

ACCESS

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Southern Idaho federal transmission curtailment plan set

A transmission curtailment plan put into place January 1 will affect delivery of power to customers served by a transfer agreement with the Idaho Power Company. Although the frequency and duration of transmission outages on the Bonneville Power Administration to Idaho transmission path are typically limited to a few hours a year, the Power Business Line has developed and offered an agreement that provides for back-up service arrangements in case of transmission outages.

The Transmission Business Line delivers power to Idaho Power west to east over TBL transmission lines to LaGrande. Idaho Power then transmits power over its transmission lines to



The proposed Grand Coulee-Bell 500 kV line would replace one of the wooden structures in this picture along 82 miles of existing right of way. See story on page 4.

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BPA's transmission network in south Idaho. When the transmission line to LaGrande is out of service, it is necessary for customers to make other arrangements.

The potential for transmission curtailments exists across the entire Northwest grid and the likelihood of curtailment is growing as more transmission paths reach their capacity limits. A plan that was put into place Dec. 17, 2001 for the south to north path on the westside Northern Intertie in Puget Sound is a recent example (see November 2001 ACCESS, "Planning for the unlikely: Northern Intertie curtailment plan).

"This is a regional problem and our method of dealing with most

transmission constraints is laid out in our open access transmission tariff," said Dennis Oster, TBL Account Executive. "But there are several transmission paths where a curtailment affects customers more than on other paths. Southern Idaho is one of those."

Oster said the solution for dealing with most transmission constraints is to build additional transmission capacity. In the case of the McNary to Idaho path, the TBL is studying new transmission options. However, any new project wouldn't be operational until 2006.

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Flurry of activity readies RTO West filing document

Due to limited time and the large amount of work still to be completed, RTO West filing utilities launched in December a shortened public collaborative process to ensure a March 1 delivery of its Regional Transmission Organization Stage Two filing document to the Federal Energy Regulatory Commission (FERC). The process is designed to meet the deadline, yet it also gives stakeholders the information and the opportunity they need to comment on what will become the basic description of how RTO West proposes to operate.

Since filing a Dec. 1 status report to FERC, the filing utilities implemented a revised public process to release three series of straw proposals for each section of the filing. The plan includes daylong stakeholder meetings to clarify for participants each of the straw proposals and set milestones that culminate in a Feb. 15 due date for comments on the final draft filing. This will allow filing utilities two weeks to consider and incorporate comments before the March 1 filing package.

“The filing utilities have made a lot of progress in two years they’ve worked on these issues, but we still have much to do to meet FERC’s deadline” said Peggy Olds, the Transmission Business Line’s RTO project manager. “Granted, the new schedule sets ambitious milestones, but we have structured the review in such a way that stakeholders are given all the information they need to make informed comments on the final plan.”

Straw proposals for Congestion Management, Pricing and Losses, Planning, Market Monitoring, and Facilities Inclusion were released Dec. 14 and written comments on these proposals were due Jan. 10. The filing utilities also released Jan. 15 drafts for Paying Agent Agreement, Credit Appendix and Scheduling Coordinator Agreement. Drafts of the Filing Letter, Ancillary Services,

Transmission Operating Agreement, Bylaws, Interregional Coordination (Canadian Participation) and Generation Integration Agreement, Load Integration Agreement, and Billing and Settlement Sections were scheduled for release Jan. 22. Comments from stakeholders for these sets of proposals were due Jan. 29.



Filing utility principals will then review the comments and prepare a full filing draft to be released Feb. 4 for final public review and comment. Stakeholders will have an opportunity to comment by Feb. 15 on the full

filing draft that will be released Feb. 4 for review. This draft pulls all the filing pieces together in a single document for final regional review. The RRG will discuss critical issues Feb. 11 and 12. That meeting is open to filing utilities, stakeholders and the public.

Olds said that things are happening now and suggests that stakeholders stay focused on and involved in the process at least through Feb. 15. The best way to keep up and to view the draft filing documents is to log on to the Internet at www.rto west.org/Stage2Index.htm. In addition, BPA continues its outreach to all of its stakeholders. All dates are subject to change, so interested stakeholders should contact their TBL account executive to stay current on this last flurry of events.

Non-wires solutions to transmission limitations

For over 15 years, Northwest utilities and the Bonneville Power Administration have expanded the capability of the region’s transmission system through a combination of methods. A small portion were traditional: put new wires in the air. But most focused on non-wires transmission solutions, even as the demand for transmission capacity increased at an annual rate of 1.8 percent.

During that time, BPA’s transmission organization installed new communications and advanced control systems, shunt capacitors for voltage support and other technical fixes to beef up the grid in areas where transmission was constrained. The TBL pursued these options to keep the system operating reliably and efficiently, but also to avoid the expensive and sometimes controversial work of stringing new wires.

In addition, BPA has acquired over 750 average megawatts through conservation since 1981. That is a non-wires solution that helped the agency delay the need for new transmission infrastructure. Although the Transmission

Business Line believes it has exhausted most non-wires alternatives and that it is time to build new transmission infrastructure, it recently commissioned a report to look further into other options to solve transmission limitations.

“This is an important step for us and challenges us to be more inclusive in our transmission planning process to meet load and customer demand,” said Brian Silverstein, Manager for Network Planning.

The report — “Expansion of BPA Transmission Planning Capabilities” — was prepared by independent consultants Ren Orans, Snuller Price and Debra Lloyd of Energy and Environmental Economics Inc, as well as Tom Foley and Eric Hirst. It recommends that BPA further involve regional stakeholders in its transmission planning process in the expectation that broadly shared information will lead to a more cost-effective and efficient regional system. At the same time, this process will provide an opportunity for regional involvement in reaching a decision on

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Nevertheless transmission lines have to be maintained and must be periodically taken out of service. Since Jan. 1, south Idaho customers have opted to have the PBL make arrangements on their behalf for back-up service when the McNary to Idaho line is out (historically the line has been very reliable). PBL will reroute the power or buy from parties in Idaho or elsewhere on the other side of the constraint. The cost of this back-up service is proportionally shared among the customers.

“During the 2001-03 rate case proceedings and settlement discussions, TBL proposed an approach which would have the TBL buying power and transmission from other parties when customers were faced with a transmission curtailment,” Oster said. “However, our customers did not want us to incur back-up service costs. When new rates went into effect on Oct. 1, this responsibility shifted to transmission contract holders.”

By January, all customers had chosen to purchase the back-up service from the PBL and, since most of these customers do not arrange their own transmission schedules, the TBL has agreed to manage the transmission schedules for them.

“It is only a matter of time until other customers are faced with making similar service arrangements to manage transmission curtailments. Moving ahead with our infrastructure program to build new transmission facilities is the best way to head off future curtailments,” Oster said. “The good news for south Idaho is that there are alternatives for managing transmission constraints, costs appear to be manageable and the mechanism is now in place.”

Information about the new southern Idaho constraint management plan is available from Oster at his Vancouver office (360-418-8282) or by e-mail at dmoster@bpa.gov.

Gillman joins Transmission and Sales staff

New account executive Rich Gillman brings from his previous jobs a fresh perspective of what customers need and want. At Primen, a company he helped create, Gillman managed Business Development and Customer Care. He has specialized in helping utilities and other industry participants understand their market opportunities and to do that he has had to understand his customers.



“Rich’s skills will further our understanding of all aspects of customer service,” said Ruth Bennett, Transmission Business Line Sales Manager. “He is a great addition to our staff and we expect that his work with our California accounts will benefit them as much as it will the TBL.”

This is a return trip to the Bonneville Power Administration for Gillman, who began working for BPA

just out of college in 1981. He was section chief in the Office of Energy Resources when he left in 1991 to work for the Electric Power Research Institute (EPRI). In response to rapidly evolving market conditions, he expanded EPRI’s customer research program, creating a successful program tracking retail markets, customer and business attitudes and energy use.

“I learned that to survive in very competitive business markets, I had to be better than the competitor at understanding our customers’ needs and translating those needs into the design and completion of products,” Gillman said.

His program at EPRI grew from just thousands of dollars to over \$8 million. In 1999, he led the creation of Primen, an independent yet jointly owned company by EPRI and the Gas Technology Institute.

“Over the past couple of years, the environment up and down the West Coast has become increasingly exciting. Given that environment, I wanted to be a part of an organization that sets the tone for the energy

sector,” Gillman said of his decision to join the TBL and stay closer to home.

Gillman can be reached at his Vancouver, Wash. office at 360-418-2246, by cell phone at 503-805-1240, or by e-mail at rgillman@bpa.gov.

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Send your letters and comments to your account executive or to “Access: Letters to the Editor,” Bonneville Power Administration, Transmission Business Line – Attn: Linda Harris, TMP-Dittz, P.O. Box 491, Vancouver, WA 98666; e-mail: lharris@bpa.gov

Public process begins for Grand Coulee-Bell 500 kV line

Transmission lines along a corridor between Grand Coulee and Bell substations in northeast Washington are no longer sufficient to move growing power needs from generating stations east of Spokane to loads west of the city. To relieve the constraint along that path, the Transmission Business Line is proposing to replace one of the 115 kV lines in the corridor with 84 miles of 500 kV line by fall 2004.

Before it can begin construction, the federal transmission agency must

first consult with the public and Tribes, as well as conduct environmental studies. Those studies will consider the project's impacts on cultural resources, visual resources, the environment and recreational activities. The TBL anticipates it will complete those studies and release a draft environmental impact statement for public review this spring. The final EIS will be released in the fall 2002.

"First, we want to talk with the public about what they think we should consider in our studies over the next several months," said project manager Mark Korsness. "To do that, we have scheduled three open houses — called Scoping meetings — in northeast Washington in late January and early February."

This is one of several infrastructure projects BPA is pursuing to help solve West of Hatwai congestion. Initially, this project will add approximately 700 MW of transmission capacity, boosting capacity from 2800 MW to 3500 MW. Future upgrades being considered would add another 500 MW bringing the total to 4000 MW. Korsness said the project is needed to increase the transmission grid's reliability and support current loads and future growth, but that it will also

The current EIS will begin with that study, but the TBL will also have to conduct new studies and talk with more people before it comes to a new decision on the project.

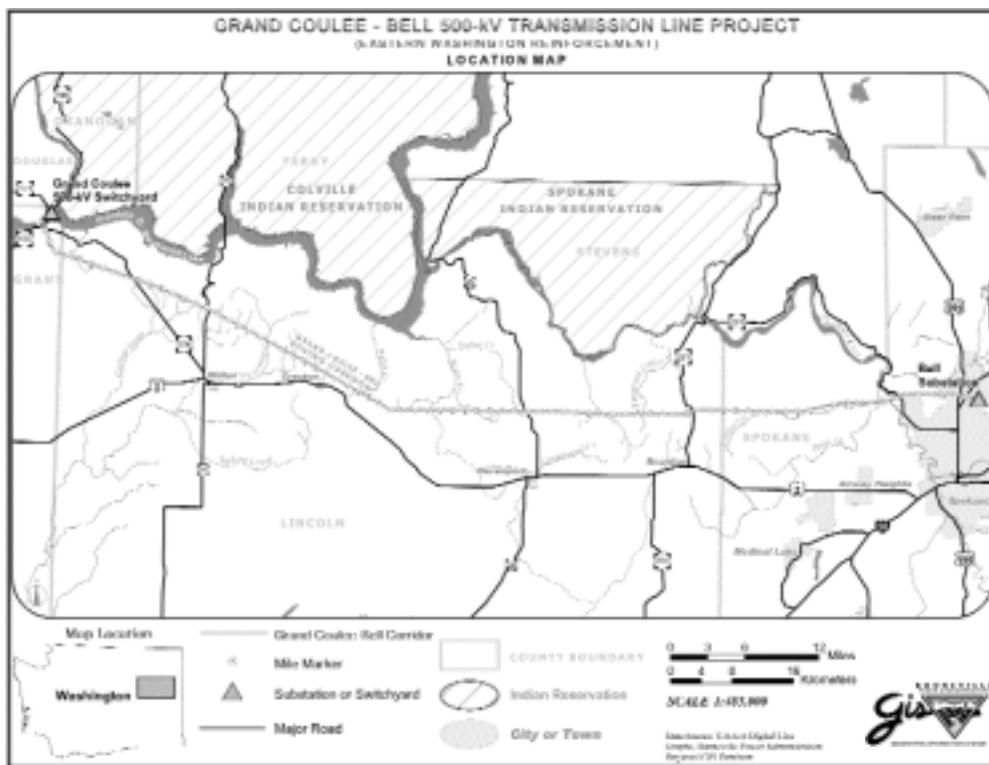
The earlier EIS considered two other alternatives. Each would have involved about 150 miles of line along new right of way, but customers opposed those alternatives, saying it would be more efficient and environmentally sound to build the project along an existing right of way.

The public's preference was considered in the decision to propose replacing an existing 115 kV line with a 500 kV line. Only about 2 of the 84 miles will be along new right of way, Korsness said.

The open houses are set for Tuesday, January 29, in Grand Coulee, Wash.; Wednesday, January 30, in Davenport, Wash.; and Wednesday, February 6, in

Spokane. All are 4 p.m. to 7 p.m.

For more information about the meetings, visit BPA's web page on the Internet at www.bpa.gov, or call toll free 1-800-622-4519. For more information about the project, contact Mark Korsness at (360) 619-6326 or makorsness@bpa.gov. For information about the environmental studies, call Inez Graetzer at (503) 230-3786.



The Grand Coulee-Bell 500 kV line is one of several projects BPA is pursuing to ensure reliable transmission that meets The Northwest's growing demands.

provide more flexibility to balance transmission and power system capacity to help support spring and summer spill for salmon.

This is not the first time that the Bonneville Power Administration has contemplated building the line. It nearly completed an EIS during the 1993-95 time period, but the project was set aside for financial reasons.

FERC moves to standardize interconnection agreements

In an effort to standardize requirements and procedures, the Federal Energy Regulatory Commission (FERC) began a preliminary process late last year to develop a generation interconnection agreement and procedures that would apply to all interconnection requests made to public utilities nation-wide. It released an Advanced Notice of Proposed Rulemaking (ANOPR) in October announcing the process and added a straw man proposal based largely on the type used by the Electric Reliability Council of Texas (ERCOT).

The primary benefit of the new agreement would go to generators, who often must deal with multiple transmission providers and control areas and so are seeking a level of standardization among those entities. However, the process may also help transmission owners by setting standards that would streamline the queuing process for interconnection requests and setting milestones that generators would have to meet to retain their place in the interconnection queue.

FERC has held a series of meetings that include transmission owners, generating entities, transmission dependent utilities, and Regional Transmission Organization in an effort to forge a consensus agreement and procedures before the agency releases a Notice of Proposed Rulemaking. However, most negotiations have been between the transmission owners and the generators. As a starting point, the smaller drafting groups have used the ERCOT Generation Interconnection Agreement, but have also decided to put out their own straw man proposal, based mostly on work done by the Edison Electric Institute, for the Generation Interconnection Procedures, according to Brian Altman, Public Utilities Specialist for the Bonneville Power Administration's Transmission Business Line.

FERC is seeking an agreement among all entities, according to Altman. The federal agency released the ANOPR to get the conversation started, basically saying, "tell us what you can agree to and we'll come out with a NOPR."

THE PROCESS MAY ALSO HELP TRANSMISSION OWNERS BY SETTING STANDARDS THAT WOULD STREAMLINE THE QUEUING PROCESS FOR INTERCONNECTION REQUESTS AND SETTING MILESTONES THAT GENERATORS WOULD HAVE TO MEET TO RETAIN THEIR PLACE IN THE INTERCONNECTION QUEUE.

"During the negotiations, we are finding that transmission owners generally want lots of certainty in an agreement, while generators want lots of options and flexibility," Altman said. "Still, they want at least some level of standardization between transmission control areas."

"Today, a generator would have several agreements with Bonneville, but in the new FERC world there would be fewer agreements," Altman said of the differences between the current system and where the NOPR is headed. The TBL would still do system impact and facility studies and generators would pay for National Environmental Policy Act studies, just as they do now. However, the separate Generation Interconnection and Construction O&M agreements would be combined. That single agreement will also address who pays for what and it will set study, approval and construction timelines.

The TBL has already been considering many of these issues, but Altman said the agency intends to wait until the NOPR process has run its

course before changing its procedures. Even though the TBL is not FERC jurisdictional, it plans to adopt as much of the new agreement as is possible given the agency's charter.

A change likely to make it to the NOPR would affect the queue for generation interconnection studies by making potential generators meet a series of milestones to retain their position in the queue. The final proposal may require potential generators to pay an initial \$10,000 refundable deposit to get a place in the queue (there would likely be a series of deposits at other steps along the approval process, as well). It would also require generators to meet a series of milestones, such as proof the project has secured a site, that it has completed technical specifications and that it has completed environmental studies and acquired the necessary permits.

"If potential generators fail to meet a milestone, they would drop out of the queue, while those who meet each milestone along the way would retain their position in the queue," Altman said. "Right now it is free to get in our queue — and there are nearly 30,000 MW worth of projects proposed right now — and that is bogging down our approval process."

He said the TBL doesn't have the staff to look at every project in the queue in a timely manner, but the new procedure would help ensure that projects most likely to reach fruition will rise to the top. That, Altman said, will help the TBL with planning and manpower needs.

Altman said the parties filed the agreement and procedures with FERC January 11 and comments were due on January 25. In response, FERC is expected to release a NOPR for final public comment this spring and to have the standardized generation interconnection agreement and procedures in place as early as this summer.

Non-wires solutions to transmission limitations

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whether additional transmission construction is needed or a non-wires solution can accomplish the same end.

“We want to identify future problems and requirements on the transmission system in sufficient time to solicit solutions that are less expensive than expanding the system,” Silverstein said. “The report suggests that we start by creating a 10-year plan that will be updated every other year. The plan will offer the information needed for our customers to see the costs and consequences of their decisions and sufficient lead time for them to decide what actions to take.”

The study also recommends that BPA screen two transmission infrastructure projects against the costs of various forms of distributed

generation, load management and pricing programs to see if there are economical and reliable alternatives to the projects. The Monroe-Echo Lake 500-kV transmission line in the Seattle area and the Shelton transformer and line addition on the Olympic Peninsula are the first to be evaluated.

Silverstein said some non-wires solutions pose issues that will need to be addressed.

- Conservation programs do not normally fit the role for a transmission provider. The resolution of that issue may need to involve states, consumers and other utilities.
- Various transmission pricing plans may encourage generators to make more informed decisions when locating a new power plant. The TBL would need to make a decision on any new plan prior to summer 2002 so it can propose the plan in the 2003 rate case.

- Does the value of a non-wires alternative change with location of the alternative? Transmission costs more in some areas than others.

The report is available on the web at http://www.transmission.bpa.gov/tbl/lib/Publications/Infrastructure/default_files/slide0001.htm, or you can call (360) 619-6075 for a copy. TBL is asking for feedback on the recommendations and advice on how the TBL might implement them.

“We can take the lead in developing a regional transmission plan, but implementation will require a regional effort involving all interested parties,” Silverstein says. “This plan will be a good place to begin discussions and education of the various alternatives and their costs.”

Bonneville Power Administration
P.O. Box 3621 Portland, Oregon 97208-3621
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