

Role of Hydropower to Meet Regional Needs

+ Hydropower resources provide unique system benefits to support system needs in the region

System Benefit	Hydropower Capabilities	Value Over Time
Capacity for Resource Adequacy	 Hydropower provides significant RA capacity through its maximum expected generation (CA) or sustained peaking capability (NW) 	 RA will be highly valuable across the planning horizon
Carbon Free Energy	 Hydropower's carbon-free energy comes at low-cost without any new transmission needs or development risk Hydro energy also provides the financial benefit of avoiding natural gas fuel costs 	Carbon-free energy will be increasingly valuable to both CA and the NW as clean energy policy targets become more stringent
Reserves and Flexibility	 Hydro provides a zero-emissions source of ancillary services (spin, regulation, etc.) and ramping capabilities to integrate variable renewable energy Flexibility may change as a function of time of year and water availability 	 Renewable integration value will be increasingly valuable, though batteries can provide some similar services
Other Essential Reliability Services (ERS)	 Hydro also provides key reliability services (reactive power, inertia, blackstart, etc.), including some that cannot currently be provided by asynchronous generators 	ERS will be increasingly valuable as other synchronous generators retire

Not calculated in RESOLVE but will be described qualitatively in project report

Energy+Environmental Economics

CONFIDENTIAL DRAFT

5