

**Spring Operations Review Forum
Conference Call
April 8, 2011
1 - 2 p.m.**

Elliot Mainzer, BPA Corporate Strategy, introduced the forum, stating that today's is the first in a series. Goal for this event is to create a regional forum to monitor hydro, thermal, and wind conditions and transmission loadings; monitor BPA's control area and surrounding control areas; and use the results to feed into the next wind integration plan. This forum will take place on Fridays from 1:00-2:00 pm.

Elliot stated some ground rules. This will be a forum for constructive feedback and information sharing. It is not a forward-looking forum and will not involve market-sensitive information. We will abide by anti-trust standards (which do not apply to BPA but apply to others). The goal is information sharing by all participants to improve situational awareness. This forum is not a decision making forum.

BPA has been trying to find a facilitator for this forum, thus far without luck.

Steve Kerns, BPA Power Services, discussed hydro conditions for the last 7-10 days. We have had above-average precipitation, and the forecast runoff has increased from 109 to 117 million acre-feet (MAF). Much of the precipitation went into snowpack, and drawdowns have begun for flood control. So there has been some increase of streamflows from the precipitation, plus flood control draft out of reservoirs. Overgeneration conditions are occurring, and BPA has taken actions to minimize impacts. BPA requested the Columbia Generating Station (CGS) nuclear plant to shut down for refueling 5 days early and has reshaped energy from Heavy Load Hours (HLH) to Light Load Hours (LLH). Lack of market spill has occurred. Wind forecasts are tracking well, although generation has been higher than scheduled (1600 average megawatts (aMW)). Thermal generation is reduced to minimums: 500 MW, 200 MW in graveyard. Load in BPA's control area is about 6000 MW at night to 7500 in HLH. Hydro generation has been about 13,000 MW, and exports have been considerable.

Al Bocanegra, BPA Transmission Services, described how BPA's Transmission Services is monitoring BPA's balancing area and others' and assessing transfer capability. Steve Oliver, BPA Power Services, mentioned that there is a high snowpack in Northern CA, and BPA wants to coordinate transfer capability. Elliot Mainzer stated that BPA is seeking maximum thermal displacement in as broad a footprint as possible.

Ken Dragoon, Northwest Power & Conservation Council, asked if BPA has looked at hydro independents to see if they could spill more. Steve Kerns stated the hydro independents have not spilled, although BPA is looking at the Willamette plants; in any case, such spill would be on a modest scale. Steve Oliver replied that BPA has talked with others regarding spill exchanges in other systems.

Robert Cromwell, Seattle City Light, asked about any similar activities in Washington. Elliot stated that there have been conversations, and anyone else interested in that dialogue should contact Kevin Nordt at Grant County PUD.

Randy Hardy, Hardy Energy, asked whether, with the flows just cited and flood control draft at Grand Coulee and Dworshak, BPA would be implementing Environmental Redispatch (ER) next week. Steve Oliver answered no, that there has been no decision from the Administrator yet. Randy Hardy pointed out that as temperatures warm, with the snowpack and no market, there are 3 options—ER, spill, and pay negative prices; BPA will not spill above 120 percent total dissolved gas (TDG) levels and will not pay negative prices, so only ER is left as an option. Steve Oliver conceded that with the current amount of supply, there is a problem, but we have no decision from the Administrator yet. Randy Hardy asked when we will have to jump off the cliff—BPA’s current policy preferences imply that ER will be implemented. Steve Kerns noted that Randy had asked this in another forum, and the answer is most likely May. Elliot stated that the right people are not in the room to discuss this decision—operations people are here today to discuss what we can do to mitigate the spill issue and postpone gas saturation. The goal is to buy time to look for possible solutions. To this point, BPA is looking for suggestions, such as Robert made, for operational efficiency. BPA is working all day every day to mitigate the situation. These calls are to keep you informed and provide you our best information.

Ken Dragoon asked if the John Day Dam is operating above minimum operating pool; one idea would be to reduce head for the lower Columbia projects to reduce generation without spilling and reduce gas. Dave Ponganis replied that a difference in operating pools would not make much difference in dissolved gas production. The Dalles can pass a lot of water without dissolved gas problems. Lower elevations within operating range do not make that much difference in dissolved gas.

Robert Cromwell stated that Boundary is “over 40 and rolling right along.” That is, it is not spilling yet.

Elliot closed the call by noting that the basic goal for the meeting was met, even with phone bridge problems. The forum will meet again next Friday, and we will keep you posted.

Number of callers participating in the call unknown.