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Bonneville Power Administration Attn: Communications – DM -7 P.O. Box 14428 Portland, OR 97293-4428

Re: Public Comment Period- Decision Point 2 PPM

Energy wishes to indicate its support for the Grid West proposal as Bonneville Power Authority (BPA) considers the various proposals on restructuring the Northwest Power markets. PPM Energy is among the largest developers and marketers of renewable resources in the United States. In the Pacific Northwest, PPM markets the output of the nation's largest windfarm, Stateline, to multiple regional utilities. PPM also operates the Klondike windfarms near the Dalles, Oregon. In addition, PPM is developing projects in the Northwest totaling several hundred megawatts. PPM also operates both baseload and peaking gas-fired power plants in Klamath Falls, Oregon. Thus, the opinions expressed in this letter reflect PPM's breadth of experience across various markets and technologies as well as a strong commitment in the Pacific Northwest. The alternatives to Grid West are the Transmission Improvements Group (TIG) proposal and the status quo. Neither of these is a satisfactory alternative. Given the nearly universal frustration with the status quo, I will not add to the exhaustive list of arguments against operating the grid under the current amalgam of conflicting entities and rules. Regarding the TIG proposal, we question the independence and effectiveness of its proposed governance structure. Independent power producers, marketers, and renewable developers (as well as many other stakeholder groups) would not have any voice in how the grid is operated. The decision makers would continue to be the transmission owners. Furthermore, the creation of multiple separate committees (and contracts), each with different entities participating, promises to create gridlock in decision making. In contrast, Grid West proposes a governance framework that is the result of years of negotiation and further independent scrutiny by the National Academy of Public Administration. The Grid West proposal represents the cumulative effort of years of work and thought about how to modify the market structure within the Pacific Northwest grid while taking into account its unique characteristics. Under the TIG proposal, the Northwest grid would continue to be balkanized in both how it operated and how it is planned. Regarding operations, rate pancaking would still be the norm, and TIG would not create any institutions to facilitate transactions in for real time energy or unused transmission capacity. On a long term basis, planning and transmission expansion will still be subject to the same institutional roadblocks that currently hinder any integrated expansion efforts in the Northwest. In conclusion, Grid West represents the combined efforts and input from all the major stakeholders in the Pacific Northwest over many years. As such, it represents a good compromise between the status quo and the idealized regional transmission organization promoted by FERC. In contrast, a decision to support either TIG or some hybrid approach will lead either to additional years of debate or

else a complete cessation of any new initiatives. We urge BPA to support the Grid West proposal in Decision Point 2 this September. Respectfully, Don Winslow Don Winslow Vice President, Policy and Regulatory Affairs PPM Energy (503) 796-7088