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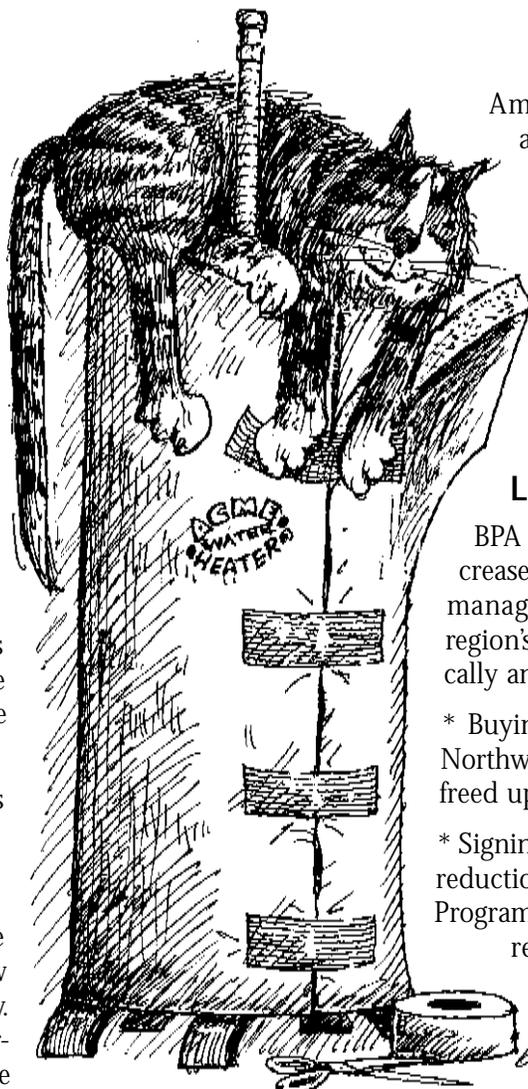
SAVE ENERGY THIS WINTER, PLEASE

Save energy, and you'll help keep the lights on, save money and save fish. That's the word from Northwest governors and utilities this winter. The latest analysis shows the region has just enough power to get through January — but only if the weather stays mild, and if there are no problems in the transmission grid or power plants. And today's tenuous balance in the power system is a result of the extraordinary actions Northwest utilities and businesses have already taken, according to the region's energy Emergency Response Team.

The whole Western power grid is suffering from short power supplies, and the Northwest is especially vulnerable due to its reliance on hydropower. More than half the region's power comes from snow and rain. Fall was unusually dry. Reservoirs are well below levels normal for this time of year. If the weather turns wet and stays mild through spring, there could be no problem. But winter's first "early bird" forecast of next spring's Columbia River runoff is just 75 percent of average.

GOVERNORS SEE ENERGY CRISIS

Five Western governors, U.S. Secretary of Energy Bill Richardson, Federal Energy Regulatory Commission Chairman James Hoecker, Acting BPA Administrator Steve Wright and others held an emergency meeting in Denver on Dec. 20 on dwindling power supplies and soaring power prices throughout the Western states.



See conservation kitty's power-saving tips in the enclosed insert. For more, call your utility or go to www.bpa.gov.

Among other actions, the governors agreed to prepare a West-wide public conservation plan and to reconvene in about a month. Oregon Gov. John Kitzhaber and Washington Gov. Gary Locke called the meeting, joined by governors Jim Geringer of Wyoming, Bill Owens of Colorado and Mike Leavitt of Utah.

BPA ADDS POWER, LOWERS DEMAND

BPA is taking every available step to increase power supplies, reduce demand and manage through the winter to keep the region's federal power system intact, electrically and financially. Current steps include:

- * Buying back federal power purchased by Northwest aluminum producers that has been freed up as a result of plant shutdowns.
- * Signing up 750 megawatts of potential load reduction through its new Demand Exchange Program. Participants bid into a Web site and reduce power use.
- * Entering into power exchange agreements with utilities outside the region.

* Inviting customers to get paid for reducing their load on BPA through energy con-

servation. BPA has committed to getting at least 100 average megawatts of customer conservation.

ALUMINUM PRODUCERS CUT LOADS

Most of the aluminum companies that buy power from BPA have dramatically reduced their power consumption due to the high-priced wholesale power market. Several are reselling their contracted power instead. The shutdown of a cumulative 1,700 megawatts of load so far helps the power situation.





Three companies — Kaiser, Columbia Falls Aluminum and Golden Northwest — have contract rights to resell BPA power they don't use through September 2001. BPA is working with the companies to assure workers are not harmed by shutdowns. Golden Northwest Aluminum also has reached agreement with BPA to dedicate about \$100 million of its proceeds from remarketed power to help Northwest ratepayers and to invest up to \$100 million in new gas-fueled and wind energy projects. Resale of power is not allowed under BPA Subscription contracts for 2002-2006. BPA is also talking with aluminum companies that do not have resale rights about ways to reduce their power consumption this winter without harming their workers or profits.

EMERGENCY PLAN WORKS!

The first big step Northwest states and utilities took this fall to handle winter's potential shortages paid off immediately. On Dec. 5, the region's joint energy Emergency Response Team was announced. On Dec. 8, as a cold snap loomed, the ERT issued its first warning of impending power shortfalls. A warning is not an actual emergency; it is designed to give the Northwest time to take actions to avert an emergency. These actions include:

- * Appeals to the public to reduce demand;
- * Reducing the voltage at which power is delivered;
- * Demand-side management;
- * Curtailing interruptible loads, and
- * Running power plants outside normal operation limits.

The warning ended Monday, Dec. 11, as weather forecasts eased. "The good news is, the system worked fabulously," said BPA Acting Administrator Steve Wright. "The response was an unprecedented level of regional cooperation and coordination among the region's states and the energy community," said Rich Nassief of the Northwest Power Pool. The team is headed by the Northwest Power Pool, Pacific Northwest Utilities Conference Committee and the Northwest Power Planning Council and includes both Northwest utilities and the Northwest states.

CONSERVATION HELPS A LOT

Citizen conservation really counts, as figures from the Northwest Power Pool show. During early December's power warning, energy conservation by citizens and load reductions by businesses saved 835 megawatt-hours in the crucial hour of peak power use, 5 p.m. to 6 p.m., Dec. 11. Extraordinary system operations and power purchases by utilities added 786 MWh.

While these figures are rough, they are adequate to show a definite result. The combination of reduced demand and increased generation made 1,600 megawatts or more of electricity available to the region during the peak hour — the equivalent of supplying a city slightly larger than Seattle for one hour.

LENDING A HAND WITHOUT GETTING HURT

In December, U.S. Secretary of Energy Bill Richardson issued an emergency order to Western utilities to sell power to power-strapped California. BPA helped, but in a way that also benefits the Northwest - energy/capacity exchanges. "We help them meet their peak loads, which is their real problem," explained BPA generation supply vice-president Greg Delwiche. "Later, they send us twice the energy back, using their excess thermal plant capacity at night. That helps us keep more water in the reservoirs, where we really need it." When there is water in the hydro system that cannot be stored and is not needed for Northwest loads, BPA will make short-term surplus sales to help meet loads outside the region. BPA will not send power to California if doing so would worsen the Northwest's energy situation.

POWER MARKETS HIT POCKETBOOKS

The Northwest power system actually faces two challenges this winter - one physical, the other financial. The immediate focus is on maintaining reliability. The long-term challenge is maintaining reasonable power rates.

BPA and Northwest utilities are having to augment scanty hydro supplies in a supply-short market where prices have soared off the charts. Wholesale power that sold for two to three cents per kilowatt-hour a year ago



is going for up to three to four dollars a kilowatt-hour or more. The Federal Energy Regulatory Commission placed a “soft” price cap of \$1.50 per kWh on wholesale power prices in California after investor-owned utilities racked up billions of dollars in debt and said they feared bankruptcy. There is no price cap in other Western states.

By law, BPA must recover its costs through its rates. In December, BPA proposed an amendment to its Cost Recovery Adjustment Clause for 2002-2006 power rates to cover increasing costs of purchased power. Many Northwest utilities also are raising rates to cover their power costs. “Everything people do now to save energy will help keep rates reasonable,” BPA Acting Administrator Steve Wright observed.

WHY SAVING ENERGY HELPS FISH

After an unusually dry fall, reservoirs in the Columbia River system are well below levels they were at this time last year or the year before. BPA is in a saving mode, conserving water for the spring fish migration and to refill reservoirs. Low snowpack and a low runoff next spring would make the situation worse. If the weather continues dry and cold through winter, and if BPA has to draw down reservoirs during any power emergencies, it may be difficult to refill reservoirs and provide enough water for spring and summer power needs and fish flows. As Greg Delwiche, vice president of BPA generation supply, puts it, “Any power people save today means more water in the reservoirs for fish flows next spring.”

FEDS RELEASE FISH PLAN

In December, the nine federal agencies known as the Federal Caucus released their long-term strategy to recover threatened and endangered fish in the Columbia Basin. The strategy calls for significant habitat improvements in the Columbia estuary and its tributaries and changes in the hatchery system while leaving the four lower Snake River dams in place. Breaching the dams remains an option if recovery efforts don't meet performance standards. The federal plan targets a dozen badly depleted populations of salmon and steelhead and two other Columbia Basin fish — bull trout and Kootenai River white sturgeon. For more, see the Federal Cau-

cus Web site at www.salmonrecovery.gov.

HEROES ON THE LINE

Ice as thick as a volleyball coated transmission towers on BPA's John Day-Hanford 500-kilovolt line on Dec. 6-7. Conductors snapped in five places. Two towers on the nearby Big Eddy-Midway 230-kV line simply crumpled. Three line crews battled freezing fog through the weekend to fix the conductors and rig a bypass around the fallen towers.

RTO: STAGE ONE IS DONE

On Dec. 1, the nine western utilities working to form RTO West, the regional transmission organization, sent the Federal Energy Regulatory Commission the last segments of their Stage One filings on the RTO's organization and structure. The utilities, including BPA, are now rolling up their sleeves to work on Stage Two of forming RTO West. This will include tariffs and other crucial details. The utilities plan extensive public involvement in developing the Stage Two filings. For more details, log onto www.rtowest.org

BPA RE-LOOKS AT NLSL

Following up on customer comments during the recent Subscription process, BPA is taking a fresh look at parts of its New Large Single Load Policy. The idea is to keep a viable policy in the emerging deregulated wholesale electricity market, particularly as some direct-service industries may seek to receive some of their power in future through BPA preference customers. A draft policy is expected out for public review next month. For more, see BPA's web site at <http://www.bpa.gov/Power/PL/Subscription/announcements.shtml>

BPA SIGNS FOR FOURMILE

BPA Acting Administrator Steve Wright signed a Record of Decision to acquire more than 49 megawatts of electricity from the Fourmile Hill geothermal project in Northern California. The developer expects to drill exploratory wells this year. If the site proves viable and is developed, it will be BPA's first geothermal resource.

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, from Lolo Pass to near Parkdale and east of Parkdale. An EA is being prepared. Call to join mail list.

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

DC Intertie. Ore. — To consider options for maintaining the 3,100 MW capacity of the DC Intertie long-term. Comment period has closed.

Fish and Wildlife Implementation Plan. Regionwide — To examine potential impacts of implementing one of the fish and wildlife policy directions being considered in regional processes. An EIS is being prepared. Call to join mail list.

Grande Ronde and Imnaha Spring Chinook Project. Ore. — To build egg incubation and juvenile rearing facilities next to the Lostine and Imnaha rivers and to modify the Gumboot adult collection facility and the Lookingglass Hatchery in partnership with the Nez Perce Tribe, Oregon Dept. of Fish and Wildlife and the Confederated Tribes of the Umatilla Indian Reservation. An EA is being prepared. Call to join mail list.

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 join mail list.

Kangley-Echo Lake Transmission Line Project. Wash. — To build a 500-kV transmission line in King County to connect an existing transmission line near Kangley to Echo Lake Substation. An EIS is being prepared. Call to join 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 for a copy.

Santiam – Bethel Transmission Line Project. Ore. — To build a new 230-kV transmission line next to an existing line from the Santiam Substation to a Portland General Electric line that goes to PGE's Bethel Substation, a distance of 17 miles. An EA is being prepared. See Close of Comment. Call to join mail list.

Schultz – Hanford Area Transmission Line Project. Wash. — To build a new 500-kV line to relieve constraints on several electrical lines, provide more operational flexibility to meet endangered salmon obligations and maintain transmission capacity to import and export energy. An EIS is being prepared. See Calendar of Events, Close of Comment. Call to join mail list.

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 existing right-of-way. A final EA (#3329) is done. A FONSI is anticipated. Call to join mail list.

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 join mail list.

NEW! Umatilla Generating Project. Ore. — To integrate electrical power from a new 550-megawatt natural gas-fired combined-cycle combustion turbine generation plant proposed by the Umatilla Generating Company, LP. An EIS is being prepared on the generation project and associated transmission. See Calendar of Events and Close of Comment. Call to join 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 join mail list.

NEW! Wholesale Power Rates Amended Proposal. Regionwide — Amended proposal for 2002 wholesale power rate released Dec. 12. See Calendar of Events and Close of Comment. Call to join mail list.

CALENDAR OF EVENTS

Schultz – Hanford Area Transmission Line Project public meetings: **Jan. 9**, 4 to 8 p.m., Sage Brush Senior Center, 442 Desert Aire Dr., Desert Aire, Wash.; **Jan. 10**, 4 to 8 p.m., Yakima County Courthouse, Room 420, Yakima, Wash.; **Jan. 11**, 4 to 8 p.m., Hal Holmes Community Center, 201 North Ruby St., Ellensburg, Wash.

Umatilla Generating Project, public scoping meeting: **Jan. 30**, 7 to 9 p.m., Hermiston High School, 600 S. First St., Hermiston, Ore.

Wholesale Power Rates Amended Proposal: public field hearing: **Jan. 22**, Embassy Suites Hotel, 7900 NE 82nd Ave., Portland, Ore.

CLOSE OF COMMENT

Santiam–Bethel Transmission Line, scoping, **Jan. 15**

Schultz–Hanford Area Transmission Line, scoping, **Jan. 25**

Wholesale Power Rates Amended Proposal, participants' comments, **Feb. 14**

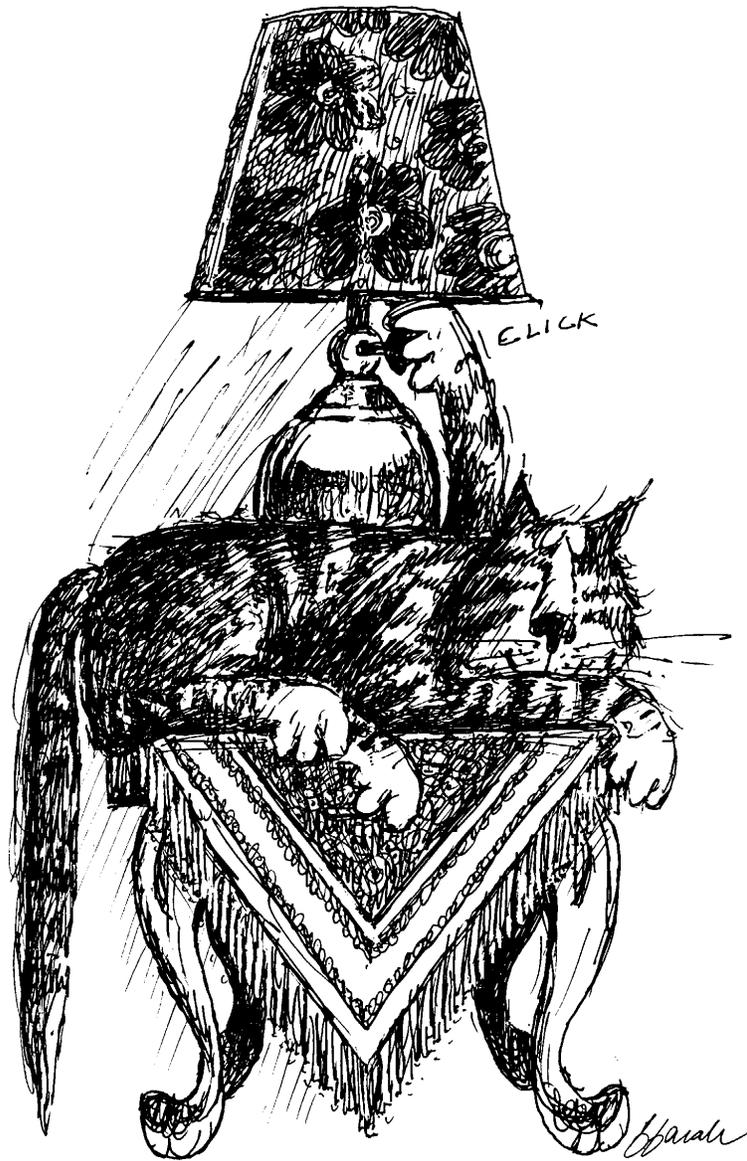
Umatilla Generating Project, scoping, **Feb. 23**

SUPPLEMENTAL ANALYSES

Watershed Management Program EIS: Edler and Henne Property Acquisition (SA-46); and Salmon River Irrigation Consolidation, Upper Salmon River, Idaho (SA-47)

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>



WASTE NOT WATT NOT

That click you hear is the sound of triple saving—saving energy, saving the environment and saving money.

With the Northwest facing an energy shortage and fur-raising electricity prices, it makes sense not to waste energy (and to conserve it too by using it efficiently). Smart cats know they don't need to leave the lights on...or the computer on... or anything electrical that they're not using.

BE A TRIPLE WINNER!
Save Energy. Save The Environment. Save Money.

25 GREAT ENERGY HABITS TO ADOPT

1. Lower your thermostat at night and when you're not home. Use a programmable thermostat so it's automatic. Every degree lower can take 2 percent off your power bill.
2. Make it a habit to shut off lights, computers and other appliances when you're not using them.
3. Switch to compact fluorescent bulbs. They use a fourth of the energy used by regular bulbs.
4. Replace halogen lamps in torchieres with compact fluorescent torchieres. They use about 70 percent less energy and produce more light.
5. Use motion detectors to turn on outdoor lights rather than leaving them on all night.
6. Close your fireplace damper when there's no fire. Leaving it open is like having a 48-inch-square hole in your house.
7. Close off and don't heat unoccupied rooms.
8. Take showers with low-flow showerheads (they use 50 percent less hot water) instead of baths.
9. Set your water heater at 115 degrees (F), which is comfortable for most uses. Turn your water heater off when you go on vacation.
10. Wrap your water heater in R11 insulated wrap but don't cover the thermostat.
11. Run only full loads in your dishwashers and clothes washers and wash in warm or cold water.
12. Wash and dry clothes on weekends when energy use isn't as high
13. Air dry your dishes. In nicer weather or in a warm basement, air dry your clothes.
14. Clean your furnace and heat pump filters to keep them operating efficiently.
15. Limit use of kitchen and bathroom fans since they pull heat out of the house.
16. Open south-facing drapes and blinds during the day to let heat in. Cover all windows at night in winter.
17. Weatherstrip around your doors and windows and anywhere you feel a draft.
18. Set your refrigerator between 37 and 40 degrees. (F).
19. Keep your refrigerator well stocked. It takes more energy to cool an empty fridge.
20. Clean lint out of refrigerator coils and out of dryers.
21. Use a microwave or toaster oven for cooking and heating small portions.
22. Check ceilings and crawl spaces to ensure there's adequate insulation.
23. Seal or fix broken basement windows.
24. Fix broken ducts and replace cracked or peeling tape on ducts. Use tape with the UL (Underwriters Laboratories) Logo.
25. For long-term savings, choose and use energy-efficient appliances. Compare energy rating labels before you buy.

For more information, call your local utility or go to www.bpa.gov where you can get the U.S. Department of Energy's "Energy Savers" tips on saving energy and money at home.