

CLEARING UP



NORTHWEST
ENERGY
MARKETS

Energy and Utility News for the U.S. Pacific Northwest
and Western Canada

[14] Results Motivate New Northern Tier Transmission Group ■ from [1]

An Idaho regulator is co-chairing a new transmission organization focused primarily on the Intermountain region of the Northwest that is already claiming one victory.

The Northern Tier Transmission Group went public last week with a membership roster made up of PacifiCorp, NorthWestern Energy, Idaho Power, Deseret Power Electric Cooperative, and the Utah Associated Municipal Power Systems. The group's steering committee also features regulators from four states.

Northern Tier's footprint covers four control areas in seven states--Washington, Oregon, Montana, Idaho, Utah, Wyoming and California.

Idaho Power and NorthWestern operate control areas within NTTG's scope, and PacifiCorp manages two control areas, in its eastern and western service territories.

Marsha Smith, co-chair of NTTG and a member of the Idaho Public Utility Commission, told *Clearing Up* that her involvement in the group was based on NTTG producing results.

"I really didn't want to get involved in another exercise in learning how to study, or planning to study transmission," she said. "I wanted to be a part of a group that might implement changes in the system."

The group, which is not under the jurisdiction of the Federal Energy Regulatory Commission, has already worked out a plan to coordinate some of its load-balancing control functions through the British Columbia Transmission Corp. using a method called ACE Diversity Interchange.

Using this method, NorthWestern, Idaho Power and PacifiCorp send real-time information from their control areas to a computer managed by BCTC. The computer checks for "diversity" in terms of momentary generation and load balance, and if found, calculates an adjustment for each control area to throttle up or down the generation they control.

Northern Tier quietly got started in November 2006 when Idaho Power, NorthWestern Energy and PacifiCorp began looking for ways to build on the work already done by Grid West, said Chuck Durick, manager of regional transmission reform at Idaho Power.

"We started doing some of the technical work and hoped it would lead us to a reasonable organization," Durick said.

The trigger on the project was pulled when it was discovered how inexpensive it would be to implement and maintain the ACE system, he said.

It cost the utilities about \$90,000 to get BCTC's recently installed energy management system up to

The trigger on the project was pulled when it was discovered how inexpensive it would be.

The Week in Summary

[1] Northern Tier Transmission Group Claims Early Victory

A group of five utilities has opened another chapter in the region's decade-long attempt to restructure the transmission grid. The Northern Tier Transmission Group, made up of PacifiCorp, NorthWestern Energy, Idaho Power, Deseret Power Electric Cooperative and Utah Associated Municipal Power Systems, went public last week. *At [14], NTTG claims early achievement.*



speed, and will cost just about \$1,000 a month to maintain the system. Durick said it will cost utilities only "a few thousand dollars" to plug into the system.

The philosophy that guided the group's initial meetings was to look for features within the current transmission system that could be built out quickly and at little cost, Durick said.

"We figured it out and it would have cost more to do a cost-benefit analysis, than to just set up the system and get started," he said.

Northern Tier opens another chapter in the region's decade-long attempt to restructure the transmission system. The formation of the group, primarily focused on issues in Montana, Wyoming, Idaho and Utah, marks the first time the region's efforts to remodel the grid have been fragmented.

After Grid West collapsed in January 2006, Columbia Grid formed in March, representing Bonneville Power Administration and six investor-owned and public utilities from Washington.

In October, the group released a Draft Planning and Expansion Functional Agreement for public review and comment.

Initially, Northern Tier has had the advantage of being a small group that could quickly build on work done by Grid West.

But that dynamic may be tested as NTTG attacks an aggressive agenda.

At its next meeting, Jan. 30 and 31 in Boise, NTTG will focus on achieving transparency in available transmission capacity, and will begin discussing transmission planning by reviewing the integrated resource plans of regional utilities.

One of the challenges NTTG will face is to get its members to discuss transmission availability along various transmission paths, information that is normally considered proprietary. Durick said the members are working on a "standard of conduct compliance" that will allow for an "open and fruitful" discussion on transmission capability and capacity.

The group has briefed both FERC and the Western Electric Coordinating Council on its efforts.

John Cupparo, vice president of PacifiCorp, is co-chairing NTTG with Smith.

The group's steering committee consists of Ray Brush, manager of regional transmission policy at NorthWestern Energy; Doug Mood, a member of the Montana Public Service Commission; Lee Beyer, chair, Oregon Public Utility Commission; Larry Nordell, an economist with the Montana Consumer Counsel; Ric Campbell, chair, Utah Public Service Commission; Kathleen Lewis, a member of the Wyoming Public Service Commission; Lisa Grow, vice president, engineering and operations at Idaho Power; and Jim Tucker, director of transmission services at Deseret G&T.

Smith said NTTG's next meeting would be open to anyone.

"Stakeholders will find that NTTG is looking for more than dialogue, it's looking for ideas we can implement," she said, in a prepared statement [Steve Ernst].