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PLANNING COORDINATION COMMITTEE
TECHNICAL STUDIES SUBCOMMITTEE

Subject: Acceptance of Regional Planning Report for the Canada-Northern California
Transmission Project

On August 16, 2006, Pacific Gas and Electric Company (PG&E) notified the Western Electricity Coordinating Council (WECC) that it was initiating the WECC Regional Planning Review Process for an Extra High Voltage (EHV) transmission project between British Columbia and Northern California.

On December 12, 2006 a stakeholder meeting was held in San Francisco, California, where stakeholders were invited to participate in the regional planning review group. Along with forming a Steering Team and a regional planning review group, three subcommittees were formed to conduct loads and resources, technical and economic analyses. Membership on the regional planning review group was diverse, including participation from renewable developers, energy marketers, investor-owned and municipal utilities, energy industry consultants, regional planning entities, and independent transmission companies. Current members of the Steering Team include: Avista Corporation, British Columbia Transmission Corporation (BCTC), PacifiCorp, and Pacific Gas and Electric Company. In addition to the regular subcommittee meetings and the December 12, 2006 kickoff meeting, two other stakeholder meetings were held on August 2, 2007 and October 22, 2007 to gather stakeholder comments. Copies of the presentations from each of the stakeholder meetings are also available on the project website www.pge.com/canada.

At the October 22, 2007 open stakeholder meeting, a draft Regional Planning Project Report for this project was presented. Questions were addressed at the meeting and via email and were reflected in the final report. The final Regional Planning Project Report was provided to the PCC on November 1, 2007. The companion technical analysis report described the conceptual project plan for the WECC Phase 1 Rating:

- A combination of 500 kV AC double circuit tower line and +/-500 kV bi pole HVDC line with HVDC termination at Tesla sub
- Proposed rating: up to 3000 MW, north to south
- Terminations at Selkirk substation in BC, Canada and Tesla/Tracy substations in Northern California
- Potential intermediate connections pending results of the Phase 1 study:
 - AC connection in the Spokane area in WA (as an example Beacon or Devil's Gap substation)
 - AC connection at McNary (Lower Columbia area), or Lower Monumental (Lower Snake area) in WA

- AC interconnection at Grizzly, OR area
- HVDC terminals at McNary or Lower Monumental in WA or at Grizzly, OR area
- Potential third HVDC terminal- Round Mountain Substation

The Regional Planning Report responded to the eleven WECC Regional Planning guidelines. The final Regional Planning Report also described the expected reliability benefits and reduction in congestion associated with the conceptual plan of service for the project.

In September 2008, it came to the attention of WECC that this submission had not been distributed to the WECC PCC or TSS for review. On September 22, 2008, PG&E resubmitted the report to WECC. A period of 30 days was provided to solicit comments from the Regional Planning Review Group. During this comment period the PCC and TSS members were provided the opportunity to review and comment on the project conformity with the Regional Planning Guidelines. The project sponsors state that they did not receive any comments during this time.

Accordingly, this letter serves as notification that the Regional Planning Project Review has been completed for the Canada-Northern California Transmission Project.

Sincerely,

Brian Silverstein

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cc: Kent Bolton, WECC
Steve Metague, PG&E