



**Public Power Council's Comments regarding
Preferred Approaches to Addressing Devaluation of
Long-Term Firm Southern Intertie Rights
October 28, 2015**

Thank you for the further opportunity to comment on proposals that BPA should consider regarding the devaluation of long-term firm transmission rights on the Southern Intertie. BPA staff has asked for comments on the following matters:

- Comments and requests for clarification on the alternatives that were suggested by customers.
- Your top three alternatives you would like explored, and suggestions on what analysis you would like to see performed.
- Your bottom three alternatives that you would not support BPA implementing.¹

PPC does not request further clarification of alternatives at this time. PPC submitted comments on October 9 that covered our current thoughts on alternatives.

Regarding alternatives that PPC would like BPA and customers to consider and evaluate in this process, PPC incorporates the comments that we submitted on October 9 and the suggestions made there. As a general matter, we endorse BPA's further study of options that BPA can implement to remedy the problem, including both rate and operational alternatives. Both rate and operational alternatives may be needed to fully address the problem and we believe that they should be considered together as a package. FTI Consulting's matrix of issues and alternatives, submitted on October 7, provides a clear and understandable outline of the components of the issue and options for resolution. We suggest that BPA use the matrix as a basis for addressing alternatives.

In regard the third bullet, alternatives that we do not believe BPA and the customers should pursue in this process, PPC does not support study of proposals to engage *solely* in collaborative solutions with the California ISO to address the problem. We support exploration of such solutions after the immediate problem is addressed by BPA's actions within its own authority. PPC also would not support exploration of proposals to do nothing or proposals that do not resolve the problem, either alone or in combination with other proposals.

Thank you again for the opportunity to comment on the alternatives for resolving the devaluation of long-term firm transmission rights on the intertie and your attention to that issue and these comments.

¹ BPA Staff Presentation, *BPA Transmission Southern Intertie Hourly Non-Firm Workshop*, Oct. 14, 2015, slide 19.