



Vol. 8

October 25, 2005

BPA leaning strongly toward convergence

There's a lot of good in both the Grid West and Transmission Improvement Group proposals for improving Northwest grid management and planning, [Steve Wright](#) said in an Oct. 12 detailed analysis of both options and related public comments. The strengths of the two proposals complement one another and offset their respective weaknesses.

"It is time to put aside that the only decision is between the Grid West proposal and the TIG proposal," Wright said. "Both proposals have merit; both proposals have weaknesses. Convergence seeks to capture the best of both."

BPA will announce its decision on which course to take on Nov. 1.

DOE supports convergence

[Deputy Secretary of Energy Clay Sell](#) wrote Steve Wright this month, encouraging him and all parties in the Northwest to succeed in the Grid West/TIG convergence effort. "I want to express to you my strong support for the efforts to move toward one-utility operation of the electric transmission system in the Pacific Northwest," Sell said. He called the month's discussions "a key opportunity to move forward with a convergence proposal that is in the overall best interests of customers in the Northwest and of the Nation as a whole."

Delegation weighs in – on all sides

Members of Congress are weighing in on the TIG/Grid West convergence debate with [letters](#) reflecting diverse opinions. Nine members of the Washington congressional delegation have written BPA Administrator Steve Wright commending the agency's work on convergence of the two proposals. The lawmakers also urged Wright not to turn control of BPA's transmission system over to an entity under the jurisdiction of the Federal Energy Regulatory Commission, "when so many of the historic regional stakeholders involved in the development and funding of the BPA transmission system have such strong objections."

Oregon Rep. Peter DeFazio, wrote the BPA Administrator, saying he "cannot support Grid West as it is currently constructed," and encouraging BPA to pursue "a proposal that would generate broader regional support."

"We urge BPA to proceed with the next phase of the Grid West development process without further delay," wrote Idaho Reps. Butch Otter and Mike Simpson, joined by Utah Reps. Jim Matheson, Rob Bishop and Chris Cannon and Wyoming Rep. Barbara Cubin.

Groups explore Grid West-TIG issues

Three workgroups have been working on policy, technical and legal issues surrounding possible convergence of the Grid West and Transmission Improvements Group proposals. The three were established at an Oct. 5 public TIG meeting and presented their results (summarized below) at a second public meeting Oct. 20 in Portland. The workgroups were established after the Grid West Interim Board decided to dedicate October to exploring the convergence proposal, and moved its deadline for decision point #2 on Grid West to Nov. 1. The [convergence straw proposal](#), developed by 12 investor-owned and public power utilities that have worked on both TIG and GW, was presented at the same meeting.

Integration proposal nears completion

At an [Oct. 20 meeting](#) of the convergence regional forum, workgroups laid out details for an approach that would quickly implement TIG-like early services that would create regional:

- Transmission expansion planning (including non-wires approaches)
- Market monitoring
- A common OASIS for transmission reservations.

Once these services have been functioning, the region could then conclude whether more services are needed, and if so, move to a FERC jurisdictional operation.

A meeting of the Regional Representatives Group, including TIG members, has been called for this Friday, Oct. 28, at the Airport Sheraton Hotel in Portland, beginning at 10 a.m., to consider the final Integration proposal.

Workgroup reports and draft work products for the Integration efforts are available on the BPA website at <http://www.bpa.gov/corporate/business/restructuring/>

How converge could happen

The [Integration proposal](#) (a.k.a. convergence) as presented Oct. 20 calls for amending Grid West bylaws to allow the immediate services envisioned by the Transmission Improvements Group. If experience then shows a regional transmission entity is needed, the Grid West members and participants could then decide to proceed with “decision point #4” and launch a FERC jurisdictional regional transmission entity. To achieve convergence, Grid West bylaws would be revised to:

- Allow Grid West to operate TIG-like services that do not involve FERC jurisdiction before a decision is made whether to create a FERC jurisdictional regional transmission entity.
- Require that a majority of board members bring an understanding of Northwest transmission issues.

Specify that the Grid West members representative committee can veto certain board actions related to “special issues” to increase regional accountability.

Allen Burns, Executive Vice President
Industry Restructuring