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January 4, 2006

MEMORANDUM

TO: Power Committee

FROM: Terry Morlan

SUBJECT: Presentation on Bonneville's Integrated Planning Concept

Integration of power planning with transmission planning is something that happened naturally to some degree under a regulated and vertically integrated electricity system. With open access rules to promote competition in electricity generation transmission planning is a much more complicated problem. The Council's plan has laid out the current transmission problems, one of which is planning. The responsibility for planning is no longer clear and the concern is that it is simply not being done adequately.

Bonneville has recognized this problem and as a federal wholesale power marketer and owner of a large portion of the region's transmission system is in a position to address at least part of the problem. However, this type of integrated planning (transmission and generation) is constrained by the multitude of retail utilities and transmission owners independently planning for their customer needs.

Bonneville has been working on an approach to planning for transmission expansion needs in a functionally separated industry. To accomplish this will require an unprecedented level of cooperation in the Region. Brian Silverstein, Bonneville's Vice President of Planning and Operations for the Transmission Business Line will brief the Power Committee on their concept for integrated planning.

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Integrated Planning Concept

- **Objective:** Achieve least-cost planning in a functionally separated industry.
- **Premise:** Most commitments to long-term transmission service, particularly those that require expansion, are tied to utility load service.
- **Concept:** Establish a planning cycle that links individual utility resource planning with a region-wide transmission open season.
- **Benefits:**
 - Improve our ability to develop transmission when needed.
 - Regional adequacy assessment.

Integrated Planning Concept

