



PR 37 05

FOR IMMEDIATE RELEASE:

THURSDAY, March 24, 2005

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Regional power grid needs updating *Bonneville, regional utilities commit to study fixes*

SEATTLE, Wash. - Regional electric utilities and the Bonneville Power Administration today agreed to develop proposals for improving the planning, oversight and operation of the Northwest's electricity transmission system.

The agreement is significant because the parties will examine how the region's existing institutions might be adapted and enhanced as vehicles for these improvements, said Steve Johnson, executive director of the Washington Public Utility Districts Association. The association represents 28 nonprofit utilities that serve 1.7 million Washington residents.

"The PUD Association wants to see how much success we can achieve by enhancing what's already there before jumping into something new," Johnson said.

The Transmission Issues Group, made up of Northwest public and private utilities, will develop the proposals. Its ultimate proposal will be shopped with a broad range of regional stakeholders before being finalized.

BPA gave the TIG a "kick start" in January by offering to help fund a more intensive effort for the next several months. Four areas are slated for study:

- Improving operation of a single point of access (a common Open Access Same-time Information System) and a common approach for determining transmission availability for the West, which should make it easier for transmission customers to do business throughout the West and improve access;
- Improving reliability and security – including a study of voluntarily combining control areas – to maintain reliable service to Northwest customers even as the system becomes more congested;

- Defining an approach to creating and implementing a regional transmission plan based on the principle of one-utility planning of system upgrades, encouraging a variety of entities to participate in the same upgrades;
- Creating a "market monitor" to study the competitiveness of Northwest energy and transmission markets, respond to complaints and issue reports.

The proposals will include decision-making processes that cannot be unduly influenced by any market participant. The PUD Association currently views the TIG effort as an alternative to Grid West.

The study should be finished by August 1, when BPA expects to begin a comment period on whether to continue participation in the development of Grid West. Grid West would create a new institution with an independent board that would undertake functions that would likely be subject to FERC's jurisdiction.

"BPA is committed to considering a well-developed set of improvements based, to the largest extent possible, on existing institutions as part of its due diligence related to future decisions on Grid West," said Allen Burns, BPA's executive vice president of industry restructuring. "BPA believes we have significant challenges to address with the region's transmission grid, and we are glad that the TIG group has committed to look at a comprehensive set of solutions."

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