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Western Resource Advocates

Western Wind Power



Renewable Northwest Project

November 29, 2006

Syd Berwager  
Director, Industry Restructuring  
Bonneville Power Administration  
Via Email

Subject: Comments on ColumbiaGrid Planning and Expansion Functional Agreement

Renewable Northwest Project (RNP), the Northwest Energy Coalition (NWECC) and Tom Foley are pleased to offer these comments to Bonneville on the ColumbiaGrid Draft Planning and Expansion Functional Agreement, dated October 25, 2006.

We are pleased that ColumbiaGrid has made progress over this past year and is prepared to offer a functional agreement for signature. As most parties know, we believe that Grid West was a more comprehensive solution for the Northwest. Nevertheless, we are committed to encouraging ColumbiaGrid to be as effective as it can be. In order for ColumbiaGrid to achieve some of the goals of Grid West and begin to see the efficiencies of "one utility planning" it will ultimately need to include all transmission owners in the Pacific Northwest operating within a seamless grid.

In general, we do not see much harm in the proposed functional agreement. Our biggest concern is that money and time will be spent without a significant change in regional transmission planning from the status quo. Ultimately, the success of this effort will be judged by its ability to create more available transmission capacity through transmission construction and non-wires alternatives. The region has been working to develop a coordinated transmission entity for over ten years, with little to show. New transmission capacity will be necessary to integrate wind and other new generating resources to meet load. Bonneville and ColumbiaGrid should ensure that construction of transmission and implementation on non-transmission alternatives are the top priority for this functional agreement.

We have a few concerns about the draft, which are detailed below.<sup>1</sup>

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<sup>1</sup> If not specifically stated in our comments, all uses of the term transmission projects include Non-Transmission Alternatives to historical transmission options.

### Feasibility.

With the potential for multiple Study Teams focused on disparate sections of the grid, it will be very difficult to assure that “one utility planning” will be achieved, even among the systems of the Parties to the agreement. It will take a concerted effort by ColumbiaGrid’s Board and staff to stay in tune with all of the Study Groups and to keep them all focused towards meeting the common good. Additional confusion may occur with the efforts of the other transmission planning forums already in existence. ColumbiaGrid should work to ensure that efforts among these forums are coordinated and not duplicative.

This effort is made more difficult by the fact that not all Northwest transmission owners are part of ColumbiaGrid. We support the comments of the Affiliated Tribes of Northwest Indians on the point that this transmission planning effort will only be as successful as the number of Northwest utilities participating in it. Both Bonneville and ColumbiaGrid should make it a priority to reach out to utilities that are not ColumbiaGrid members and to make accommodations in the functional agreement where appropriate to encourage their participation. In addition, outreach to and inclusion of other regional stakeholders will also make this effort more successful.

### Single Queue.

A single queue for transmission service requests is of ultimate importance to us. We strongly urge ColumbiaGrid to make it a near-term priority to offer and to sign all TOPPS to a functional agreement that will ultimately lead to a single queue for transmission services. (See Appendix, Page 6, 6.1.) This concern raises again the importance of ColumbiaGrid making itself a desirable organization, by modifications if necessary, to all of the transmission owners in the Northwest. Without all transmission owners in concert, a single utility planning vision will never be realized.

### Non-Transmission Alternatives.

Although we are convinced that non-transmission alternatives will ultimately prove to be important additions to the grid, we believe that they will not happen without more emphasis from the ColumbiaGrid Board and staff. Non-transmission alternatives are a new approach and most are still in pilot phases. Those parties who could make non-transmission alternatives happen know little if anything about the transmission system or planning forums. We are thinking about large contracting firms, for example, that could be aggregators of non-transmission alternatives. These people will need to be educated as to what they can do individually and in coordination to add capacity to T&D, compete with peaking plants, reduce losses, relieve congestion, and to provide ancillary services. A concerted effort to provide outreach and educational forums to potential providers of non-transmission alternatives should be undertaken. It may not be necessary that ColumbiaGrid provide these forums, but it should lobby strongly for their existence. Bonneville should take a leadership role in making this happen. One possibility is to use the BPA Round Table as the convener of such an educational forum in the near-to mid-term.

### FERC and Regional Transmission Planning

In its recent Notice of Proposed Rulemaking on Open Access Transmission Tariff (OATT) reform and in a follow up technical conference, FERC has indicated an interest in requiring transmission owners and operators to participate in regional transmission planning. We want to encourage both BPA and ColumbiaGrid to be in dialog with FERC about whether the proposed transmission planning functional agreement will meet this requirement if changes in the OATT are implemented.

Lastly, we have identified specific edits and clarifying questions that we will submit to ColumbiaGrid. We have included them in Attachment A to this letter for BPA's information.

We appreciate the opportunity to provide feedback to BPA on this subject, and we look forward to continuing our work together to make ColumbiaGrid a successful effort to improve operation and expansion on the Northwest transmission grid.

Sincerely,

Natalie McIntire  
Renewable Northwest Project

Steve Weiss  
Northwest Energy Coalition

Tom Foley  
Consultant

## Attachment A

The following suggestions will be included in our comments to ColumbiaGrid on the proposed Planning and Expansion Functional Agreement.

### Definitions:

Effective Date needs to be included in the list of definitions.

Electric System should ultimately include alternative resources relied upon to displace traditional forms of transmission, distribution and generation, and not historically included in definitions of Electric Systems.

Facilities Agreement needs to be included in the list of definitions.

Facilities Order Intervention. Specify that the intervention be by Columbia Grid only.

Qualified Person. If alternatives are to be effective, ultimately aggregators of non-transmission alternatives should be added to this list.

Single System Project. Is a project that does not meet a Need, but is on a single system, called by a different project name? I.e., is it not a Single System Project? (See (i))

RIS-Modification Projects needs to be defined. (See 3(i)) in the Appendix. We assume these are all Projects that have been or will be implemented through the efforts of ColumbiaGrid.

### Editorial Suggestions

Definition 1.20: Should this read “...by each of the Funders...” Without this change it sounds the same as Maximum Total Funding Obligation.

Appendix, Section 5.4, first paragraph, starting on 3rd line. “...or any Person who would bear Material Adverse Impacts from such EOP if not for the mitigation included in the EOP and that have actively ...”

### Clarifications

Section 4.3. Who will judge what is a “reasonable attempt” to notify potentially impacted tribes of the work of a Study Group?

Section 4.5. What if BPA is not a signatory to this agreement? Does it still transfer the coordinator function?

Section 6.3. This section is very confusing to the lay reader. It would be helpful if it were rewritten with less legalese.