

TO: SSC Members
FROM: Roy Thilly and Kevin Gunn
Date: April 12, 2011
RE: Summary of remaining sensitivity options and needs

Below is a list summarizing the major sensitivity options/needs discussed on our call yesterday. There are a number of potential variations in approach. The list does not capture them all. It is provided to aid the sectors in their discussions.

The objective should be to get as much information as possible to aid the scenario planning exercise, and also to recognize and accommodate the conflicting views of different groups within the constraints we face.

We urge each sector to develop several packages of options that the sector could support (with reasons) and discuss those options with the other sectors to help build consensus. We also request that each sector forward to Catherine and the chair and vice chair their packages of options, so we can see where there is agreement or we are close, and where the fault lines, if any are.

As we discussed on the call, these issues will need to be resolved at least in substantial part on our late April/early May SSC conference call, with the caveat that a decision on a couple of sensitivities could be held until our May in-person meeting after review of additional results. However, we should resolve most of the issues on the call, so runs can be done before our May in-person meeting.

Sensitivities Summary from 4/11/11 Call:

1. We start with 3 available sensitivities.
2. High/Extra High Natural Gas Options:
 - a. Adjust current high natural gas price for existing sensitivities per MWG recommendation. (*Need for new sensitivities – 0*).
 - b. Add two new extra high gas sensitivities. Would need to designate price level and the two Futures. (*Need for new sensitivities – 2*).
3. Friction/Hurdles Rates Options:
 - a. Do five 50% friction rate sensitivities (on Futures 2, 3, 5, 6 & 8) and eliminate hurdle rate sensitivities. (*Net need for new sensitivities – 2*).
 - b. Do two 50% friction rate sensitivities (Futures 2 and 3) and two 50% hurdle rate sensitivities (Futures 5 and 6). (*Net need for new sensitivities – 1*).
 - c. Do five 50% friction rate (2, 3, 5, 6 & 8) and three 50% hurdle rate (2, 5 & 8) sensitivities. (*Need for new sensitivities – 5*.)
4. Low Natural Gas Price Options:
 - a. Retain the current low gas price sensitivity in Future 4, or move it to Future 8 or Future 2. (*Need for new sensitivities – 0*.)

- b. Add an additional low gas price sensitivity – same choice of Futures. *(Need for new sensitivities – 1.)*
- 5. Off-shore Wind Options:
 - a. Retain the current two sensitivities and consider adding Great Lakes wind. *(Need for new sensitivities – 0.)*
 - b. Eliminate one off-shore wind sensitivity from either Future 5 or Future 6. Would need to identify which would be eliminated. *(Net need for new sensitivities – minus 1.)*
- 6. Extra Low Wind or All Renewables Capital Costs Options:
 - a. One sensitivity in the BAU. Would need to decide if wind only or all renewables. *(Need for new sensitivities – 1)*
 - b. Two sensitivities (Futures 1 and 2). Would need to decide if wind only or all renewables. *(Need for new sensitivities – 2).*
- 7. Are there any existing sensitivities that can be eliminated because they are not likely to provide much useful information?