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SENATE JOINT MEMORIAL 8001

State of Washington 58th Legislature 2003 Regular Session

By Senators Fraser and Morton

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16 17 Read first time 01/15/2003. Referred to Committee on Natural Resources, Energy & Water.

TO THE HONORABLE GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES,

AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF

REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE

UNITED STATES, IN CONGRESS ASSEMBLED, AND TO THE HONORABLE SPENCER

BRAHAM, SECRETARY OF THE UNITED STATES DEPARTMENT OF ENERGY:

We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

WHEREAS, The Bonneville Power Administration owns and operates over fifteen thousand circuit miles of transmission lines in the Pacific Northwest, constituting more than three-fourths of the high-voltage transmission grid in the region; and

WHEREAS, The Bonneville Power Administration operates its transmission system to meet its public responsibility of ensuring transmission access to independent power producers and other wholesale electricity providers in order to provide the region with a reliable and competitive wholesale electricity market; and

WHEREAS, The Bonneville Power Administration and other northwest transmission owners currently have limitations on their ability to move

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power from where it is produced to where it is needed, leaving the region potentially vulnerable to the same sort of transmission problems that have afflicted California; and

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WHEREAS, The Bonneville Power Administration has significant limitations on its ability to move power from eastern Montana to the Seattle area, from the John Day Dam area on the Columbia River to Seattle, and from the McNary Dam area on the Columbia River to Portland; and

WHEREAS, In response to the recent energy crisis, new electricity generation is in various stages of planning, permitting, and construction for the northwest, which will place additional demands on the region's transmission system; and

WHEREAS, In many cases, integration of new generation will require the Bonneville Power Administration to undertake major work to install new equipment, such as circuit breakers, and to reinforce existing transmission lines to carry the new power; and

WHEREAS, On a more fundamental level, the existing transmission system is at or near its limit in what it can carry, which threatens the Bonneville Power Administration's ability to keep the lights on; and

WHEREAS, Wholesale power deregulation, beginning in 1992, has resulted in rapid increases in the use of the region's transmission system and also reduced investments in it; and

WHEREAS, In response to wholesale power deregulation, the Bonneville Power Administration was under pressure to cut costs, resulting in reducing its staff by over one thousand people and using new control systems and capacitors to squeeze more performance out of the existing transmission system rather than stringing new lines; and

WHEREAS, Today, nearly all of the margin has been squeezed out of the system, making it increasingly difficult to schedule maintenance activities and ensure system reliability; and

32 WHEREAS, Through its planning process, the Bonneville Power 33 Administration's Transmission Business Line had included \$1.3 billion 34 in its estimated capital budget for fiscal years 2002 through 2006, 35 which would cover the basics of replacing some aging transmission 36 facilities, reinforcing connections to existing customers, and 37 interconnecting with some new generation; and

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WHEREAS, The Bonneville Power Administration now estimates it will need even more money for fiscal years 2003 through 2007 to remove constrained paths, cope with new demands for power, and integrate the new generation that will be built over the next few years; and

WHEREAS, The cost of the additional money the Bonneville Power Administration needs to construct the new transmission projects will be self-sustaining, paid for in part by developers of the new power projects and in part by revenues expected from the increased use of transmission resulting from the new generation being built; and

WHEREAS, The region simply cannot wait several more years until the new Regional Transmission Organization, RTO West, is fully functioning in its new role as the planner and builder of new transmission; and

WHEREAS, The Governors of twelve western states affected by the Bonneville Power Administration have universally supported its request for new borrowing authority to enable that federal agency to build transmission to reinforce its system; and

WHEREAS, The Governors in the Western Interconnection have signed a Memorandum of Understanding with five federal agencies to create a framework for these agencies to cooperate with states in the review of any proposed transmission lines and have developed a protocol to streamline and coordinate interstate transmission siting as a step toward implementing the memorandum; and

WHEREAS, The major challenges in siting long distance transmission lines in the west have typically involved crossing federal lands;

NOW, THEREFORE, Your Memorialists respectfully pray that Congress and the President approve an additional \$2 billion in Federal Treasury borrowing authority needed by the Bonneville Power Administration for capital improvements to the Federal Columbia River Power System, principally for the purpose of making critical transmission infrastructure investments.

BE IT RESOLVED, That Congress should require the Federal Energy Regulatory Commission to defer to state and regional interstate transmission siting processes and to not preempt state authority in this area; and

BE IT RESOLVED, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the Honorable Spencer Abraham, Secretary of the United States

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- 1 Department of Energy, the President of the United States Senate, the
- 2 Speaker of the House of Representatives, and each member of Congress
- 3 from the State of Washington.

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