

# JOURNAL

May 2001

A MONTHLY PUBLICATION OF THE BONNEVILLE POWER ADMINISTRATION

## BPA POWER COSTS TOP \$1 BILLION IN SIX MONTHS

BPA spent more than \$1 billion buying power in the first six months of fiscal year 2001. Power purchases are now roughly half of BPA's total operating expenses. The average price BPA paid rose from \$29 per megawatt-hour in the first half of 2000 to \$97 per MWh in the first half of this year. See BPA's second quarter financial report at <http://www.bpa.gov/corporate/dfir/dfro/00-2qtrly.pdf>

## BPA ASKS CUSTOMERS TO HELP MITIGATE RATE INCREASE

"We need to do everything we can to avoid power purchases in this incredibly expensive market," BPA Acting Administrator Steve Wright told the region in an April press conference. Wright laid out two paths the region could take:

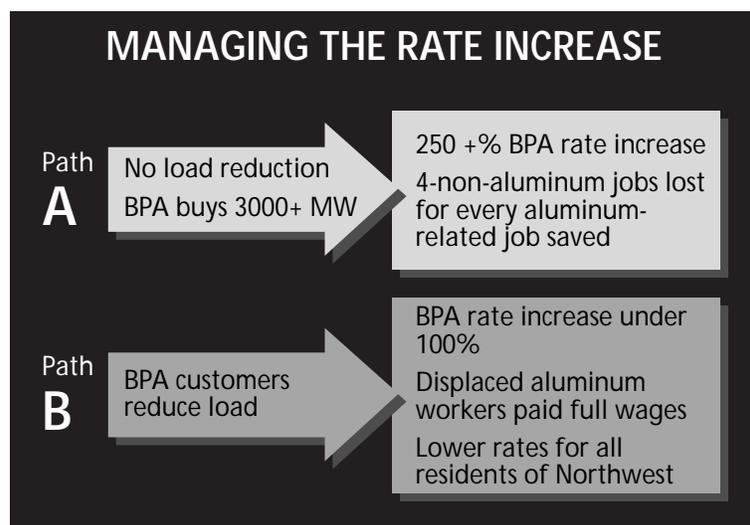
- **Path A**, the current trajectory, would lead to a 250 percent or higher BPA wholesale power rate increase this fall.
- **Path B**, a 5 to 10 percent load reduction by all BPA customers and aluminum plants off line for up to two years, would keep BPA's rate increase this fall below 100 percent.

"I know this will be tough, but the consequences of not taking this path (B) will be even tougher," Wright said. "We're all in this together and we can only get out of it if we work together."

To keep its rate increase below 100 percent, BPA is asking:

- 1) Publicly owned utilities to reduce their loads on BPA by 5 to 10 percent.
- 2) Investor-owned utilities to contribute a proportionate portion of the power benefits they receive from BPA.

- 3) Direct service industries, primarily aluminum companies, to delay restarting their operations up to two years. Almost all aluminum smelting capacity in the Northwest is now shut down. All aluminum companies except Kaiser have agreed to compensate their workers during their shutdowns through September.



*Path B, reducing demand on BPA, will reduce BPA's rate increase.*

BPA is offering to provide funds to continue employee compensation for up to two more years, if the companies agree now to delay restart of their plants.

Even just 1,000 megawatts of DSI load on BPA starting in October would likely result in \$1.5 billion in additional costs BPA would have to incur for power purchases for 2002 alone. For more info, look at <http://www.bpa.gov/Corporate/KC/mediacenter/home.shtml>

## BPA DECLARES POWER EMERGENCY

On April 3, Acting Administrator Steve Wright declared a power system emergency for the Federal Columbia River Power System. The power emergency is based on Northwest Power Planning





Council estimates of power system reliability problems for spring and summer of this year and the impact of spill for fish passage under the 2000 Biological Opinion on West Coast power prices and power system reliability.

## **AGENCIES PROPOSE FISH ACTIONS**

Six federal agencies, including BPA, have proposed a revised plan for running the hydro system this drought year. The major difference is in water spilled past the dams and additional streamflows normally released for fish. Under the plan, the start date and amount of spill this year would be based on monthly revisions of the forecast for this year's runoff for the Columbia River. No water was spilled in April. As of this writing, spill for May is under consideration.

Except for flow levels and spill, BPA and the other federal agencies are doing everything called for in the biological opinions on endangered Columbia River fish and in the Northwest Power Planning Council's Fish and Wildlife Program. This includes actions ranging from improving dam passage facilities to restoring habitat, updating hatcheries to conducting research.

Federal agencies also have proposed specific actions to help improve migration conditions for fish in this drought year. For example:

- The U.S. Army Corps of Engineers will barge or truck as many Snake River smolts as possible, between 70 to 90 percent of all migrants, past federal dams this year.
- The Corps has proposed to barge fish at McNary Dam this summer. This would move smolts from the Upper Columbia and strays from the Snake past the Lower Columbia dams.
- BPA is continuing to provide mid-Columbia streamflows at a rate of 65 thousand cubic feet per second to keep salmon eggs submerged in the Vernita Bar on the Hanford Reach.
- The agencies also propose to pulse or surge water flows through Lower Granite Dam to move smolts quickly through that pool.

The agencies are seeking ideas to offset the potential effects of the power emergency on fish, especially those listed under the Endangered Species Act.

The six federal agencies are: BPA, the Corps, Bureau of Reclamation, National Marine Fisheries Service, U.S. Fish and Wildlife Service and the Environmental Protection Agency. For details, see [www.salmonrecovery.gov](http://www.salmonrecovery.gov)

## **BUY A BETTER LIGHT BULB**

From Avista Utilities to Vera Water & Power, 59 utilities have joined ranks with BPA in a region-wide campaign to turn the region on to compact fluorescent light bulbs. The bulbs fit any lamp and offer the same light as ordinary bulbs, but use just one-fourth as much energy and last eight to 10 times longer. The program offers consumers coupons for \$6 off on any compact fluorescent bulb rated at 13 watts or more that carries the Energy Star® label. BPA will pay for as many \$6 coupons as consumers redeem. Participating utilities are distributing the coupons. Nearly 600 retailers are participating, from chains such as Fred Meyer, Bi-Mart and Home Depot to many independent stores. For details, including lists of participating utilities and retailers, see <http://www.bpa.gov/Energy/N/projects/cfl/>

## **LOTS OF WIND BLOWS IN**

BPA received 25 proposals for wind generation projects in response to a recent request. "The response blew us away," said George Darr, project manager. The projects add up to about 2,600 megawatts of capacity. BPA will evaluate projects for cost, ease of integration with the Northwest power grid and other factors. The first projects should be on line in late 2002 or early 2003.

## **BPA SUPPORTS SOLAR STATION**

BPA, the Bonneville Environmental Foundation and Energy Northwest are sponsoring a 50-kilowatt solar installation at Hanford, Wash., enough power for up to 50 homes. Estimated cost of the plant is \$250,000.

## IRRIGATION PROGRAMS CUT LOADS, INCREASE WATER IN STREAMS

BPA expects to reduce its power loads by 90 to 120 average megawatts this year through irrigation buydown programs. Up to 100 aMW will be saved by paying Columbia Basin Project irrigators not to irrigate. Water they would otherwise use will stay in the Columbia River to generate power and help fish downstream. Another irrigation program will save up to 20 aMW. Total cost to BPA is about \$25 million. BPA is also leasing water rights from three eastern Oregon farmers to increase Snake River flows and test water-right-leasing contracts.

## TURBINE CONTRACTS EXPECTED

BPA is exhorting its customers to reduce demand on the agency for the first two years of the 2002-2006 rate period. What happens after that?

Among other things, new combustion turbines. "We're looking at buying the output of several CTs," said Scott Wilson, Bulk Hub account executive. "Some simple cycle CTs could come on line as early as this winter. More-efficient combined cycle units could come on line about two years from now. We're looking to buy the best, cleanest, lowest-cost projects out there."

Each project developer is obtaining the necessary siting and other permits for its projects. Most of them are working with BPA's Transmission Business Line to request integration to the BPA grid.

"Power purchase contracts will be contingent on the developer obtaining all the necessary permits. We're not taking any dry-hole risks," Wilson said. BPA's 1995 Business Plan Environmental Impact Statement reviewed the environmental impacts of adding combustion turbines to BPA's resource base.

## A BIRD'S EYE VIEW OF AIR IMPACTS

BPA is doing an environmental study of the cumulative air-quality impacts of more than 30 natural-gas-fired combustion turbines that have been proposed for integration to the BPA transmission grid. Air emissions are the primary cumulative environmental

impact of combustion turbines. The study will assist BPA's National Environmental Policy Act process and records of decision on individual transmission and integration requests. For more on this and other BPA environmental studies, see <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/Projects>

## FERC APPROVES RTO WEST FILING

The Federal Energy Regulatory Commission has accepted the Northwest proposal for a regional transmission organization. FERC characterized the RTO West proposal as a key "first step." RTO West can serve as an anchor for the ultimate formation of a West-wide RTO, FERC said.

FERC commended BPA and the eight Northwest utilities in RTO West for their "extraordinary collaborative process" and for finding a solution that includes both public and private utilities. For details, see [www.rto west.org](http://www.rto west.org)

## MORE WAYS TO GET TO BPA

BPA's Web site, [www.bpa.gov](http://www.bpa.gov), has reams of information on power, water, fish, transmission and energy conservation subjects, including most of the stories in this edition of the *BPA Journal*.

Recently, BPA has added two "hot buttons" to its home page that may make information of interest easier to find.

For energy-saving tips and links, click on the Energy Star® on BPA's home page.



For BPA fact sheets, speeches, press releases, graphs and charts, photographs and other general public information, click on the "Media Center" button.



To get you started, several stories in this issue of the *Journal* include directions for finding posted documents and other information. You can also call our toll-free lines to request printed documents delivered by mail. See the *Journal* back page.

# PUBLIC INVOLVEMENT

## STATUS REPORTS

**Avian Predation on Juvenile Salmonids in the Lower Columbia River EA/FONSI (3367).** Wash. and Ore. — Monitor and evaluate the management actions implemented to reduce avian predation on juvenile salmonids in the Columbia River estuary. ☐

**NEW! Blackfoot Wind Project EIS.** Mont. — To acquire 36-66 megawatts of electricity from the proposed wind project. ☐☐

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

**Condon Wind Project EIS.** Ore. — To acquire about 50 megawatts of electricity from the proposed Condon Wind Project. A meeting on the draft EIS will be held in Condon late May or June.

**Fish and Wildlife Implementation Plan EIS.** Regionwide — To examine potential impacts of implementing one of the fish and wildlife policy directions being considered in regional processes.

**Grande Ronde and Imnaha Spring Chinook Project EA.** 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.

**John Day Watershed Restoration SA.** Ore. — SA to Watershed Management Program EIS. (SA-50). ☐

**Johnson Creek Artificial Propagation Enhancement EA.** Idaho — Develop native chinook salmon broodstock for rearing of acclimated smolts to preserve and recover the population.

**Kangley-Echo Lake Transmission Line Project EIS.** Wash. — To build a 500-kV transmission line in King County to connect an existing transmission line near Kangley to Echo Lake Substation.

**NEW! McNary-John Day Transmission Line Project EIS.** Ore. and Wash. — To build a new 500-kV transmission line from McNary Substation to John Day Substation. ☐☐

**Mid-Columbia Coho Reintroduction Feasibility Project, Modifications to Original Proposal SA.** Wash. — SA to EA/FONSI (SA-01) ☐

**Santiam-Bethel Transmission Line Project EA.** Ore. — To rebuild a 17-mile section of the Santiam-Chemawa line to double-circuit to accommodate a new 230-kV transmission line from the Santiam Substation to a Portland General Electric line that goes to PGE's Bethel Substation.

**Schultz-Hanford Area Transmission Line Project EIS.** 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.

**Umatilla Generating Project EIS.** Ore. — To integrate electrical power from a new 550-megawatt natural gas-fired combined-cycle combustion turbine generation plant proposed by the Umatilla Generating Co., LP.

**Transmission System Vegetation Management EIS SAs.** ☐ These address vegetation management for:

- Big-Eddy-Ostrander. Ore. (SA-05)
- Danger Tree Clearing on Nine Rights-of-way in Walla Walla Region. Ore. and Wash (SA-02)
- Grizzly-Summerlake Transmission Line Corridor. Ore. (SA-03)
- Land at Walla Walla Substation. Wash. (SA-06)
- Ponderosa-Pilot Butte. Ore. (SA-04)
- Sections of McNary Powerhouse, the McNary Roundup and McNary Switchyard South Lines. Ore. (SA-07)

**NEW! Wallula Power Project EIS.** Ore. and Wash. — To integrate power from the Wallula Power Project into the transmission grid.

**White Sturgeon Mitigation and Restoration in the Columbia and Snake Rivers Upstream From Bonneville Dam EA.** 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 hydro system operation.

**Wholesale Power Rates Amended Proposal.** Regionwide — BPA and joint customers have agreed to a partial rate settlement. The rate case as a whole continues on schedule.

## ☐ CALENDAR OF EVENTS

**Blackfoot Wind Project.** Scoping meetings, **May 10**, 2-4 p.m., Bureau of Indian Affairs, Main Conference Room, 531 Boundary St., Browning, Mont., and **May 10**, 6-8 p.m., Cattle Baron Restaurant, U.S. 89, near milepost 40, Babb, Mont.

**McNary-John Day Transmission Line Project.** Scoping meetings, **May 23**, 4-8 p.m., Paterson School, 51409 West Prior Rd., Paterson, Wash., and **May 24**, 4-8 p.m., Roosevelt School, 615 Chinook Ave., Roosevelt, Wash.

**Conservation or Crisis? A Northwest Choice.** Conference sponsored by BPA and NewsData. **Sept. 24-26**, DoubleTree Hotel, Jantzen Beach, 909 N. Hayden Island Dr., Portland, Ore. Contact Jennifer Eskil (509) 527-6232 for info.

## ☐ CLOSE OF COMMENT

Blackfoot Wind Project. Scoping. **May 25**, 2001

McNary-John Day Transmission Line Project. Scoping. **June 7**, 2001

Unless otherwise noted, documents cited are being prepared. ☐ Indicates a new document is available. Call to order new documents or to be added to the mail list(s) of project(s) of interest to you. Process Abbreviations: **EA** – Environmental Assessment, **EIS** – Environmental Impact Statement, **FONSI** – Finding of No Significant Impact, **ROD** – Record of Decision, **SA** – Supplement Assessment.

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 1-800-622-4520 or (503) 230-7334 (Portland). For questions/comments or to be added to a mail list, call (503) 230-3478 (Portland) or 1-800-622-4519. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. Public Involvement E-mail address: [comment@BPA.gov](mailto:comment@BPA.gov), BPA home page: <http://www.bpa.gov>