

**Joint Supplemental Comments of
Cowlitz County Public Utility District and Eugene Water & Electric Board
January 22, 2016**

Cowlitz County Public Utility District (“Cowlitz”) and Eugene Water & Electric Board (“EWEB”) submit these brief comments to BPA’s draft white paper entitled “Presentation and Analysis of Southern Intertie Hourly Non-Firm Alternatives” (the “White Paper”) to supplement by way of emphasis the comments of the Public Power Council and the Public Generating Pool on the White Paper. Cowlitz and EWEB are members of both PPC and PGP and fully support the comments submitted by each of these two organizations.

The purpose of these comments is to emphasize that Cowlitz and EWEB urge BPA to initiate promptly an expedited 7(i) process to evaluate rate Alternative #2 from the White Paper and to adopt by FY 2017 an hourly non-firm rate for the Southern Intertie of approximately \$13/MWh based on 20 high value hours per week. That said, we do not believe that such an HNF rate for SI service is likely to be a complete and perfect solution to all the problems identified by BPA’s staff in the White Paper or by Power Ex, PPC and PGP in their comments to BPA’s White Paper. Nevertheless, Rate Alternative #2 is a major step in the right direction and BPA can implement it unilaterally and quickly.

BPA should continue to evaluate potential non-rate steps to reduce the problem of the devaluation of the value of long term rights on the SI and should work collaboratively with the CAISO to address this and other seams issues. BPA should not however defer revising the IS HNF pending such additional steps. Revising the IS HNF rate as proposed in Rate Alternative #2 will increase the likelihood that such collaborative discussions with the CAISO will be productive.

We appreciate the opportunity to submit these comments and look forward to working with BPA to implement our recommendations.