

# Natural Gas Generation



**PACIFICORP**

Pacific Power  
Rocky Mountain Power  
PacifiCorp Energy



*Chehalis Generation Facility*

**PacifiCorp's natural gas-fired power plants in Oregon and Washington play a considerable role in meeting our long-range plan to remain among the lowest-cost energy producers in the nation. Moreover, we own more than 2,232 megawatts of efficient natural gas generation across the West. Because this resource burns 40 to 50 percent cleaner than coal, it produces less carbon dioxide per megawatt-hour generated.**

In the Pacific Northwest, PacifiCorp benefits from electricity produced by two natural gas plants. We purchased the 520-MW Chehalis Generation Facility in 2008 from TNA Merchant Projects Inc., a subsidiary of SUEZ Energy North America Inc. It was built in western Washington in 2003 and all 15 of the people TNA employed there now work for PacifiCorp.

We also purchase the entire 474-MW output of the Hermiston Power Project in eastern Oregon. We entered into that power purchase agreement in 1993. The next year we exercised our option to purchase a 50 percent interest in the plant. Construction was completed in 1996 and the project is operated by Hermiston Generating Company, an affiliate of U.S. Generating Company.

Both plants generate electricity with efficient combined cycle combustion turbines.

Natural gas is used to heat water that creates the steam that turns the turbines. Then heat recovery boilers take the exhaust heat from the gas turbines and convert it to steam, which goes through conventional turbines to generate more electricity. So the technology creates an additional 20 percent efficiency compared to simple cycle combustion.

A significant benefit of combined cycle combustion turbines is their ability to go into operation quickly when customer needs increase sharply or other resources dip.

That allows us to balance our valuable – but more intermittent – renewable generation assets that we have incorporated into our resource portfolio, namely wind and solar.

We burn tens of billions of cubic feet of gas in our generation facilities each year. The price of natural gas, like most commodities, varies seasonally and at times can be volatile. A portfolio of purchase contracts helps us manage the risk of fuel price changes and matches fuel purchases to our plants' needs.

As we plan for the future, we expect natural gas will continue to play an important role in helping meet our customers' needs.

*PacifiCorp is one of the lowest-cost electricity producers in the United States, providing approximately 1.7 million customers in the West with reliable, efficient energy. PacifiCorp operates as Pacific Power in Oregon, Washington and California, and as Rocky Mountain Power in Utah, Wyoming and Idaho. PacifiCorp's electric generation, commercial and energy trading, and mining functions are operated as PacifiCorp Energy.*