

TIG: Better, Faster, Cheaper

The Incremental Alternative for Transmission in the Northwest



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Charging Up

Operating budgets for grid-running corporations,
in millions

California Independent System Operator



Midwest Independent System Operator



PJM Interconnection



Electric Reliability Council of Texas



Independent System Operator New England



New York Independent System Operator



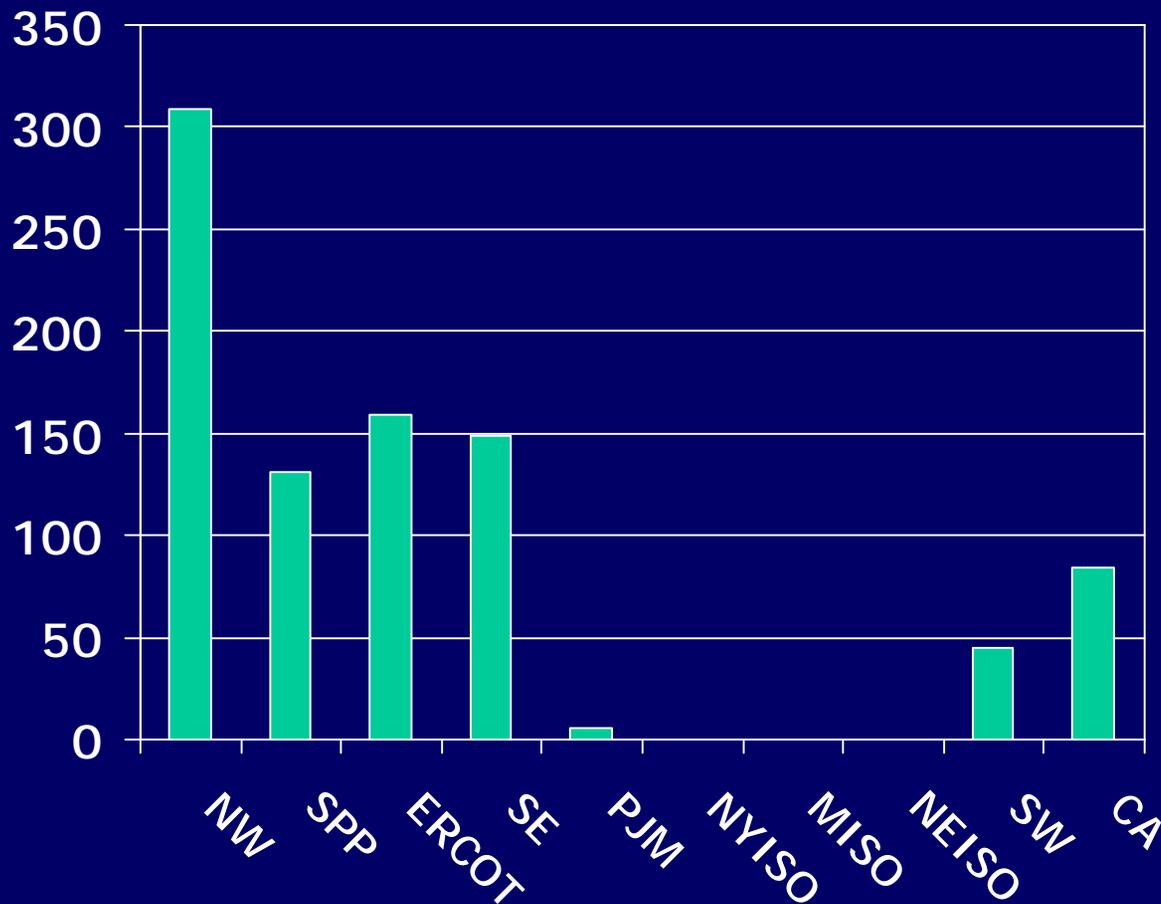
Source: Cambridge Energy Research Associates

RTO Costs: Reasons for Skepticism

Transmission Completed 2004

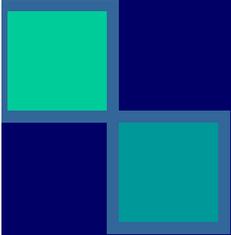
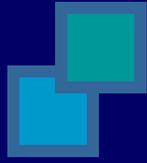
Source: FERC "2004 State of the Markets" (Note: ERCOT's are projections)

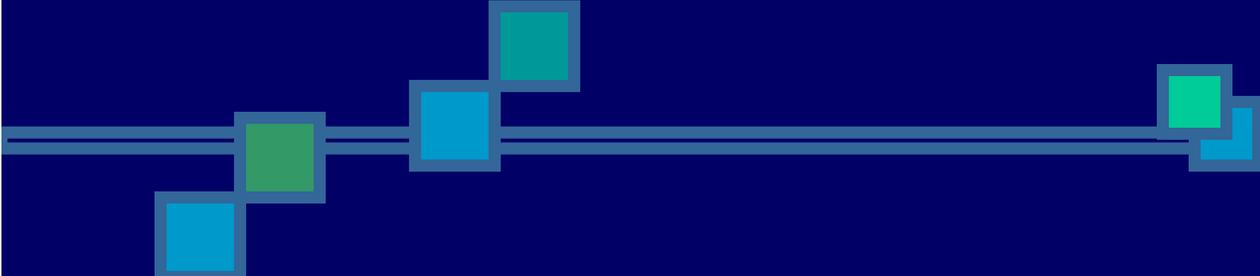
Major Transmission Circuit Miles





TIG Proposal: Coordinated multilateral contracts for

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- n Common Oasis
 - n Reliability & Security
 - n Market Monitoring
 - n Transmission Planning & Expansion
 - n Flow-based Analysis of ATC
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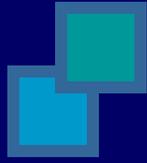
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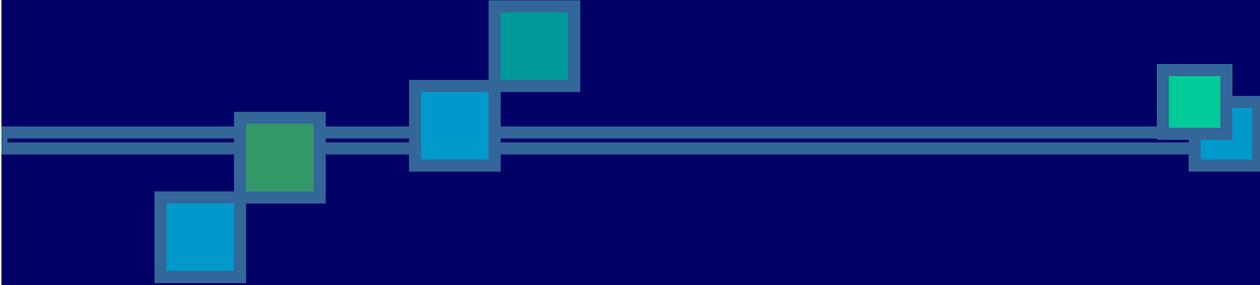
Based on successful models

- n Northwest Power Pool (NWPP)
 - n WestTrans
 - n Mid-Continent Area Power Pool (MAPP)
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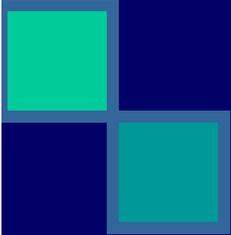
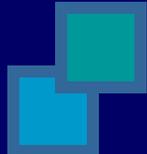


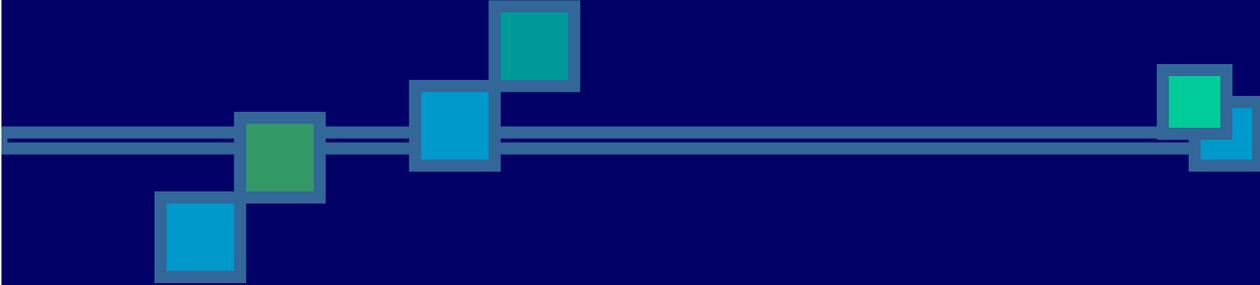
TIG: Salient Features

- n Avoids new complex institution
 - n Avoids FERC-jurisdictional institution
 - n Keeps responsibility with utilities
 - n Maintains accountability to public
 - n Aligns \$\$ with accountability for \$\$
 - n Works via contractual obligations
 - n Allows incremental steps and pacing
 - n Fits with rest of West (minus CAISO)
 - n Costs 1/3 less, with better cost-control
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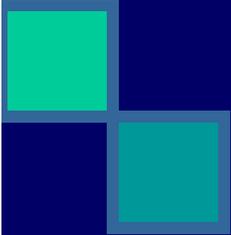
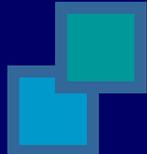


“Convergence” = Grid West +

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- n Grid West structure and governance
 - n Developmental board would also look after near-term (TIG-type) services
 - n Still on path to full operational (FERC-jurisdictional) status
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All jurisdiction is not equal

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- n Reliability for everyone
 - n Comparability for public power
 - n Economic for IOUs, RTOs, etc
 - Grid West *and* trades through Grid West (e.g., by BPA and publics) will fall under economic rules
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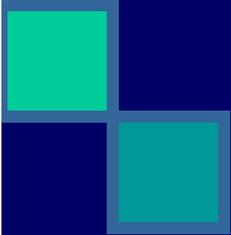


TIG

v

Grid West

(Convergence)



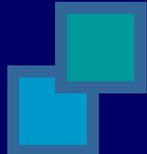
ü Structure

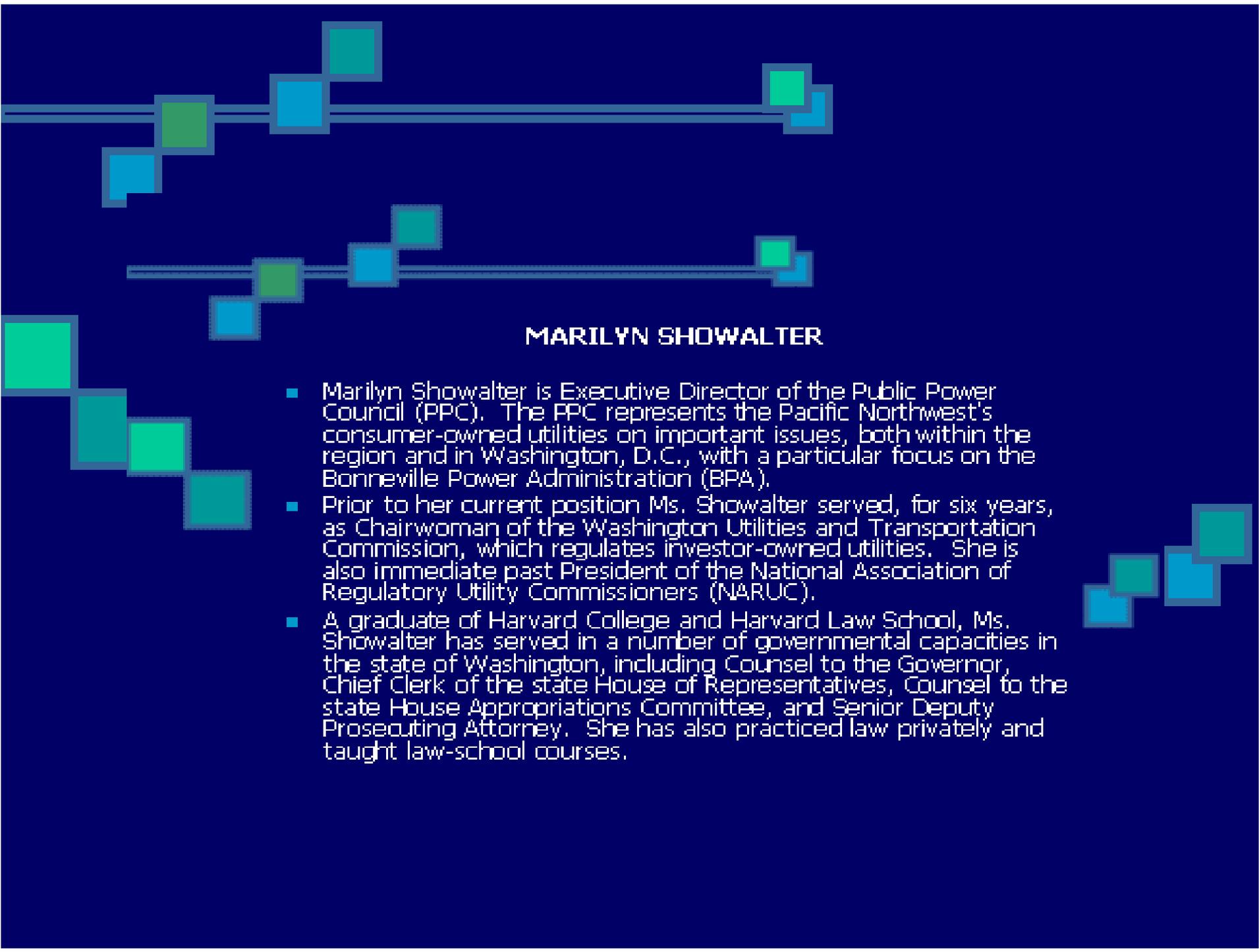
ü Governance

ü Jurisdiction

ü Cost Control

ü Cost/Benefit





MARILYN SHOWALTER

- Marilyn Showalter is Executive Director of the Public Power Council (PPC). The PPC represents the Pacific Northwest's consumer-owned utilities on important issues, both within the region and in Washington, D.C., with a particular focus on the Bonneville Power Administration (BPA).
- Prior to her current position Ms. Showalter served, for six years, as Chairwoman of the Washington Utilities and Transportation Commission, which regulates investor-owned utilities. She is also immediate past President of the National Association of Regulatory Utility Commissioners (NARUC).
- A graduate of Harvard College and Harvard Law School, Ms. Showalter has served in a number of governmental capacities in the state of Washington, including Counsel to the Governor, Chief Clerk of the state House of Representatives, Counsel to the state House Appropriations Committee, and Senior Deputy Prosecuting Attorney. She has also practiced law privately and taught law-school courses.