

Coordinated Regional Transmission

TIPSC

May 8, 2012

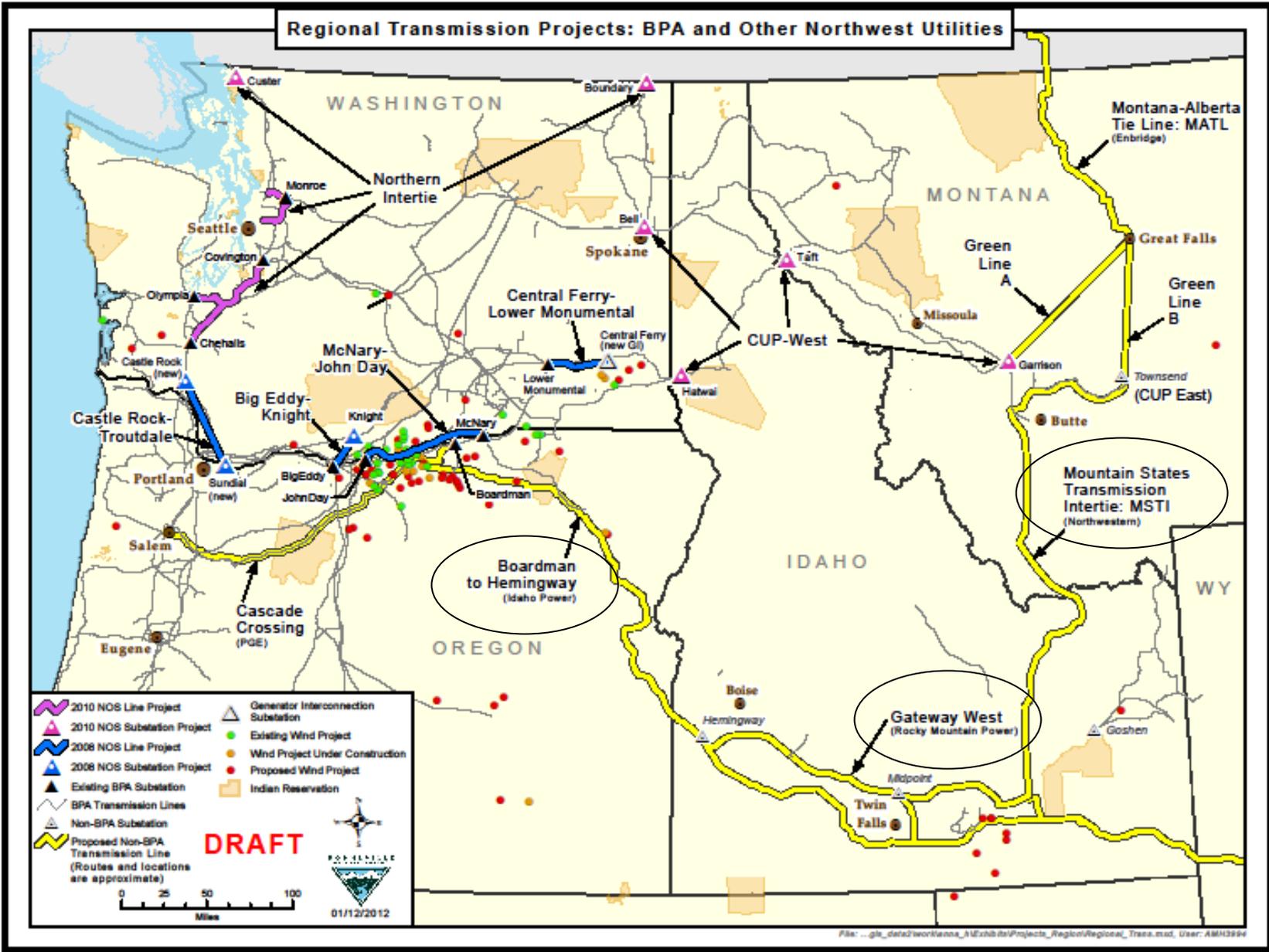
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Regional Projects

- South East Idaho Load Service
 - Boardman to Hemingway
 - MSTI
- Cascade Crossing Transmission Project

Regional Transmission Projects: BPA and Other Northwest Utilities



Southeast Idaho Load Service (SILS)

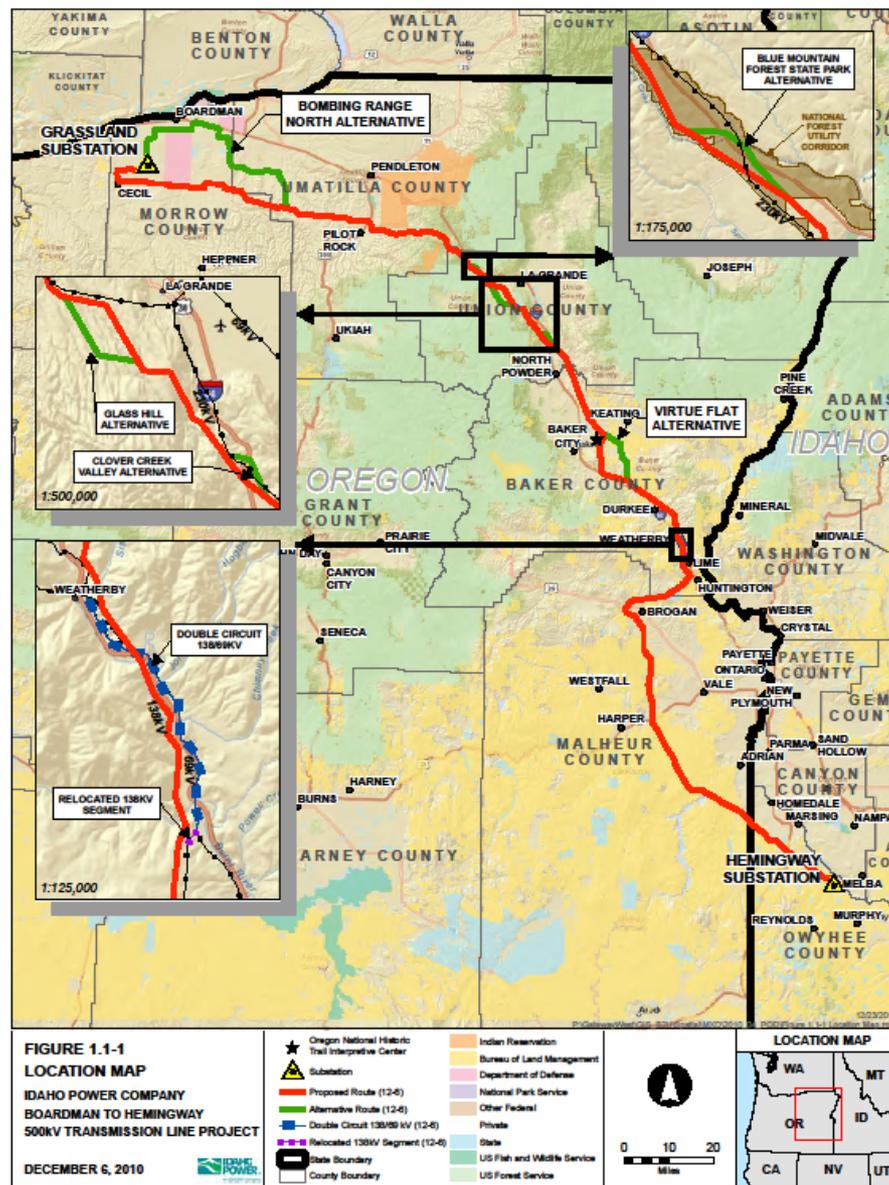
- In June of 2011 PacifiCorp provided BPA with notice that it would terminate the eastside General Transfer Agreement (GTA).
 - Termination takes effect five years from the date of notice.
 - The South Idaho Exchange (SIE) will terminate with the GTA.
- BPA established a cross agency team to assess near and long-term solutions for meeting its obligation to serve SE Idaho Load.
 - 1) Participation in the construction of a line
 - 2) OATT Service
 - 3) Power purchase/exchange
 - 4) BPA Construction

Boardman to Hemingway

- Proposed by Idaho Power
- Approximately 300 mile 500 kV line
- Increased capacity between Idaho and the Pacific Northwest
- Potential option for BPA's long term load service obligations to customers in SE Idaho
 - Joint Funding Agreement for permitting

B2H Map & Details

- 299 mile line, as proposed.
- Current estimate for total permitting and siting costs (those covered in the draft agreement) about \$48 million.
- Current estimate for total project costs is about \$820 million.
- Draft Environmental Impact Statement (EIS), expected in Q1 of 2013.
- Final Record of Decision expected in Q4 of 2014.
- Current official in-service date in 2016.
- One of the Obama Administration's Rapid Response Transmission Team's identified projects.



B2H Agreements

- From July 2011 to January 2012, BPA, Idaho Power and PacifiCorp (PAC) negotiated two draft agreements:
 1. Joint Funding Agreement (JFA), addressing BPA and PAC's funding of a portion of the B2H permitting costs.
 2. Memorandum of Understanding (MOU), establishing the Parties intent to continue conversations regarding transmission facilities beyond B2H.
- BPA held an open comment period on these two agreements from November 23, 2011 to December 23, 2011.
 - 12 comments received, mostly positive.
- On January 12, 2012 BPA decided to sign the two agreements and fund an estimated \$7.2 million of the permitting activities associated with B2H.
- Now in the process of meeting with Idaho Power and PAC to clarify how BPA will obtain East of Hemingway service.
 - Two alternatives described: 1) OATT; and 2) Transmission/Capacity swaps.

Mountain States Transmission Intertie (MSTI)

- Approximately 350-450 mile 500 kV line from Montana to southern Idaho
- Proposed by NorthWestern Energy to deliver renewable energy out of Montana
- Potential option for BPA's long term load service obligations to customers in SE Idaho
- Two step process
 - Technical understanding of project route and key details & costs. This would include analysis such as running power flow models.
 - Commercial understanding

MSTI Participation

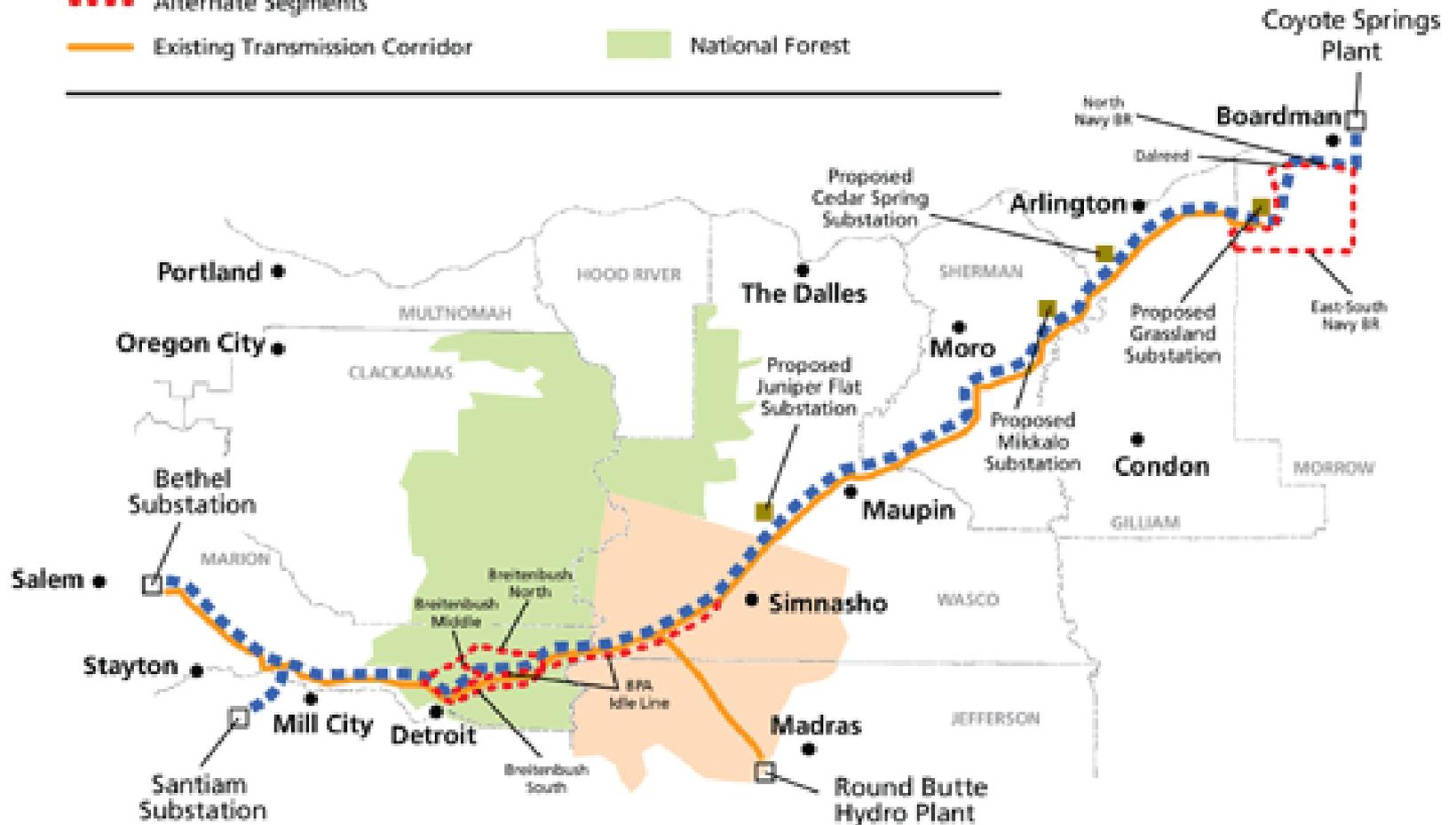
- In Fall of 2011, Parties reopened conversations with NorthWestern (NWE) regarding BPA participation in MSTI.
- BPA and NWE negotiated and signed a Memorandum of Understanding regarding MSTI.
 - MOU establishes a timeline whereby key details of the line would be established prior to BPA decision at the end of the fiscal year, including engineering details and business partners.
 - No financial commitment made in the MOU.
 - Key stumbling block for BPA, lack of other participants in the line.
- Exploration of MSTI and MOU allow staff to better assess what BPA construction of a line along a similar route might cost.

Cascade Crossing Transmission Project

- Approximately 215 mile 500 kV line
- Proposed by Portland General Electric (PGE) to deliver energy west across Oregon to load centers
- BPA and PGE signed an agreement in Dec of 2011

Cascade Crossing Map

- ■ ■ Proposed Corridor
- - - Alternate Segments
- Existing Transmission Corridor
- Confederated Tribes of the Warm Springs Reservation
- National Forest



Cascade Crossing Transmission Project

- Key Provisions of the agreement:
 - Must be good for BPA and PGE customers
 - No cost shift unless associated with benefits
 - Collaborative decision making process to enhance the regional transmission capabilities.