

issuebrief

BPA to seek owner participation in COI SVC project

Oct. 30, 2006

Background

Over the past 40 years, the COI was developed cooperatively by three primary participants: BPA, Portland General Electric (PGE), and PacifiCorp (PAC), collectively referred to as the intertie owners. In addition, a portion of BPA's costs of construction and rights to increased capacity on the COI were apportioned to other regional utilities: Puget Sound Energy (Puget), Seattle City Light (Seattle), Pacific Northwest Generating Cooperative (PNGC), Snohomish County PUD No. 1 (Snohomish), Tacoma Power (Tacoma), and again, PAC (collectively, the capacity owners). Unlike the owners, the capacity owners do not have direct legal ownership of the COI. All of these agreements are for the life of the COI facilities.

PowerEx, Morgan Stanley, and others have requested long-term transmission service on the COI and the Pacific DC Interties (PDCI) (collectively, Southern Intertie).

A recent study of the Southern Intertie found that the installation of a Static VAR Compensator (SVC) and shunt capacitors at the Captain Jack Substation can mitigate the frequency of pre-schedule limits that are placed on operation of the COI due to operating constraints in California and the Pacific Northwest. The installation of this equipment, in conjunction with BPA's implementation of a congestion management system on the network and greater coordination of planned outages with the California parties, will reduce the frequency of pre-schedule limits on the Southern Intertie for owners and users.

Key facts

- BPA believes that operating constraints on the COI will increase as loads continue to grow in the Northwest and in particular in Central Oregon.
 - The SVC project will help mitigate operational impacts by replacing this lost availability.
 - BPA has concluded that additional long-term firm sales on the COI are not possible without installation of the SVC and shunt capacitors at the Captain Jack Substation.
 - BPA analysis shows that the SVC project will benefit Pacific Northwest consumers through lower rates and will benefit owners and users of the COI through increased availability and access to Western power markets.
- BPA expects to further increase COI availability by putting in place network congestion management strategies and better maintenance outage coordination with California.
 - The SVC project combined with these initiatives will enable additional long term firm sales on the COI.

