



## News Release

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### **Pacific NW transmission owners support new transmission organization**

To achieve needed transmission improvements, Bonneville Power Administration (BPA), Chelan County PUD, Grant County PUD, Puget Sound Energy, and Seattle City Light have decided to continue to press for an integrated approach to the use and expansion of the Northwest interconnected transmission system. These transmission owners will host an initial public meeting in Portland on January 27, 2006. They expect to have broad participation, including the involvement of other transmission owners and control area operators, in a joint effort to form a new organization.

The objective is to improve substantially the operational efficiency, reliability, and planned expansion of the transmission grid. The effort will focus on the design and implementation of near-term services beginning in 2006, as well as the design of additional longer-term responsibilities (such as voluntary consolidation of control areas). The parties will design the framework and functions of the new organization to reduce interface seams with Grid West, another utility-backed regional transmission effort. Work will be based on elements of BPA's October 2005 Integration Proposal, which combined the merits of Grid West and an effort known as the Transmission Improvements Group. Other ideas for making substantial improvements will be considered if they generate broad support.

As provided in the Integration Proposal, the new entity is proposed to operate under the guidance of a new board elected by regional stakeholders. This board must have sufficient

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independence from market interests and control to effectuate improvements across multiple systems while being responsive to the member organizations. The process to develop the new organization will include a review of the governance provisions outlined in the Integration Proposal. Alternative suggestions will be considered so long as they maintain the requisite balance of independence and responsiveness.

The effort will focus initially on the following near-term functions: (1) transmission planning and expansion, (2) independent market monitoring, (3) common OASIS (Open Access Same-time Information System), (4) coordinated reliability and security initiatives, and (5) further development of a flow-based available transmission capacity methodology.

The parties will also develop and evaluate the following longer-term functions: (1) provision of new regional transmission service, (2) operation of a voluntary, regional flow-based transmission market, and (3) voluntary consolidation of control areas for managing reliability and redispatching generation to manage congestion. The parties expect to design the expansion of duties to the point where the new entity's members will have sufficient information to determine whether to implement the proposed improvements.

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