



Department of Energy

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

EXECUTIVE OFFICE

November 4, 2002

In reply refer to: KR-7C

Dear Round Table member:

The Bonneville Power Administration (BPA) wants to ensure it is providing the most cost-effective solutions for the region's transmission needs, from an engineering, economic and environmental perspective.

Towards this goal, BPA's Transmission Business Line (TBL) is investigating how to fully and effectively integrate non-construction alternatives into its transmission planning process.

To help BPA find viable alternatives, we would like to discuss this issue with a regional "round table" to gain insights on potential non-construction alternatives to transmission expansion. We plan to ask the round table members for feedback on such things as energy efficiency programs, demand reduction initiatives, pricing strategies, and distributed generation among other things. Through a diverse regional representation, we believe that we will receive valuable information on a variety of potential non-construction alternatives.

This initiative expands on a 2001 study commissioned by TBL and prepared by the firm Energy and Environmental Economics (with consultants Tom Foley and Eric Hirst). This report, *Expansion of BPA Transmission Planning Capabilities: A Report On Non-Transmission Alternatives*, recommended enhancements to BPA's transmission planning process and suggested potential transmission construction projects as candidates for further analysis to determine if non-transmission initiatives could provide reliable and cost-effective alternatives. The full report is available on the web at http://www.transmission.bpa.gov/tbl/lib/Publications/Infrastructure/BPA_TBL_Planning.pdf

You have been identified as a key stakeholder on this initiative. We need your help in identifying significant issues that need to be addressed in the roundtable discussions and potential round table participants. We will contact you within the next week to set up a time to discuss this initiative.

To give you a little bit more background on this project, I also have attached a fact sheet outlining the Non-Construction Alternative initiative and our vision of the round table concept.

Thank you in advance for your help on this project. If you have any questions on this initiative, please contact Carolyn Whitney at 360-418-8647. For logistical information, please contact Sally Grabowski at 360-418-8634.

Sincerely,

Stephen J. Wright
Administrator and Chief Executive Officer

Enclosure:
Non-construction alternatives fact sheet