

Section 9 Customer Comments RNP

The following are customer comments received from RNP regarding BPA's proposed revision to Section 9 of the Open Access Transmission Tariff

Posted August 4, 2008

July 31, 2008

Ms. Cathy Ehli
Vice President, Transmission Marketing
Bonneville Power Administration
Transmission Services
PO Box 491
Vancouver, WA 98666

Re: Proposed Revisions to BPA's Open Access Transmission Tariff Section 9.

Dear Ms. Ehli,

Thank you for the opportunity to comment on this important issue. Renewable Northwest Project (RNP) is a non-profit coalition of environmental groups, consumer interest organizations, and renewable energy businesses working together to promote new renewable resources in the region. RNP strongly opposes the proposed changes to Section 9 of BPA's Open Access Transmission Tariff (OATT). We urge you, instead, to adopt the current OATT language. If BPA is concerned about the clarity of its current legal obligations to the Federal Energy Regulatory Commission (FERC) under an OATT, BPA should conduct a full regional discussion to determine a course of action that will address the Administration's concerns without destabilizing the contractual security of entities doing business with Bonneville.

Part of our concern with this proposed change is procedural. In talking with our members, other BPA customers, and your staff, it is clear that the proposed modifications to Section 9 raise substantial jurisdictional, contractual, and financial issues that have not been fully discussed and remain unclear. In our opinion, BPA has not adequately articulated the problem that this proposed change would solve. This is an important first step toward resolving any concerns BPA has with the current OATT. RNP is not aware of any past or current problems with the requirement that FERC make a determination that BPA's OATT deviations substantially conform to, or are superior to, the Commission's *pro forma* OATT, as historically provided for under Section 9.

Our substantive concern is that the proposed language, if adopted, would seriously weaken BPA customer's contractual rights to the terms and conditions laid out in the OATT. BPA's current Section 9 provides a level of due process that is carefully considered when doing business with Bonneville.

The proposed language weakens this process and would diminish the finance-ability of businesses operating under BPA's transmission contracts. We believe that such an outcome would not be in the best interest of the region. Independent power producers, and investor owned utilities, operating under the principles of open access transmission rights, play an important role in the region's ability to meet load growth in a cost effective and environmentally responsible manner.

As you are aware, in the recent Network Open Season (NOS), each of our participating members put down millions of dollars in deposits and signed long-term transmission service commitments to finance the construction of much needed transmission upgrades. Our members represent the bulk of the financial commitments made in the NOS. In designing the NOS Precedent Agreements, Bonneville took great care to listen to customer concerns and design a contract that balanced risk and secured business and financial interests. It is our belief that the proposed modifications to Section 9 would significantly alter the terms and conditions under which these contracts were entered into.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink that reads "Rachel Shimshak". The signature is written in a cursive, flowing style.

Rachel Shimshak, Director

Renewable Northwest Project
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Portland, OR 97205