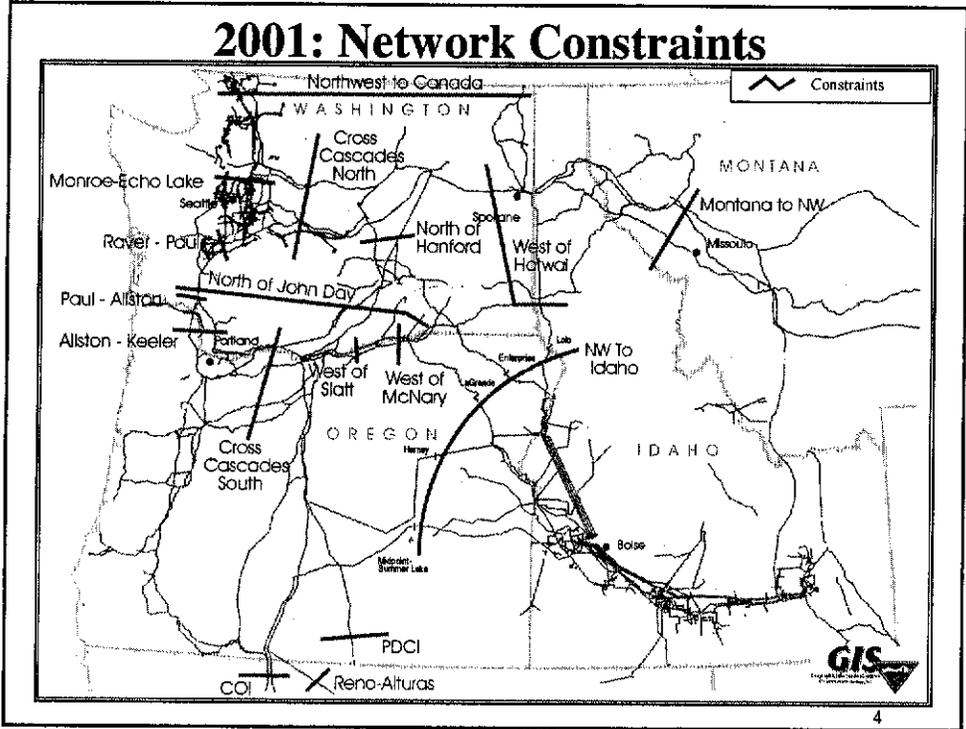
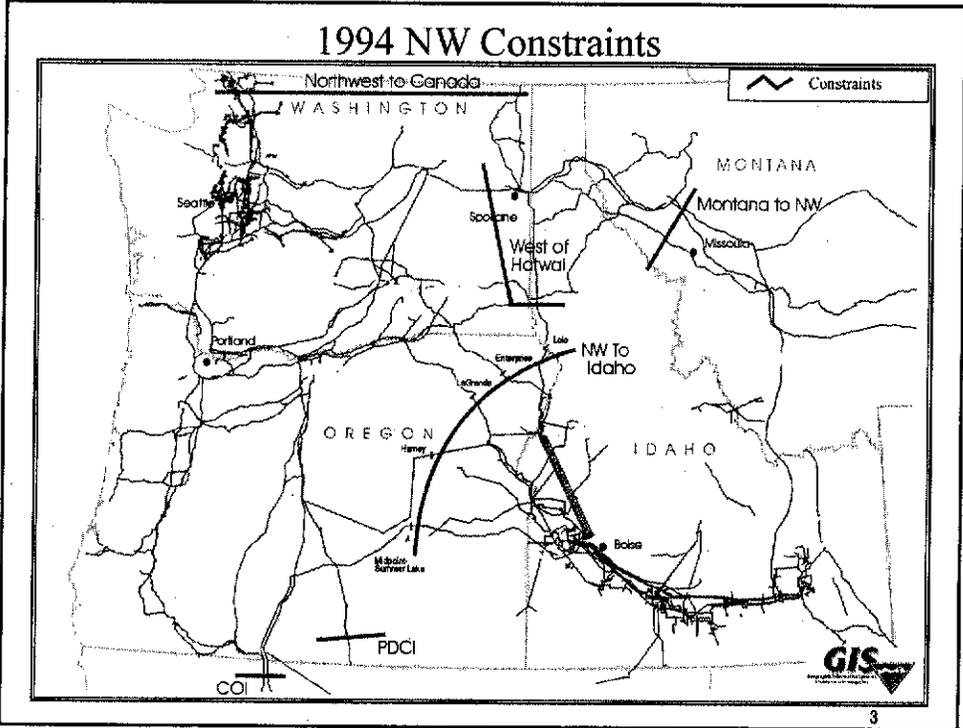


BPA Fast Facts

- BPA owns and operates 75% of the Northwest's high voltage electric grid.
- 300,000 square miles in OR, WA, ID, MT and sections of WY, NV, UT and CA.
- 15,000 miles of transmission line, 285 substations.
- Peak load of about 30,000 megawatts.
- \$700 million a year in revenues.
- BPA voluntarily operates under FERC's Open Access Transmission Tariff.

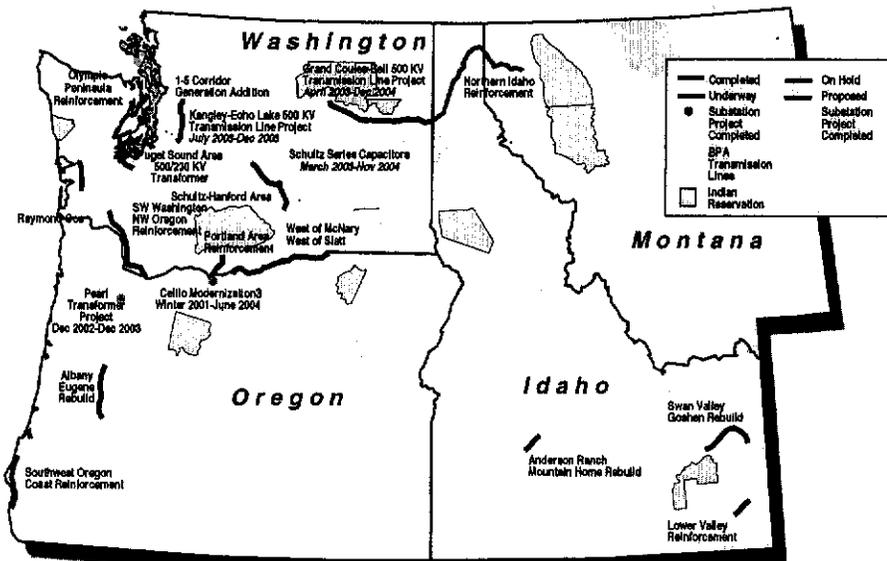


Infrastructure Program

- To address the region's transmission needs, BPA developed a transmission infrastructure program in 2001 to focus on:
 - Maintaining reliable transmission service to population centers.
 - Restoring or enhancing transfer capability across key paths.
 - Providing margin so the system can be maintained.
 - Evaluating and investing in non-wires alternatives.

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Status of BPA Infrastructure Additions



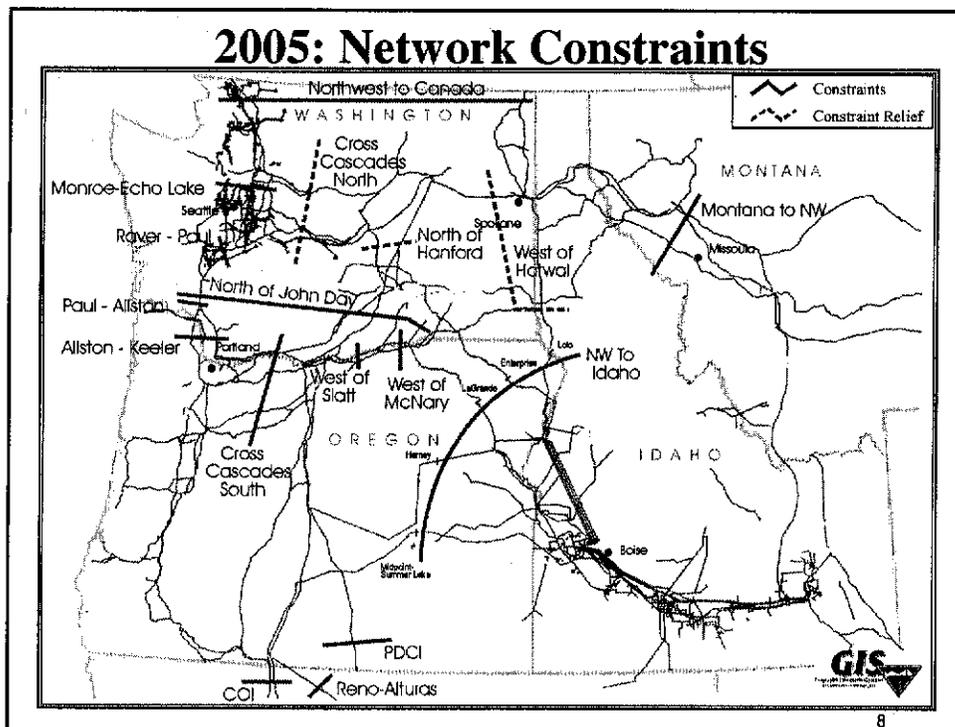
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Infrastructure Accomplishments

- First major transmission line construction in the Northwest since 1987.
- Invested more than \$1 billion over four years.
- Two 500-kV lines completed, one under way.
- Modernized the nation's largest direct current terminal (Celilo Converter - 3100 MW).
- A variety of projects to upgrade local load service.

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2005: Network Constraints



New Transmission Product: Conditional Firm

- BPA, working with regional utilities, generation developers and public interests has proposed a Conditional Firm product.
 - To further optimize use of transmission grid.
 - To increase access to transmission grid by new resources.
- Working with FERC to develop tariff modification.
- FERC holding national workshop in Portland on March 16-17 to develop tariff language.

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Transmission Adequacy Guidelines

- Sept. 2004, BPA issued white paper on the need to develop transmission adequacy standards. Key issues:
 - Relationship between physical and economic adequacy
 - Scope of BPA responsibilities
 - Costs and risks that consumers are willing to bear
 - Linkage to resource adequacy
- Public comment provided feedback that guidelines should be developed by the region for the region.
- Northwest Power Pool will sponsor development.
- New guidelines will support existing national and regional reliability criteria.
- Guidelines would be drafted by Sept. 30, 2005 with regional review and approval by Dec. 31, 2005.

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Promoting Renewable Generation

- BPA is committed to support renewable resources – in particular, wind.
- Some wind farms are established but recent state & federal activities are driving new projects.
- By the end of 2005, wind connected to the BPA grid could more than triple.
- That number could double again in 2006.



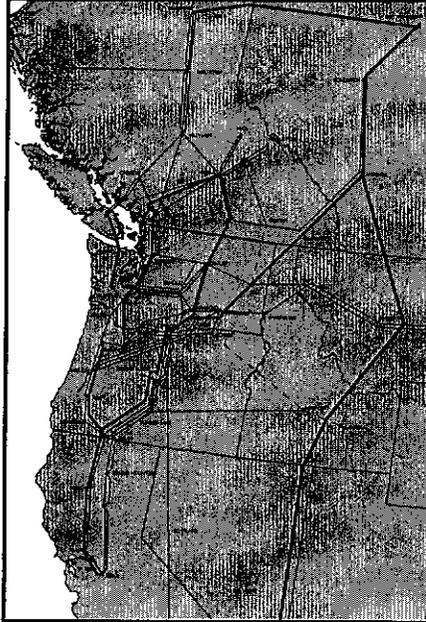
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NTAC Montana – Northwest Study

- Three Scenarios
 - 0 – 250 MW
 - 250 – 750 MW
 - 750 – 1500 MW
- Typical cost estimates being developed
- Initial draft report to be issued soon
- Work to be completed in the Summer

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NTAC Canada – NW – CA Study



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Key Transmission Issues

- Mandatory enforceable reliability standards
- New transmission adequacy standards
- Linkage to resource planning
- Forum for coordinated operation and planning
- Financing
- Cost recovery
- Acquiring new rights-of-way

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