

**Summary**  
**Why BPA is asking FERC for a Declaratory Judgment on Grid West**  
**April 29, 2005**

**The Northwest has been working for eight years on ways to improve its transmission operation and planning.** The problems continue to grow. We need to pick a solution and start realizing it, soon.

**There are two proposed solutions:** Grid West and TIG, the Transmission Improvements Group.

**This September, we will decide which proposal to pursue** and whether to commit two years of funding for further Grid West development or to pursue the TIG approach instead. BPA's share of Grid West funding could be several million dollars.

**We need to get FERC answers to key questions first.** Before we commit this much more time and money to Grid West, we need to have a pretty clear idea that it will work for BPA and for the region.

**Grid West is not an RTO.** It would be an independent entity to provide transmission service using the transmission assets of voluntary participants and to plan for regional grid expansion. Grid West would operate under FERC jurisdiction. TIG seeks to avoid creating new FERC jurisdiction by using agreements among transmission owners.

**BPA is requesting answers now to resolve the longstanding concerns of its customers.** Many Northwest publicly owned utilities have said they fear Grid West could become costly to them due to subsequent FERC action and that Grid West might evolve into an RTO along the lines called for in FERC's 2002 Standard Market Design. FERC commissioners have increasingly recognized the unique needs and character of the Northwest's power system. BPA seeks formal clarification of FERC's support for preserving existing contractual arrangements, minimizing cost shifts and preserving existing non-jurisdictional status.

**BPA has its own need to assure that it can fulfill its statutory responsibilities under the Grid West approach.** BPA is asking FERC to clarify BPA's own rights to withdraw from Grid West to fulfill its legal obligations.

**Investor-owned utilities need to know the Grid West approach can fulfill their responsibilities** as regulated utilities.

**BPA's goal is to increase benefits to Northwest consumers through improved transmission operation and planning.** This request will not answer all the important questions about Grid West such as its costs and benefits, but it will resolve FERC-related questions that are most important to BPA and will help the region make a well-informed decision this fall on whether to further pursue Grid West or TIG.