



Big powerlines to come under a single operator; Reliability, efficiency are the goals

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Bonneville Power Administration

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PORTLAND, Ore. – Nine electric utilities are considering a plan to bring nearly 30,000 miles of high-voltage transmission lines under an independent regional transmission organization (RTO), thereby improving the reliability and efficiency of the Northwest's power grid.

The participating utilities submitted a compliance filing on the plan today with the Federal Energy Regulatory Commission (FERC). Today's filing briefly describes the efforts that have been made to develop an RTO proposal through a collaborative process over the past six months. The utilities will formally submit supplemental material to FERC by Oct. 23, after review and consideration of public comments received through today.

Participants in the "RTO West" are: Avista Corporation, Bonneville Power Administration, Idaho Power Company, The Montana Power Company, Nevada Power Company, PacifiCorp, Portland General Electric Company, Puget Sound Energy, Inc., and Sierra Pacific Power Company.

Judi Johansen, administrator of the Bonneville Power Administration (BPA), said the proposal is a major milestone in the restructuring of the Northwest's utility system.

"The Pacific Northwest has one of the most interconnected electrical grids in the nation," said Johansen. "By putting all transmission under one operator, we hope to make needed physical improvements on a timely basis. That will improve reliability and, in the long term, hopefully hold down costs for regional consumers."

The BPA owns and operates 11,000 miles of 230 kilovolts and above — about 70 percent of the high-voltage transmission lines in Washington, Oregon, Idaho and Western Montana. The other participants own the rest. Under the proposed system, Johansen said, "the RTO would operate the system, but the powerlines, substations and equipment would remain under current utility ownership."

"We expect annual savings by reducing the number and duration of power outages and by consolidating control areas," Johansen explained. "Other savings come from more efficient electrical operations, coordinated planning and expansion, and more coordinated outage planning."

Currently, purchasers of power must pay a fee to each utility that owns high-voltage lines used to deliver

the electricity. The RTO will charge customers access under a single tariff, thereby eliminating "rate pancaking," which means paying more than one utility to get power across their facilities.

FERC is requiring utilities to examine the formation of RTOs nationwide through issuance of Order 2000 in December 1999. While Bonneville is not subject to FERC jurisdiction, it is participating in RTO West because its facilities, which make up the bulk of the Northwest's system, are necessary for the success of a regional RTO. More information on the Order can be found at <http://www.ferc.fed.us/electric/rto.htm>. More information on RTO West and its filing documents can be found at www.rto-west.org.

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