



April 21 , 2005

To BPA customers and interested parties:

Welcome to the first in a series of e-mails I expect to send over the next few months on Northwest efforts to apply the one-utility concept to transmission planning and operation.

BPA and many other Northwest utilities are working on two such proposals. Grid West would create a new regional transmission provider. The Transmission Improvements Group (TIG) would strengthen existing institutions. These biweekly e-mails will help keep you informed about the progress of these and related efforts from a BPA perspective.

As described in a recent Keeping Current, BPA believes the Northwest needs a new approach to transmission operation and planning to assure continued reliability and increase efficiency. Both the Grid West and TIG groups have committed to developing their proposals by August. At that point, BPA will take public comments and decide which path to pursue. After this decision is made, we will consider whether to continue or sunset these e-mails. (As you may know, I am taking a different position within BPA this fall, but only after BPA has decided whether to further pursue Grid West or TIG.)

If you would like to receive these e-mails regularly, please [click here](#). For more information, contact your BPA account executive, the BPA contacts listed in the items below, or go to our web site at <http://www.bpa.gov/corporate/business/restructuring/>

Thank you for your interest and participation. We are confident that, working together, the region can produce solutions to today's transmission challenges that will benefit consumers for decades to come.

*Allen Burns
BPA executive vice president, industry restructuring*

TIG funding set

The Transmission Improvements Group is now formally developing approaches to improving Northwest grid operations and planning through existing institutions. TIG membership currently includes: BPA, Portland General Electric, Puget Sound Energy, Avista, Clark Public Utilities, Cowlitz County PUD, Grant County PUD, Tacoma City Light, Seattle City Light, Power Resource Managers (on behalf of Benton and Franklin PUDs and Flathead Electric Co-op), the Washington Public Utility Districts Association and the Public Power Council. More members can join. BPA will provide 25 percent of TIG funding equaling \$150,000 for hiring a facilitator, any necessary consultants and other expenses. Other TIG parties have already committed \$450,000. TIG will study

four areas and has formed work groups, created team charters and named team leads. BPA is participating in each work group. The four TIG study areas are:

- A single OASIS, which includes a common flow based ATC methodology and common tariff provisions;
- A regional transmission plan with some form of backstop authority;
- Improving reliability and security, including a study of voluntarily combining control areas;
- Creating a “market monitor” to study the competitiveness of Northwest energy and transmission markets, respond to complaints and issue reports.

More details are available on the TIG website at <http://www.tig-nw.org/>

Grid West sets deadline for membership applications

Grid West will close its initial open window for membership on April 29. Membership application forms can be found on the Grid West membership information page at <http://www.gridwest.org/GWMemberInfo.htm> Those who do not wish to become members at this time but who wish to preserve their ability to become members if BPA decides to go forward and there is an election of Developmental Board of Trustees may apply for Declaratory Membership at no cost.

Transmission Adequacy Committee gets to work

The Northwest Power Pool's Transmission Planning Committee has adopted a charter and launched a technical workgroup to develop regional transmission adequacy guidelines. Open to all interested parties, the technical workgroup has so far established a timeline and prioritized issues. Documents are out for comment. The next meeting is April 27 in Portland. For details, contact Dana Reedy of the Northwest Power Pool, www.nwpp.org

TIG expands on transmission planning

TIG's planning group is developing a process that will produce a Transmission Expansion Plan for the entire Northwest Power Pool footprint and provide approval and implementation authority for the plan. This process will cover the congestion relief planning activities that the Northwest Power Pool is presently doing in addition to system screening, reliability planning, backstop authority, data collection, etc. (*Marv Landauer*)

Council tackles resource adequacy

BPA is working with regional parties and the Northwest Power and Conservation Council to develop a standard or framework for determining if the region has adequate generating resources. This is important because the region has made clear that it does not want BPA acquiring new resources and should limit sales of its lowest price power to the Federal Base System. The council is helping to organize a process to develop a resource adequacy standard. The goal is to develop a metric that the region agrees to that will define whether or not available resources are sufficient. (*Mary Johannis*)

GTA agreements secure customer service

BPA and 79 of its preference customers that receive BPA power via other utilities' lines have signed new agreements that assure these customers will keep getting about the same kind of service for the next 20 years that they get today. The agreements are part of a continuing BPA effort to provide power and transmission service for BPA customer utilities served over nonfederal lines and at rates

equivalent to customers who are directly connected to BPA's grid. *(Joe Rogers)*

BPA to share ATC methodology revisions with TIG and Grid West

BPA has proposed modifications to its Available Transfer Capability methodology to customers for review and discussion. If successful, the revised method could increase available capacity by several hundred megawatts in spring and summer on some constrained transmission flowgates, notably the West of McNary flowgate along the Columbia River. The BPA methodology revisions could be used in Grid West and/or TIG efforts to develop a consistent Northwest ATC methodology. *(Kevin Prickett)*