

**PGE**

**VIA EMAIL**

January 9, 2013

Portland General Electric would like to thank Bonneville Power Administration for this opportunity to submit comments regarding BPA's Network Open Season (NOS) reform. In general, Portland General Electric Merchant function (PGEM) supports most of the efforts being proposed. In an effort to assist BPA in its process PGEM offers the following comments.

With regard to the proposed Network Open Season (NOS) processes, Portland General Electric believes that the current structure and format represent the most robust and flexible design in the region. If that option is no longer available PGEM believes that the following elements need to be incorporated in any new process: a June 2013 restart, the overall NOS process to take no more than 12 months, and the process to occur on a yearly basis.

The existing NOS structure is preferred over the proposed alternatives for a number of important reasons. PGE considers the requirement that all requests sink to actual load and explicitly excluding the network hubs to be unduly limiting. We find this to be true given the regional practice by which entities seeking to market power purchase agreements (PPA) rely on the flexibility of designating network hubs as opposed to an actual load sink during the NOS process. Taken together with the added burden of requiring Transmission Service Requests (TSR) of greater than one year, Portland General Electric Company foresees unintended consequences with entities competing and acquiring PPA type contracts.

PGEM would also like to submit a few general critiques of the other NOS alternatives. PGEM is supportive of the following proposals in options 3-5: the off ramp points and the inclusion of more contract/ agreements beyond PTSA. The NOS financing options also appear to be well thought out and appear to account for the risk that BPA is absorbing. PGEM would like to disagree with the assumption that requiring an early 50% financial commitment would insure that the customer was committed. Creating a minimum floor during the initial stages of the NOS process would discourage novel and new forms of energy from taking the risk of entering the NOS process. The last issue is that the NT customers are being treated in a preferred manner.

In conclusion, Portland General Electric Company would like to thank Bonneville Power Administration for the opportunity to comment on the Network Open Season (NOS) reform Bonneville Power Administration should be commended for the quantity and quality of meetings on this important regional issue. Additionally, the individual representatives and experts provided by Bonneville Power Administration guaranteed a smooth and orderly process and proceeding. In closing, Portland General Electric is most concerned with the process restarting as soon as possible with a process time of no greater than 12 months and periodicity of no less than once a year. Again thank you.