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June 30, 2010

MEMORANDUM

TO: Council Members

FROM: Wally Gibson

SUBJECT: Update on Transmission Planning Activities

The staff will present a review of major transmission projects being planned for or to go through the Northwest and the Intermountain area. There are two major drivers of these projects - load service and, perhaps more importantly, RPS requirements, both in the Northwest and in California. Transmission projects to help meet RPS requirements are being planned both by utilities (for their own loads and to meet transmission service requests under their tariffs) and by merchant transmission developers.

The potential constraints on the allowable location of renewables to meet California RPS requirements are still being defined, which leads to significant uncertainty about the future of some projects. While some planned projects are encountering siting difficulties, the major constraint on transmission development, to the extent that it is driven by service requests by generators or expectations of markets, may be finding customers to purchase the power that would be transferred by the projects.

Transmission Planning and Proposals – Update

Wally Gibson
Northwest Power and Conservation Council
Portland, Oregon
July 14, 2010



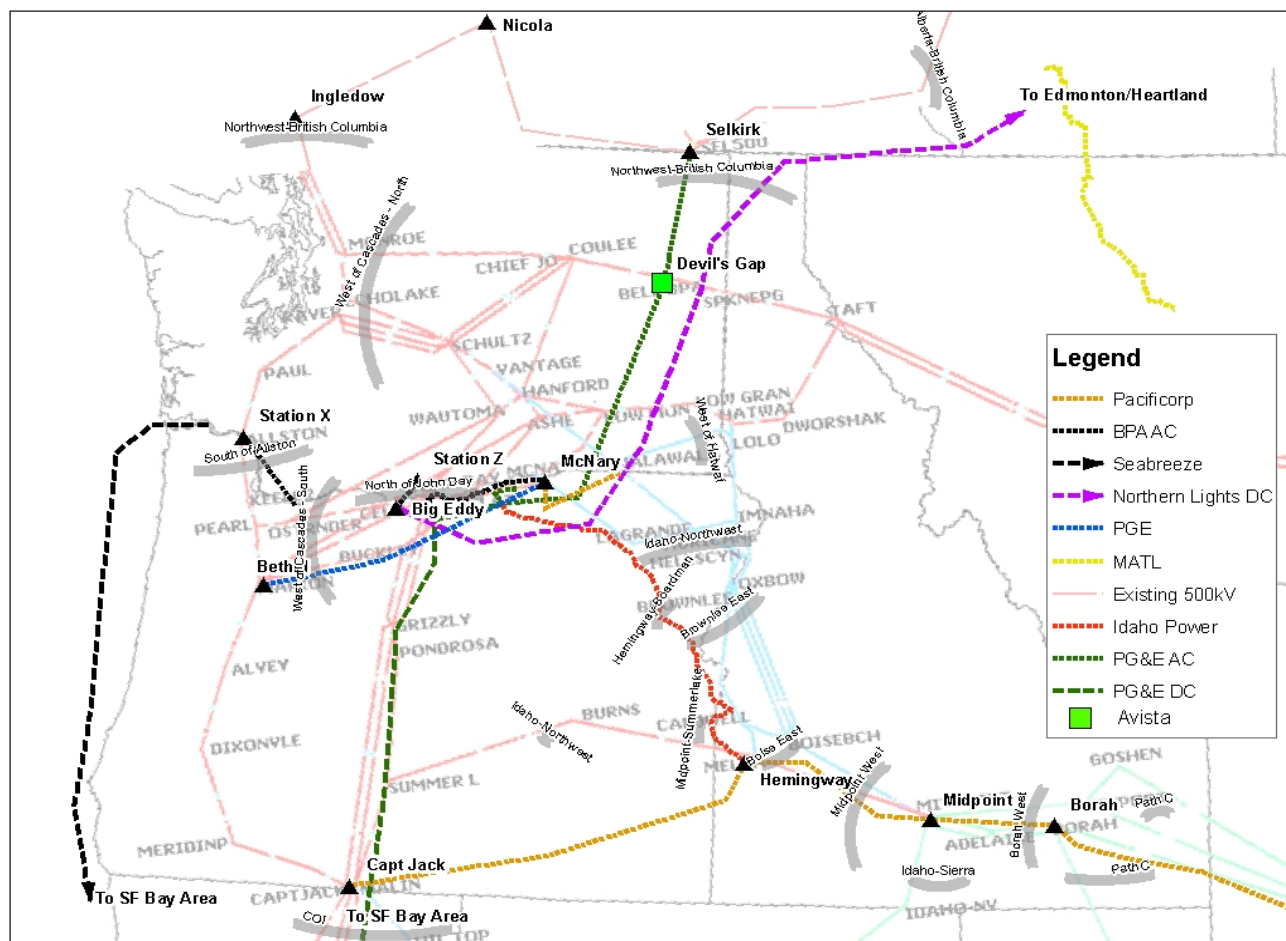
Summary

- There is much ongoing transmission planning and development activity
- Main drivers of all proposals – load service and, especially, RPS requirements (current and expected) in NW and in California
- Some construction but siting difficulties are showing up
- Main constraint may be commercial viability of projects





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New Major Projects Planned for the Northwest 2010 – 2015+

- Projects on Slide 4 are currently being studied to examine interactions among them for WECC rating purposes
 - Rating establishes maximum safe operating limits
 - Not about commercial viability
- McNary-John Day (BPA) – under construction, mostly new wind
- I-5 Corridor (BPA) – siting issues, congestion / service requests
- Central Ferry-Lower Monumental (BPA) – service requests (not on map)
- Cascade Crossing (PGE) – load, service requests, RPS – siting issues

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New Major Projects Planned for the Northwest 2010 – 2015+ (Continued)

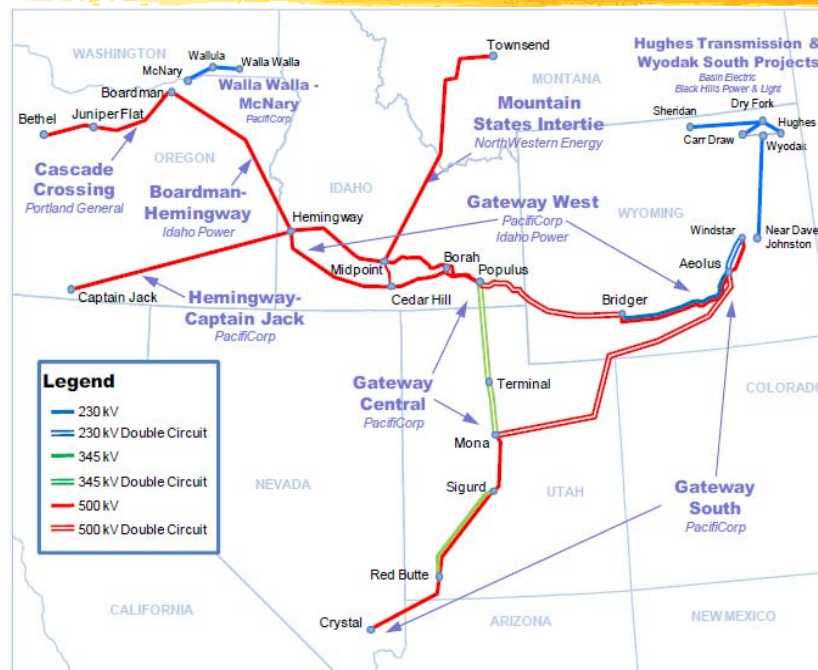
- Boardman-Hemingway (Idaho) – load, market access, service requests – siting difficulties
- Hemmingway-Captain Jack (PacifiCorp, date uncertain)
- Part of Gateway West (Hemingway – Borah, Idaho/PacifiCorp) – load, service requests
- Canada-California (PG&E) – California RPS primarily
- Northern Lights (TransCanada) – California and NW RPS, seeking customers
- West Coast Cable (Sea Breeze Pacific) – California RPS, seeking customers
- BPA and others scoping expansion of Intertie to California (too early, not on map)

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NTTG Projects



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New Major Projects Planned for the Intermountain Area 2010 – 2015+

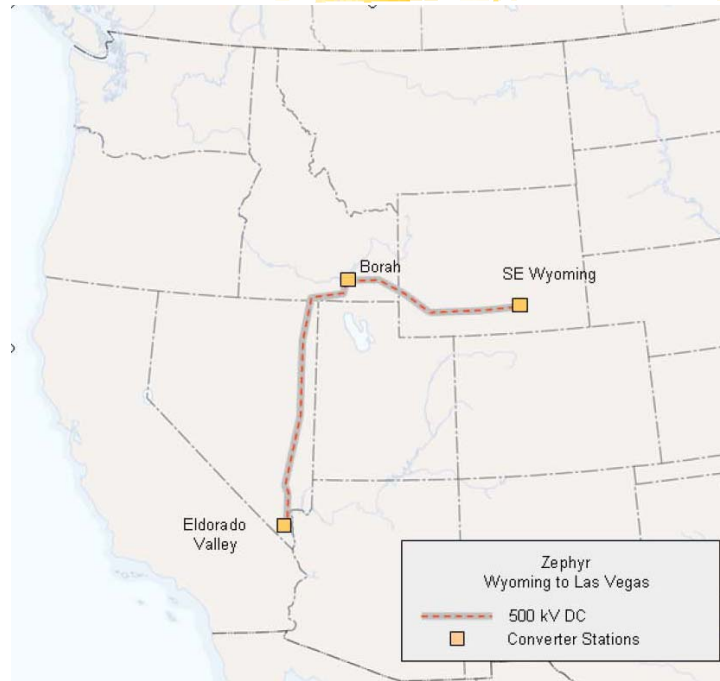
- Overlap between projects on the Slide 7 and Slide 4:
 - Boardman-Hemingway
 - Hemmingway-Captain Jack
 - Part of Gateway West
 - Cascade Crossing
- Additional Projects in advanced development
 - Gateway Central (PacifiCorp) – section recently completed
- Mountain States Transmission Intertie (NWE) – seeking customers in open season, export oriented
- Zephyr and Chinook merchant lines (500 kV DC) – exports to California and Southwest (next slides)
 - Zephyr recently announced 3,000 MW shipper agreements

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Zephyr - TransCanada

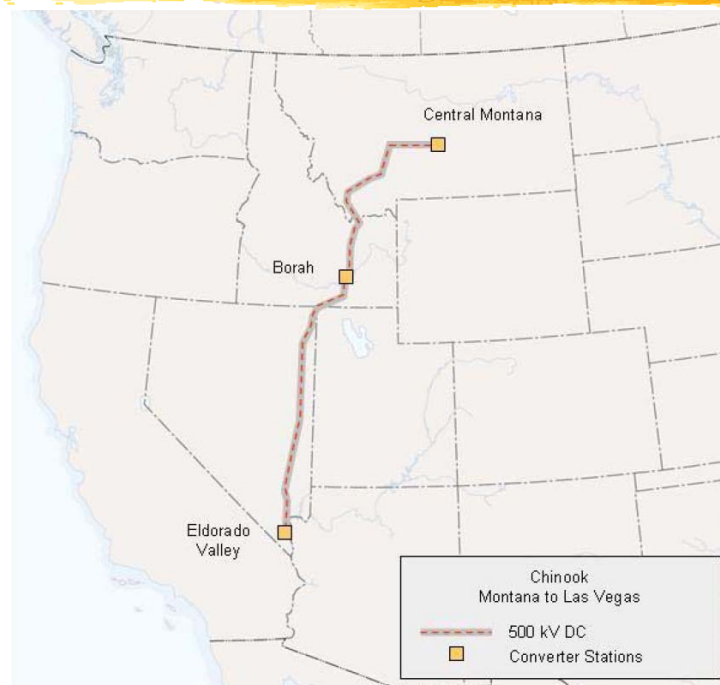


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Chinook - TransCanada



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Which will be completed?

- Biggest hurdle is commercial viability
 - Especially projects driven by service requests under tariff and merchant projects
 - Heavy dependence on expectations of California renewables market for some projects
 - California RPS requirements are in flux
- Siting is next big hurdle
 - Typically must demonstrate need and gain public acceptance