

JOURNAL

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A MONTHLY PUBLICATION OF THE BONNEVILLE POWER ADMINISTRATION



North Cascades Highway, Washington

photo by Tony Morrell

Subscription contracts are signed

BPA completed the Subscription process on Oct. 31 with a total of 142 customers signing contracts for 8,173 megawatts. Some customers signed previously (pre-subscription) bringing the total to 8,981 megawatts. Direct service industries signed eight contracts for a total of 1,486 megawatts. Five investor-owned utilities signed 10-year contracts and one signed a five-year contract for a total of 1,000 MW. Public utilities signed 128 contracts for a total of 5,687 MW. A major portion of the public utilities' share went to thirty public customers who signed up for 2,000 MW of slice and 1,200 MW of block.

Completion of the Subscription process provides the stability on which BPA can move forward. The process equitably distributes BPA's increasingly valuable power to the various customer classes in the region. It also

provides BPA with the financial assurance it needs to commit to salmon recovery funding as well as building in incentives for energy conservation and development of renewables.

BPA pays U.S. Treasury \$732 million

BPA paid the U.S. Treasury \$732 million in fiscal year 2000. The payment included \$403 million in interest to taxpayers on their investment in federal dams on the Columbia and Snake rivers. "Thanks to Northwest electricity ratepayers, the American taxpayer is getting repaid on time, with interest, at higher-than-market interest rates," BPA Administrator Judi Johansen noted. "Not only are Northwest electricity rates the lowest in the nation, but they are not subsidized by taxpayers. Whatever money has been borrowed from the U.S. Treasury is repaid with interest," she said.





The payment also included \$316 million on the principal and \$13 million for operations, maintenance and fish and wildlife projects. BPA also paid \$150 million directly to the U.S. Army Corps of Engineers and Bureau of Reclamation to fund operation and maintenance of federal power projects and another \$5 million to the Treasury in bond premiums.

Prompt payment to the Treasury is the best indicator of BPA's overall financial health. BPA relies entirely on sales revenue to fund operations, maintenance, construction and fish and wildlife programs. It receives no subsidies. To date, BPA has repaid the U.S. Treasury over \$4 billion in principal. Total BPA debt now owed to the Treasury is \$7 billion.

Customer proposals wanted for Conservation Augmentation program

BPA is inviting its customers to reduce their loads through energy conservation and help reduce BPA's need to buy power in the soaring wholesale power market. BPA will pay for cost-effective customer conservation that reduces BPA's need to buy power. The energy efficiency staff hopes to get lots of proposals from customer utilities soon so the projects can be implemented and the energy savings can begin.

BPA is looking for both off-the-shelf existing utility energy conservation activities and new custom ideas. Utilities can propose the type and quantity of conservation measures, delivery mechanism(s), and cost and payment method. BPA will work with customers in bilateral negotiations on all good faith proposals. The effort is known as Conservation as Part of Augmentation, or ConAug. BPA is accepting ConAug proposals from the time each utility signs its Subscription contract through March 30, 2001.

BPA takes comments on conservation discount

BPA is taking public comments on the conservation and renewables discount in BPA's 2002-2006 power rates. The discount is part of BPA's preference power rate. Customers receive a one-half-mill per kilowatt-hour credit on their monthly power bill that they are expected to spend on energy conservation or on purchasing green power during the rate period.

Customers determine how best to spend these funds. BPA is taking public comments through Nov. 27 on the proposed implementation guidelines and the list of qualifying measures. A Regional Technical Forum hosted by the Northwest Power Planning Council developed the list of qualifying conservation measures and quantified energy savings for each measure. Public comment meetings are slated for six Northwest cities. See *Calendar of Events* on the back page for meeting dates.

Internet auction site to help ward off power shortages

BPA has launched an innovative Internet auction site that will help head off power shortages this winter. When frigid weather is forecasted, BPA will bid for power by posting a price on an Internet Web site. Large customers who have signed up for the program can respond by simply turning off large power-using equipment. If they own backup generators, they can crank them up and generate electricity for their own facilities. BPA has teamed with Apogee Interactive, a software company, to build and operate the Internet-based auction site.

The agency has already lined up customers willing to offer a total of 125 megawatts of power reductions. These emergency curtailments will help reduce the risk of overloading BPA's generators and transmission lines. BPA officials expect to pre-qualify as much as 300 megawatts of participation by Dec. 15, 2000 — about one-third the output of Bonneville Dam. The purpose of the program is to reduce demand on the power system during periods of short capacity and high price, usually between 8 a.m. and 11 p.m. BPA is offering the program year-round, so it could be used during summer peaks as well as winter peaks. Visit the Web site at <http://www.bpa.gov/energy/n/demandexchange.htm> for more information.

Kangley-Echo project update

In response to public comments last month on the Kangley-Echo Lake transmission project, BPA has dropped three alternative routes through residential areas for the 500-kilovolt line southeast of Seattle. The remaining four routes all go through the Cedar River



watershed, which provides Seattle's water. The dropped options would have been longer and twice as expensive, would have required moving many homes and other structures, and would have imposed greater disruption on existing land uses. BPA will also continue to study a "no action" alternative. The line is needed to maintain power grid reliability in the Puget Sound area. See *Status Reports* on back page.

DC Intertie comment period extended

BPA recently held public workshops where customers and constituents discussed maintaining the Celilo Converter Station at its 3,100 megawatt capacity for the next 30 years. The idea originated from BPA's DC Intertie southern partners who are proposing to replace part of the Sylmar Converter Station, the southern end of the DC intertie near Los Angeles, at a cost of more than \$100 million. They have asked BPA's Transmission Business Line to commit to maintain its end of the DC Intertie at the current capacity for the next three decades. Public comment has been extended to Nov. 24. See *Close of Comment* on back page.

Ex Parte begins in modified power rate case

BPA began the formal process to amend its fiscal year 2002 through 2006 rate proposal at the close of business Oct. 16. This means that the *ex parte* rule applies to discussion about the amended rate proceeding. From close of business Oct. 16 and until the amended rate proposal is submitted to the Federal Energy Regulatory Commission, the *ex parte* rule prohibits any BPA or Department of Energy staff from discussing the merits of the rate proposal with any external parties outside the official record of the rate proceeding. If they do, all details of the discussion must be documented and included in the public file in the rate proceeding. The amended rate proposal is scheduled to be published in the Federal Register in late November.

RTO West utilities file with FERC

On Oct. 23, the nine RTO West utilities filed plans for a regional transmission organization with the Federal Energy Regulatory Commission. The filing contained

the details for RTO West that were not included in the Oct. 16 compliance filing. All of the documents are available on the RTO West Web site at www.rtoWest.org. The documents include:

- the transmission operating agreement — an agreement outlining the relationship between the RTO and a transmission owner for RTO operation of the transmission owner's system
- an agreement for suspending existing contracts among the filing utilities
- the RTO West governance structure with bylaws
- exhibits that describe how RTO West complies with the characteristics and functions of an RTO as outlined in FERC's Order 2000
- a timeline for subsequent RTO West filings and an implementation schedule

The filing utilities are Avista Corp., BPA, Idaho Power Co., Montana Power Co., Nevada Power Co., PacifiCorp, Portland General Electric Co., Puget Sound Energy Inc. and Sierra Pacific Power Co. The filing utilities will work on more components for a complete RTO West filing in the second stage of the filing plan due to FERC by February 2001.

BPA purchases biomass power

BPA recently announced it will purchase biomass power from Umatilla Electric Cooperative to supplement power BPA uses to pump water to enhance streamflows for fish in the Umatilla River Basin. With the purchase, BPA continues its progress toward meeting the requirements of Executive Order 13123, Greening the Government through Efficient Energy Management.

EDITOR'S NOTE

The *BPA Journal* is available on the Internet at <http://www.bpa.gov/Corporate/KCC/jl/00jl/journalx.pdf>

PUBLIC INVOLVEMENT

STATUS REPORTS

Big Eddy-Ostrander Vegetation Management. Ore. — To control vegetation on two segments of the 500-kV transmission line right-of-way. One segment is from Lolo Pass to near Parkdale. The other segment is east of Parkdale. An EA is being prepared. Call to be added to the mail list.

Coeur d'Alene Tribe (CDA) Trout Production Facility Project. Idaho — To fund the design, construction, operations and maintenance of the facility to help meet the need for off-site mitigation for losses on the mainstem Columbia River. A final EA is being prepared. Call to be added to the mail list.

Condon Wind Project. Ore. — To acquire about 24.5 megawatts of electricity from the proposed Condon Wind Project. An EIS is being prepared on the wind project and its associated transmission. Call to be added to the mail list.

Fish and Wildlife Implementation Plan. Regionwide — To examine the impacts that may arise from implementing one of the fish and wildlife policy directions being considered in the ongoing regional processes. An EIS is being prepared. Call to be added to the mail list.

Fourmile Hill Geothermal Development Project (Calpine). N. Calif. — A geothermal power plant and new transmission line have been proposed on U.S. Forest Service land in the Klamath and Modoc forests. BLM has the lead. BPA is a cooperating agency. A final EIS and summary are available. Call to receive a copy.

IDFG Captive Rearing Initiative for River Chinook Salmon. Idaho — To fund Idaho Department of Fish and Game's captive rearing project for Endangered Species Act-listed Salmon River spring/summer chinook salmon. The EA/FONSI is available. Call to receive a copy.

Johnson Creek Artificial Propagation Enhancement. Idaho — Development of a native chinook salmon broodstock for rearing of acclimated smolts to preserve and recover the population. An EA is being prepared. Call to be added to the mail list.

Kangley-Echo Lake Transmission Line Project. Wash. — To build a 500-kV transmission line in central King County that would connect an existing transmission line near the community of Kangley into the Echo Lake Substation. An EIS is being prepared. Call to be added to the mail list.

Northwest Regional Power Facility. Wash. — To construct a combustion turbine near Creston. The final EIS (#2887) and a supplement analysis are available. Call to receive a copy.

Shelton-Kitsap Transmission Rebuild. Wash. — To rebuild a 31-mile 115-kV transmission line between Shelton and Kitsap substations as a double-circuit 230-kV line within the existing right-of-way. A final EA (#3329) is being prepared. Call to be added to the mail list.

EA: Environmental Assessment, EIS: Environmental Impact Statement, FONSI: Finding of No Significant Impact, ROD: Record of Decision

FOR MORE INFORMATION OR TO GET INVOLVED: The *Journal* is a monthly newsletter of the Bonneville Power Administration for customers and interested publics. To order documents, call: 800-622-4520 or (503) 230-7334 (Portland). For questions/comments or to be added to a mail list, call: (503) 230-3478 (Portland) or 800-622-4519. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. Public Involvement, Internet, E-mail address comment@BPA.gov, BPA home page: <http://www.bpa.gov>

Stateline Wind Project. Wash. and Ore. — To acquire up to 300 megawatts of electricity from the proposed Stateline Wind Project. An EIS is being prepared on the wind project and its associated transmission. Call to be added to the mail list.

White Sturgeon Mitigation and Restoration in the Columbia and Snake Rivers Upstream From Bonneville Dam. Ore., Wash. and Idaho. — To restore and mitigate for documented lost white sturgeon productivity caused by development and operation of the hydropower system using intensive fisheries management and modified hydrosystem operation. An EA is being prepared. Call to be added to the mail list.

CALENDAR OF EVENTS

DC Intertie Capacity public meeting, **Nov. 7**, 8 a.m. to noon, Embassy Suites Portland Airport, 7900 N.E. 82nd Ave., Portland, Ore.

Conservation and Renewables Discount meetings:
Nov. 2, Tacoma Power (Puget Sound Energy Services Roundtable), Fourth Floor Conference Room 3628, South 35th St., Tacoma, Wash., (203) 383-2471

Nov. 8, 1 to 4 p.m., United Electric Co-op's Board Room, 1330 21st St., Heyburn, Idaho, (208) 679-2222

Nov. 9, 9 a.m. to Noon, Pasco Double Tree Hotel, 2525 N. 20th Avenue, Pasco, Wash., Energy Efficiency Representative: Chris Tash, (509) 527-6217

Nov. 15, 9:30 a.m. to 12:30 p.m., Bonneville Power Administration (Spokane Area Office), Crescent Court, 707 W. Main, Suite 500, Spokane, Wash., (509) 358-7392

2002-2006 Wholesale Power Rates Workshop, **Nov. 8**, 9 a.m. to 3 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

CLOSE OF COMMENT

DC Intertie Capacity, **Nov. 24**

Conservation and Renewables Discount, **Nov. 27**

SUPPLEMENT ANALYSES

Wildlife Mitigation Program EIS:

Umatilla River Basin Anadromous Fish Habitat Enhancement Project — Wildhorse and Springhollow Creeks (SA-42)

Walla Walla River Basin Anadromous Fish Habitat Enhancement Project — Couse and Patit Creeks (SA-43)

Transmission System Vegetation Management Program EIS:

Vegetation Management on Taft-Bell Transmission Line (SA-01)