

Renewable Northwest Project

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Renewable Northwest Project

January 11, 2008

Steve Wright
Administrator
Bonneville Power Administration
905 N.E. 11th Avenue
Portland, OR 97232

Dear Steve:

We are writing to support the Bonneville Power Administrations (BPA) "Network Open Season" process for providing long-term transmission service to requesting entities. We recognize that the details of this policy proposal are still being worked out, and so reserve our full endorsement of the proposal until it is finalized. However, we are very supportive of the present policy direction. We believe the Open Season approach provides the Northwest with several potential benefits, such as:

1. Reduce and probably eliminate the 11,000 megawatts of transmission service requests currently backlogged in the BPA queue.
2. In reducing the number of queue requests, it would (by making firm offers to most/all parties in the queue) eliminate the many "phantom" requests in the current queue. This would focus needed transmission construction on those entities with real projects able of taking transmission service on a scheduled date.
3. Probably resulting in the construction of the John Day/McNary 500 KV line, which would greatly increase access to cost effective wind resources in eastern Oregon and Washington. This development, in turn, would diversify the wind sites interconnected to BPA, thus reducing BPA's real-time per-unit wind integration costs.
4. Provide greater assurance that BPA's publicly owned utility customers have the necessary Available Transfer Capacity (ATC) to move new resources to their native load as they acquire new resources in the post-2011 period.
5. Substantially facilitate utility resource planning by providing greater certainty (both as to timing and actual availability) of long-term firm transmission capacity.

6. Increase general market liquidity and encourage development of BPA's Conditional Firm transmission product, and other flexibility related power and transmission products, which would tend to reduce BPA and utility resource acquisition costs.

For all the above reasons, we believe BPA should proceed with its Open Season process and the related Precedent Agreements.

Sincerely,

A handwritten signature in cursive script that reads "Rachel Shimshak". The signature is written in black ink and is positioned above the printed name and title.

Rachel Shimshak
Director