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TACOMA PUBLIC UTILITIES

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VIA EMail

Tech Forum

Bonneville Power Administration

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Re: Comments of Tacoma Power regarding Southern Intertie Transmission

Last year, Tacoma Power joined with other regional parties in calling for BPA to establish a process to examine a decline in the value of Southern Intertie transmission assets. Tacoma Power appreciates BPA's willingness to hold workshops focused on this issue.


Tacoma Power would also like to thank Powerex and FTI Consulting for their diligent investigation and excellent explanation of what is occurring with respect to the Southern Intertie. We generally agree with their conclusion that the California Independent System Operator (CAISO), through operation of its LMP-based markets has allowed for market outcomes along its seams that devalue long-term firm transmission rights on the Southern Intertie.

BPA Power Services and its customers are directly and adversely affected by this decline in value. Accordingly, we encourage BPA Power Services to participate in the process independent from BPA Transmission Services. In our view, BPA should not speak with one voice in this process; rather, BPA Power Services, as a BPA transmission customer, should publicly engage in a dialogue with BPA Transmission Services in a manner that is consistent with principles of open access and functional separation.

During its last workshop, BPA indicated that it will make further information related to reservations, schedules, curtailments, and power flows available to the workshop participants. We look forward to seeing that information so that we can make informed recommendations to BPA about what should be done with the Southern Intertie.

Finally, we encourage BPA to explore all available options to achieve an equitable and justifiable solution that preserves the value of its Southern Intertie transmission assets.

Sincerely,



Nicolas Garcia
Assistant Power Manager