am**
 - A very zen study of features of each strategy, not a study of whether strategies are “good” or “bad”
- **Punch Line**
 - Each strategy has advantages and disadvantages
 - Because some strategies are complementary and others antithetical, effect of implementing multiple strategies in aggregate can be greater or smaller than sum of effects of individual components
 - Strength of a regional market is its ability to draw on many resources
 - Wind and hydro potential is low in southern New England but high in northern New England, for example
- **Challenge**
 - To develop mix of strategies that produces best results