



Federal Energy Regulatory Commission
Order No. 890 Technical Conference

Regional Planning Through
ColumbiaGrid

June 13, 2007



ColumbiaGrid's Purpose

Coordinate the use and expansion of participating transmission systems through transparent processes



Means

- ColumbiaGrid, a nonprofit membership corporation with operationally independent board, provides integration and coordination services
- Initial services to include:
 - Planning and expansion
 - Reliability
 - ColumbiaGrid OASIS
- Opportunities to participate:
 - Functional agreement party, and/or
 - Interested person, and/or
 - ColumbiaGrid member



Members

- Avista
- Bonneville Power Administration
- Chelan County PUD
- Grant County PUD
- Puget Sound Energy
- Seattle City Light
- Tacoma Power
- Standing invitation to other Northwest control areas

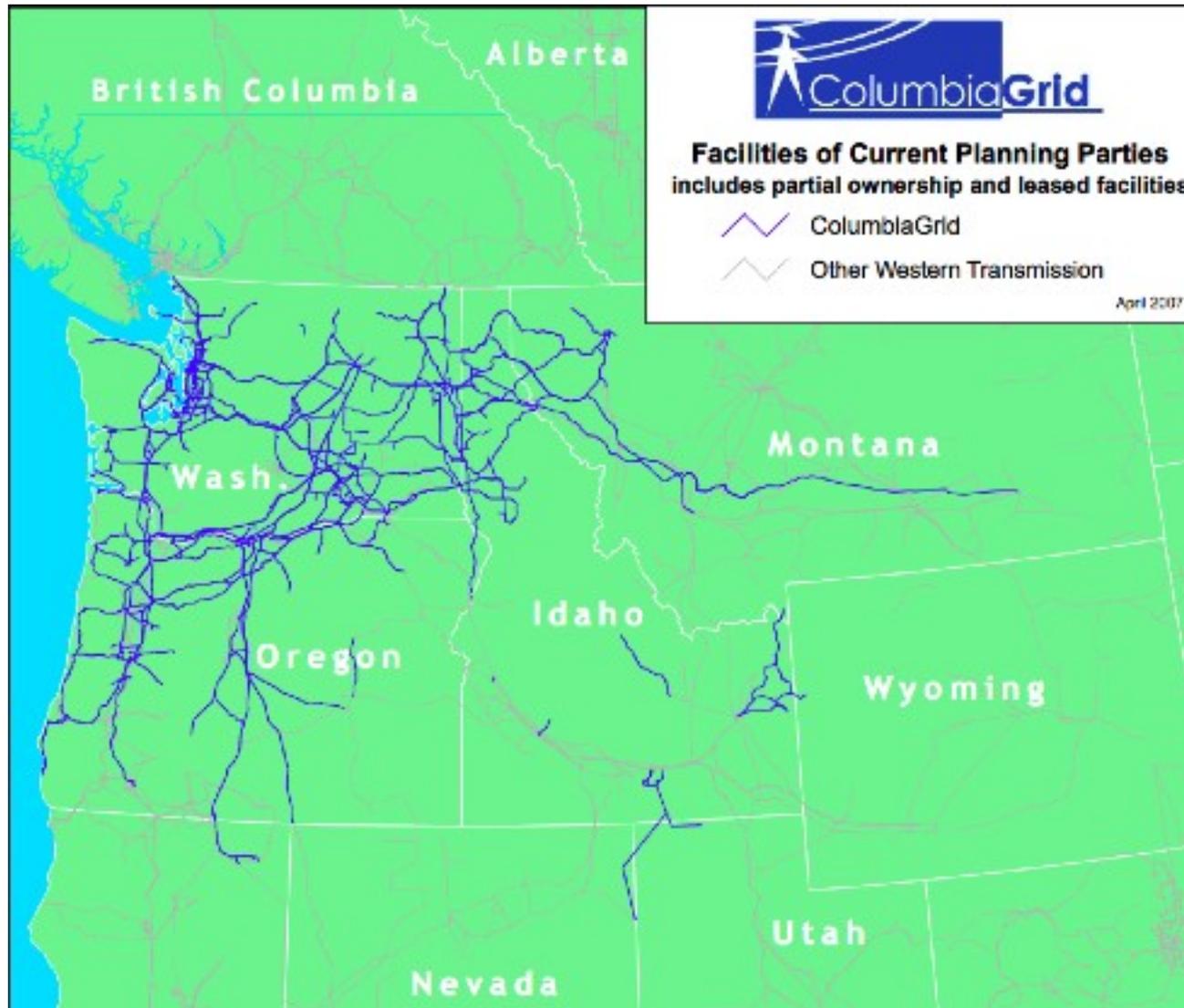


Planning Services

- ColumbiaGrid provides coordinated, open, transparent, and participatory planning services through the Planning Agreement
- Current parties include a PMA, public utility districts, municipal utilities, and investor-owned utilities (“Planning Parties”):
 - Avista
 - BPA
 - Chelan
 - Grant
 - Puget
 - Seattle
 - Tacoma
 - Snohomish
- Opportunity to participate in planning process extends beyond Planning Parties
- Planning Agreement extends to expansion activities



Planning Parties' Combined Network





Benefits

- Independent facilitation and approval
- Coordinated, open planning process
- Transparency of data and methodologies
- Mechanism to strongly encourage construction of needed projects
- Enhanced ability to integrate resources across multiple transmission systems



Implementation Highlights

- “Single utility” approach to transmission studies and plans
- Annual system assessment report identifies needs
- Study teams explore and resolve identified needs
- Biennial transmission expansion plan
- Plans are product of affected persons with input of all interested persons and staff
- Board approves the plan or remands part(s) for restudy
- Provisions for reconsideration of board decisions
- Construction achieved via facility agreements



Implementation Highlights

Current Activities

- West of McNary Transmission Project
- Interstate 5 Corridor Reinforcement
- Coordinated planning process underway
 - June 19 Meeting
 - Collect 10 year plans
 - Participation by NTTG parties, NTAC members, all interested persons and stakeholders
 - Prioritize ColumbiaGrid coordination activities
 - Form study teams
 - Meeting agenda and results will be posted



Order No. 890

Coordination

- Use of study teams for coordination
 - Transmission projects identified during development of biennial plan
 - At the request of a Planning Party, ColumbiaGrid will lead WECC regional planning project review study teams
- Study teams initiated by ColumbiaGrid are open to all interested persons
- Study teams have flexibility to organize work
 - Planning Party with need or sponsoring project has primary responsibility to provide studies
 - ColumbiaGrid may also conduct studies
 - Study team members may volunteer to provide studies
 - Study team members may propose studies to be run by ColumbiaGrid or the project sponsor



Order No. 890 Coordination

- Single system projects
 - Coordinated with local customers and interested persons
- Single system projects included in the ColumbiaGrid system assessment and biennial plan



Order No. 890

Openness

- ColumbiaGrid planning process is open to all interested persons, including affected persons, during its different stages
 - Meetings are open (consistent with OATT)
 - Notices, agendas, materials are posted



Order No. 890 Transparency

- ColumbiaGrid provides a non-discriminatory forum for interested persons to receive and bring forward recent and salient information concerning the regional interconnected systems
- ColumbiaGrid is charged with providing transparency throughout its planning process, including applicable criteria, study assumptions, progress of study teams, etc.



Order No. 890 Information Exchange

- Multiple information exchange points between Planning Parties, interested persons, and ColumbiaGrid
- ColumbiaGrid makes data and analysis publicly available consistent with protection of confidential and CEII information



Order No. 890 Comparability

- Customers ensured comparability through coordination, openness, and transparency and ColumbiaGrid's operational independence
- ColumbiaGrid process treats sponsored demand-side and generation non-transmission solutions the same
- Any party that owns or proposes to own or operate transmission facilities (and others) eligible to sign the Planning Agreement
- Even without becoming a Planning Party, interested persons can engage in planning process



Order No. 890 Dispute Resolution

- ColumbiaGrid itself constitutes a dispute resolution mechanism
 - Operationally independent
 - Provides neutral forum through which Planning Parties and interested persons can raise and address issues
- Dispute resolution is addressed by the Planning Agreement's processes; any party may file a complaint with the Commission
- Binding arbitration limited to disagreements over the release of information



Order No. 890

Regional Participation

- Participation in ColumbiaGrid planning activities is open to all interested persons and stakeholders, including customers, providers, states, and tribes
- The ColumbiaGrid planning process is the primary mechanism by which Planning Parties coordinate their transmission system plans
- The Planning Agreement requires ColumbiaGrid to notify affected persons, including non-Planning Parties, of its activities and encourage their participation
- The Planning Agreement requires that ColumbiaGrid projects not result in material adverse impacts to transmission systems, including the systems of non-Planning Parties



Order No. 890

Regional Participation

- ColumbiaGrid will coordinate actively and directly with neighboring transmission providers, including sub-regional planning groups acting on their behalf, through the use of joint study teams
 - Participation of Planning Parties would be governed by the Planning Agreement
 - Work cooperatively to achieve a “single utility” approach in the best interest of the region
 - In the event joint study teams cannot reach timely agreement, e.g., on cost allocation, Planning Parties would continue to plan for need/project under provisions of the Planning Agreement
 - ColumbiaGrid may participate in, lead, or co-lead joint study team depending upon circumstances
- ColumbiaGrid has joined WECC and NWPP



Order No. 890

Economic Planning Studies

- Planning Parties will work with ColumbiaGrid to determine what analysis is appropriate to evaluate a request
 - Initially, production cost modeling will be performed at WECC, and Planning Parties and ColumbiaGrid will be involved in WECC's prioritization and study processes
 - Other economic analyses will be addressed individually or jointly by Planning Parties in the ColumbiaGrid planning process



Order No. 890

Cost Allocation

- Planning Agreement cost allocation principles designed to provide guidance to parties and encourage mutual agreement wherever possible
- In the event the affected persons cannot reach agreement, ColumbiaGrid staff recommends and Board acts upon cost allocations
- Equitable allocation based upon causation and, in some instances, avoided costs, taking into consideration:
 - fair assignment of costs;
 - adequate incentives to construct new transmission; and
 - general support from state authorities and regional participants
- Commission review of cost allocation determinations in certain circumstances



Conclusion

- Planning Agreement, individual transmission providers' processes, and WECC services are consistent with the nine planning principles in Order 890
- Look forward to further dialogue with the Commission and other regional parties about coordinated, open, and transparent regional planning