



July 20, 2006  
Presentation to Mid-C  
Seminar



# Goal

Integrate the use and expansion of participating transmission networks



## Individual/Region-wide Benefits

- Maintain reliability in face of ever-increasing stresses on system
- Secure needed cost-effective expansion of transmission facilities
- Provide for more efficient use of existing system
- Improve transmission customer access (one-stop shopping)



# Means

- Creation of ColumbiaGrid, a nonprofit membership corporation, to provide integration and coordination services
- ColumbiaGrid not just facilitator, but has true substantive responsibilities as defined in Functional Agreements



# Members

- Avista
- Bonneville Power Administration
- Chelan County PUD
- Grant County PUD
- Puget Sound Energy
- Seattle City Light
- Tacoma Power
- Outreach/Invitation to Northwest control areas



# Near-Term Services

- Anticipate that ColumbiaGrid will begin offering near-term services in the Fall of 2006
- Work currently underway to:
  - Finalize ColumbiaGrid's specific responsibilities on a function-by-function basis
  - Develop detailed transition plans that identify steps and related timelines for ColumbiaGrid's assumption of responsibilities



# Near-Term Services

- Planning and Expansion (target for executed Functional Agreement – October 15, 2006)
  - Regional plan
  - Screening of service and interconnection requests, determine which systems affected, lead joint studies
  - Expansion forcing mechanism
- Reliability (target for executed Functional Agreement – Winter 2006/2007)
  - Creation of regional database – increased visibility of what is happening on transmission system and why
  - NERC Functional Model tasks – currently exploring which tasks would benefit from a regional approach and evaluating potential role for ColumbiaGrid
  - Redispatch for reliability purposes



# Near-Term Services

- Common Northwest OASIS (target for executed Functional Agreement – Spring 2007)
  - Single OASIS interface
  - Work towards common products and business practices
- Market Monitoring (still to be determined)



# Longer-Term Services

- Design to extent needed for Members to decide whether to implement (target for executed Functional Agreement regarding design services – Winter 2006/2007)
  - Flow-based analytical approach (planning and expansion, reliability and operations, new rights)
  - Regional transmission service
    - Centralized scheduling using physical transmission rights (with protection of existing contract rights)
    - Operation of a voluntary flow-based transmission market
    - Issuance or facilitation of issuance by the Corporation of new system-wide flow-based transmission rights
    - Reconfiguration services for the sale of existing contract rights



# Longer-Term Services

- Further enhancements to Northwest OASIS, including consolidated queues for interconnection and transmission service requests for Members' and Qualified Non-Member Parties' systems
- Longer-term reliability initiatives



# Moving Fast

- Governance structure that works and can evolve
  - Members = Northwest control area operators
  - Members elect Board and decide what subject matters are addressed in Functional Agreements
  - Board determines how ColumbiaGrid will perform contracted services, but must work within parameters of Functional Agreements
- Strong technical foundation provided by previous regional processes



# Moving Fast

- Practical approach
  - Stay focused on what needs to be put into place now in order for ColumbiaGrid to provide meaningful services
  - Acknowledge that ColumbiaGrid's role and responsibilities will evolve over time, but wait to address issues as they arise rather than try to anticipate and resolve everything at the outset
    - For example, not yet known whether ColumbiaGrid will ever be FERC jurisdictional or provide FERC-jurisdictional services (all near-term services currently contemplated are non-jurisdictional); will address FERC-jurisdiction if and when it becomes an issue



# Moving Fast

- Successful stakeholder involvement
  - Open, inclusive process
  - Stakeholders part of small groups responsible for development of structure, governance documents, and Functional Agreements
- The time is now



# Board of Directors

- Practical independence (sufficient for Members to be willing to turn over responsibilities)
  - Directors elected to work on behalf of the collective membership, not individual Members
  - Members will not micro-manage ColumbiaGrid; ColumbiaGrid has autonomy/discretion to extent provided in Functional Agreements
  - ColumbiaGrid will be empowered to bring ideas to Members and Interested Persons as possible subjects of Functional Agreements



# Funding

- \$5,000,000 Funding Agreement to cover corporate expenses for two-year period
- Parties to Functional Agreements to provide funding for implementation of ColumbiaGrid functions
- Development process costs handled under separate agreement



# Additional Participation

- Qualified Non-Member Parties can enter into Functional Agreements
- ColumbiaGrid services designed to work for broader area than just Members' systems
- Anticipated that membership will evolve



# Accomplishments to Date

- **January 27** – First stakeholder (“Forum”) meeting
- **February 22** – Second Forum meeting; governance approach adopted
- **March 31** – ColumbiaGrid incorporated
- **April 14** – Bylaws adopted
- **June 15** – Bylaws amended to add Tacoma Power as a Member
- **June 30** – Executed Funding Agreement



# Targeted Milestones

- **August 1** - Seat Board
- **September 15** - Hire President
- **October 15** - Execute Planning and Expansion Functional Agreement
- **December 15** - Execute Reliability Functional Agreements
- Throughout entire timeframe, continue work on other Functional Agreements, including agreement relating to design and evaluation of longer-term services