

June 13, 2008

Mark Maher COO WECC

Brian Silverstein (Chair) & Robert Kondziolka (Vice Chair), WECC PCC

Dave Areghini (Co-Chair) & Scott Cauchois (Co-Chair), WECC TEPPC

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Jerry Rust (President & Director), Northwest PowerPool

Jeff Miller (Vice President & Manager of Planning), ColumbiaGrid

John Cupparo (Co-Chair) & Marsha Smith (Co-Chair), Northern Tier Transmission Group

Gary DeShazo (Director Regional Transmission North), CAISO

Gentlemen:

Subject: WECC Phase 1 Coordinated Planning and Technical Studies

The undersigned are sponsors of several significant new high voltage transmission projects that are in common planning phase in the Northwestern United States. We are pleased to announce that we have made some significant progress in our efforts to coordinate the technical transmission planning studies which are a critical first step in developing a reliable and integrated transmission grid for the 21st century.

You are invited to attend a meeting in Portland on July 18, 2008, when we plan to provide a public update meeting regarding the coordinated work group study progress completed to date. In addition, each project sponsor will provide a brief progress update and next steps report for each of the projects. The meeting will be held in Portland, Oregon, (location TBD) from 9 a.m. to 12 noon. If you are planning to attend, please confirm with Gayle Mackenzie at gayle.mackenzie@pacificorp.com.

The sponsors of the following projects have supported and coordinated progress towards completing their respective WECC Phase 1 Rating Studies in the August to September 2008 timeframe. Brief project descriptions are included below and potential routing of the projects are shown on the attached map.

1. Gateway Project (PacifiCorp – 2010-2014)

Gateway West

- 600-plus miles of line capable of delivering up to 3,000 megawatts of electricity from Wyoming to Idaho into Utah and up to 2,500 megawatts of new incremental capacity from Idaho west into Oregon
- Combination of 500kV (single and double circuit) and 345kV AC lines.

Hemingway Idaho to Captain Jack Oregon

- 500kV Transmission Line-1500MW

Walla Walla to McNary

- 230kV Transmission Line-400MW

<http://www.oasis.pacificorp.com/oasis/ppw/main.htmlx>

2. West of McNary Generation Integration Project (WOMGIP) (BPA – 2010-2012). The objective of this project is to enable BPA to serve point-to-point transmission requests across multiple congested east-west transmission paths along the Washington – Oregon border. It would also enable BPA to integrate additional wind generation in Eastern Washington and Eastern Oregon. The first part of WOMGIP is a new McNary – John Day 500 kV transmission line, with an expected energization date of 2010. The second part of WOMGIP has an expected energization date of 2012. It includes a new 500 kV substation (“Station Z”) near Goldendale, Washington, and a 500 kV line from Station Z to BPA’s Big Eddy substation near The Dalles, Oregon. This project has undergone regional review through ColumbiaGrid in 2007. Information on the project can be found at <http://www.columbiagrid.org/mcnary-overview.cfm>
3. Idaho to Northwest (Hemingway Boardman) Project (IPC – 2012). Several electric utilities, including Idaho Power, have proposed development of a transmission station near Boardman, Oregon, which will serve as the Northwest terminal of the project. The Idaho terminal will be the proposed Hemingway Station located in the vicinity of Melba and Murphy on the south side of the Snake River. http://www.oatioasis.com/PCO/PCOdocs/Hemingway-Boardman_Fact_Sheet.pdf
4. I-5 Corridor Reinforcement Project (BPA – 2013). The objective of this project is to increase the available transfer capacity across multiple congested north-south transmission paths between Seattle, Washington, and Portland, Oregon. This would enable BPA to serve point-to-point transmission service requests, generation interconnection requests, and load growth in the Portland metro area. It would also improve transmission system reliability by reducing dependence on remedial action schemes. The primary components of the project are a new 500kV substation (“Station X”) near Castle Rock, Washington, and a new 500kV transmission line between Station X and BPA’s Troutdale substation near Troutdale, Oregon. This project has undergone regional review through ColumbiaGrid in 2007. The target energization date is 2013. Information on the project can be found at <http://www.columbiagrid.org/i-5-reinforcement-overview.cfm>
5. Southern Crossing Project (Portland General Electric – 2013). The proposed Southern Crossing project will expand PGE’s cross Cascades transmission system via the construction of a new 500kV transmission line. The project is designed for the integration of existing PGE generation resources (i.e. Boardman and Coyote Springs) and to integrate up to 750MW of proposed wind generation resources, as well as increasing transmission capacity to PGE’s service territory. Project information can be found at <http://www.oatioasis.com/pge/index.html>
6. Canada to Northern California Project (PG&E, Portland General Electric, PacifiCorp, Avista, BCTC – 2015). This project is planned to connect the Selkirk Substation in British Columbia to the Tesla Substation in the San Francisco Bay

Area. The project is likely to use 500kV AC and DC technology. The project entered the WECC Phase 1 Rating Process on October 31, 2007. The target online date is 2015. The project website is <http://www.pge.com/canada>

7. Canada to Northern California – Avista Interconnection (Avista – 2015). This project is planned to connect the Avista 230kV transmission grid with the proposed PG&E Canada to Northern California Project (Number 6 above). The interconnection is planned to be a 500/230 kV interconnection at Devils Gap (an upgrade of an existing Avista 115 kV station near Spokane, Washington) including 230 kV phase shifting transformers and two 230 kV lines into the Spokane area transmission system. The target energization date is 2015.
8. NorthernLights is a proposed +/-500 kV, 970 mile, high voltage direct current electric transmission line running from central Alberta, Canada, to a terminal in southern Alberta, Canada, and interconnecting with the Pacific Northwest near the BPA Buckley station. This bi-directional line will have an initial capacity of 2000 MW and interconnect two markets that are not currently directly connected. The project entered the WECC Phase 1 Rating Process in January 2008 and has a target in service date of 2015. The project website is <http://www.transcanada.com/company/northernlights.html>

The project sponsors continue to see many benefits in moving the projects forward in a coordinated fashion. The sponsors have created common base cases for technical studies and have conducted a number of those studies using consistent assumptions, outages, and switch files and all of the study results have been made available to the coordinated work group.

This common platform and a consistent approach for all of the technical studies during the Phase 1 Rating Process will be able to create optimal regional project plans of service and meaningful line ratings for the individual segments looking forward. This process will support development of the best possible combination of transmission expansion projects for the region.

On July 18, 2008, we will provide the public a coordinated technical work group progress report and each project sponsor will provide status and next steps of their respective plans. Below is the **draft** agenda for the upcoming session. We would like your input and suggestions and look forward to meeting with you.

- **Agenda & Purpose for the Session**
- **July 18 Kick off and Key Note**
- **Background from January 2008 Session**
- **Coordinated Technical Work Plan**
 - **What’s been done since Jan ‘08**
- **Phase 1 study status**
 - **(By Project Sponsor)**
- **Next Steps and Timelines**
- **Inputs and Commentary**

Sincerely,

Darrell Gerrard, VP Transmission Systems
PacifiCorp-July 18 Meeting Host

Melvin Rodrigues, Transmission Planning
Bonneville Power Administration

Steve Metague
Pacific Gas & Electric Company
Project Manager, Transmission Line from Northern California to PNW/Canada

Frank Afranji
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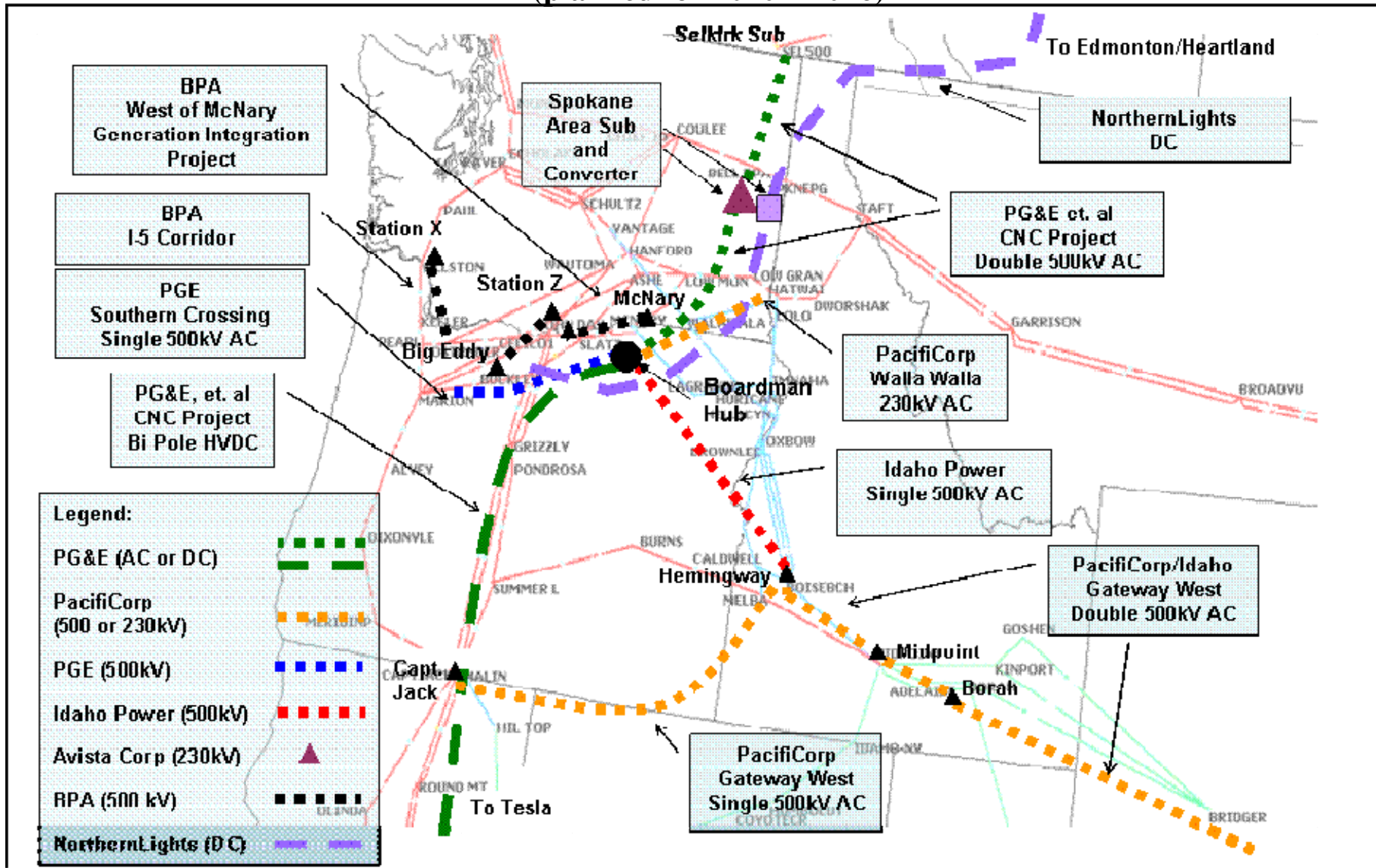
Kip Sikes, Commercial Transmission Development Manager
Idaho Power

Don Kopczynski, VP Operations
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cc: Steering Team/Transmission Line from Northern CA to PNW/Canada
Stakeholder List/ Transmission Line from Northern CA to PNW/Canada
TCWG Correspondent List
WECC PCC
WECC TEPPC
Jay Loock, WECC
Steve Rodgers, FERC
Jamie Simler, FERC
Yakout Mansour, CAISO

Attachments 2

New High Voltage Transmission Projects Coordinated in Phase 1 Studies (planned for 2010 – 2016)



New High Voltage Transmission to Be Coordinated in Phase 1 Studies (Projects planned for 2010 – 2016)

Projects Shown on the Map

Sponsor	Project Name	Online Date	Voltage	Capacity
PacifiCorp	Walla Walla to McNary	2010	Single-230kV AC	400 MW
Bonneville Power Administration	West of McNary Generation Integration Project	2010 & 2012	Single 500kV AC and 500kV Sub/Single 500kV AC	1,500 MW each
Idaho Power	Idaho to Northwest (Hemingway Boardman)	2012	Single 500kV AC	1,500 MW
PGE	Southern Crossing	2013	Single 500kV AC	1,500 MW
Bonneville Power Administration	I-5 Corridor Reinforcement Project	2013	500kV Sub/Single 500kV AC	1,500 MW
PacifiCorp	Idaho to Captain Jack (part of Gateway West)	2014	Single 500kV AC	1,500 MW
PG&E, Portland General Electric, Avista, PacifiCorp, BCTC	Canada – Northwest - California (CNC)	2015	Double 500kV AC and HVDC	3,000 MW
Avista Corp	Spokane Area Upgrades	2015	500kV Sub and local 230kV upgrades	500 MW
TransCanada	NorthernLights	2015	+/- 500kV HVDC	2,000 MW

Other New Projects

Bonneville Power Administration	West of Slatt Generation Interconnection Project	2014	500kV Sub	600 MW
Bonneville Power Administration	West of Cascades South Reinforcement Project	2014	500kV Sub and Series Caps	600 MW

