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## Bonneville Power Administration announces agreement with Automated Power Exchange

Bonneville Power Administration  
U.S. Department of Energy

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FOR MORE INFORMATION CONTACT: Perry Gruber, BPA (503) 230-5359, or Robert C. Lewis, Vice President Automated Power Exchange (650) 949-1672.

Reach BPA's Media Relations staff at 503-230-5131 or online at [mediarelations@bpa.gov](mailto:mediarelations@bpa.gov).

**PORTLAND, Ore.** - The Bonneville Power Administration and Automated Power Exchange (APX) today announced the signing of an agreement which clears the way for BPA to trade in APX's California electricity markets. BPA only sells power outside the Northwest when it is surplus to Northwest needs.

Under the terms of the contract, BPA can use APX markets to trade hourly electric energy in California when California retail customers gain the ability to choose their electricity supplier on Jan. 1. This agreement also enables BPA to buy and sell environmentally preferred power and transmission rights within California.

Environmentally preferred power has little or no impact on air quality. BPA's power derives solely from hydropower and one nuclear project. If BPA's firm energy output were to be replaced by the cleanest, cutting edge thermal technology, it would have the environmental impact of adding 5.7 million more cars on the road.

APX will begin operating at 12:01 a.m. Christmas morning, exactly one week before California's retail electricity consumers gain direct access to electricity suppliers for the first time.

"Direct access to electricity purchasers through APX gives us another way to obtain the best market price for our power in California," notes Allen Burns, trading floor supervisor at BPA. "The forward prices on APX's markets let us take full advantage of the flexibility in our hydrosystem so we can maximize the value of our surplus electricity. During periods when BPA is buying energy, forward prices allow us to search for and obtain energy at the lowest possible cost. These advantages ultimately benefit our Pacific Northwest customers in the form of lower rates."

"We are very pleased that Bonneville has chosen APX as a way to sell their power to California," noted Dr. Edward Cazalet, founder and Chief Executive Officer of APX. "BPA is an anchor tenant and will join other large and small buyers and sellers who have stated their intent to participate in the APX markets. Moreover, California buyers who use APX also stand to gain from easy, direct access to BPA's

surplus hydroelectric energy."

Congress created BPA in 1937 to market and transmit power produced at Bonneville Dam. Today, the federal agency markets power from 29 federal dams and one non-federal nuclear plant in the Pacific Northwest and has built one of the largest and most reliable transmission systems in the United States. BPA is a nonprofit entity and its programs are funded through the sale of electricity, not federal appropriations.

APX operates the APX Electricity Markets, providing a forward market to buy and sell power up to 168 hours in advance of delivery, operating 24 hours a day, seven days a week. Automated Power Exchange is a privately owned firm based in Silicon Valley. Its principals have decades of experience in the electric utility industry.

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