

JOURNAL

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Regional fish actions generally on track

A new report from the National Oceanic and Atmospheric Administration says federal agencies are on-track with most measures for endangered salmon in the Columbia River Basin. The NOAA Fisheries report is titled "Findings Regarding Adequacy of the Federal Columbia River Power System Action Agencies' 2003 Annual Implementation Plan." It evaluates actions done or funded by BPA, the U.S. Army Corps of Engineers and the U.S. Bureau of Reclamation to fulfill the 2000 biological opinion on Columbia River hydro operations to protect endangered salmon and steelhead.

The report concludes that the action agencies' 2003 implementation plan "represents a considerable effort and is generally consistent with the opinion." The report notes that 192 out of 199 actions are on track, while seven actions "are behind schedule or have been modified in a manner that presents challenges for meeting the opinion's objectives."

Bob Lohn, regional administrator of NOAA Fisheries (formerly National Marine Fisheries Service), pointed out two of these areas as "particularly significant." One is development of subbasin assessments and plans; the other is effectiveness monitoring for off-site mitigation actions. Lohn indicated that NOAA Fisheries would double-check these areas and the means used to evaluate them at a scheduled "2003 check-in" on fish recovery progress later this year.

Peter T. Johnson Unit becomes a model of restoration

Wedged at the confluence of the Snake and Salmon rivers sits one of the nation's most successful efforts to restore and maintain an ecosystem for wildlife habitat. It's the fruit of a farsighted decision by BPA and a unique cooperative effort by state and federal agencies, tribes and environmental groups.

In 1992, BPA purchased a 60,000-acre ranch on Craig Mountain, not far from Lewiston, Idaho. Cattle grazing, logging and unrestricted recreational vehicle use had badly abused the land. Elk and deer herds dwindled. Noxious weeds had invaded grasslands on the mountain's flanks. Big ponderosa pine forests that clothed the mountain when Lewis and Clark passed nearby in 1805 were stripped. Nevertheless, BPA and Idaho officials saw an opportunity to prove a point – that wise management could repair the damage caused by careless exploitation of natural resources.

BPA paid \$7.1 million for the parcel and named it the "Peter T. Johnson Dworshak Mitigation Unit." Named for the former BPA administrator, the land was dedicated in perpetuity to replace wildlife habitat that was flooded behind Dworshak Dam on the Clearwater River. In 1995, BPA deeded the land to the state of Idaho, whose Department of Fish and Game will manage it in trust. The Bureau of Land Management, the U.S. Forest Service, the Nez Perce Tribe and the Nature Conservancy joined efforts under a unique management agreement to manage multiple holdings for wildlife.

Today, their efforts are beginning to bear fruit. Cattle have been fenced off of the mountain and its grassy flanks, providing rangeland for elk. The elk herd has nearly doubled to more than 1,000 head. The mountain also supports thriving populations of white tail and mule deer. Big-horn sheep have returned to the mountain, increasing



Matt Lucia, Idaho Department of Fish and Game (left) and former BPA Administrator, Peter T. Johnson view an historic site in the Craig Mountain, Idaho Wildlife Management Area. The limekiln, named for Capt. Meriwether Lewis, is within the special wildlife habitat mitigation area named in Johnson's honor.



from 17 animals in 1984 to about 125. Other big game include black bear and cougar. Chukkar, Hungarian partridge, wild turkey and quail are found in abundance. More than 15 species living in the area enjoy protected status due to declining numbers in the wild.

Meanwhile, on the undulating highlands and in steep canyons, selective logging of scrub growth and controlled burning are restoring original forest species. Biologists are fighting noxious weeds like yellow starthistle by introducing insects that consume them and also with chemical spray. Johnson, who remains involved with the work on the mountain, says it has become a renowned regional and national laboratory for restoring habitat for wildlife.

Ruling requires fish plan changes

Federal agencies involved in Northwest fish protection programs and projects will have a year to recast the Columbia River Basin's overall salmon protection plan, which has been declared legally flawed by a U.S. District Court judge.

Judge James A. Redden of the Federal District Court of Oregon ruled in favor of environmental groups who challenged the 2000 Federal Columbia River Power System Biological Opinion (BiOp) for salmon and steelhead. NOAA Fisheries produced the BiOp, which has been guiding habitat, harvest, hatchery and hydroelectric power operations on the river for three years.

The judge determined that the BiOp improperly relied on future federal actions that had not yet undergone consultation under the Endangered Species Act and on future non-federal actions that were not reasonably certain to occur.

Left undecided was whether the BiOp plan would remain in effect while it is corrected. Redden will answer that question early this month, following written arguments from both sides.

Redden said that, during the reconsideration period, the government should give status reports every 90 days.

BPA cost cutting paying off

BPA's financial outlook has improved in the last quarter. That was a recent message from Administrator Steve Wright.

The agency's efforts are showing results, Wright said. "We are beginning to right our financial ship and in a way that doesn't damage the Northwest economy."

Better precipitation since March has lifted revenue forecasts. Cost cutting – internally and with cost partners – is bringing down the amount BPA will have to recover through the Safety Net Cost Recovery Adjustment Clause, Wright said.

"Stay focused on cost cutting," Wright urged. "As we try to solve issues with outside parties, they all have to give something up. That means they want to see that we do, too."

The biggest single action that could further reduce the size of BPA's rate adjustment would be resolution of an ongoing lawsuit between BPA and its preference customers over benefits to residential and small-farm customers of investor-owned utilities, Wright noted.

Financial reports improve

For the first time since the year 2000, BPA's second quarter financial report and quarterly review suggest it could end a fiscal year in better condition than the year before.

The second quarter report of revenues and costs so far this year shows several promising trends. General, administrative and power marketing costs have decreased. Power purchase costs are down \$154 million compared to the same time last year.

The second quarter review which looks ahead to the end of the year projects a relatively small loss of \$28 million for 2003 after taking out proceeds from refinancing Energy Northwest bonds.

"If these forecasts hold," Chief Financial Officer Jim Curtis said, "we project we may be able to get through this year with a slight improvement in our financial reserves over last year." BPA has drawn down its financial reserves more than \$600 million in the last two years to pay its bills. It began fiscal year 2003 with \$188 million in reserves remaining.

"We're not out of the woods yet," Curtis said. "Our costs and revenues can swing dramatically in the second half of the year, but at least we're heading in the right direction."

Volume is nice; shape is everything

It's an old saying among water supply forecasters and managers. It means it's nice to know there's water stored in mountain snowpacks, but the really important questions are when and how quickly it melts to fill rivers and reservoirs.

The water supply picture in the Northwest has continued to improve. Snowpack measurements and runoff forecasts are each over 90 percent of normal. Cool conditions so far this spring have delayed the freshet, especially across the southern half of the basin where, typically, the lower elevations and warmer spring temperatures get the freshet going first.

Relatively cool conditions across the basin continued to hold river flows down through mid-May as most of the snowpack remains in the mountains.

BPA, Corps plug oil leaks

BPA and the Army Corps of Engineers are developing new systems to control oil leaks from generators at several Columbia River system dams.

While powerhouses do not burn oil or other fuel to generate electricity, oil is used as a lubricant between moving metal parts, and leakage can be a problem as equipment ages.

"We recognized the need to address this issue several years ago," said Roy Fox, federal hydro project manager for BPA. BPA has funded \$2.3 million to the Corps to improve the oil and water separators at 11 Corps dams, Fox said.

Under this funding, the Corps is now building new oil and water separators at Lower Granite and The Dalles

dams. "These will act as prototypes for the other plants," Fox said. The program is scheduled for completion in 2005.

Wautoma Substation work starts

Construction began in May on BPA's 500-kilovolt Wautoma Substation near the Hanford Reservation in Washington. "This is the first time in nearly a decade that BPA has built a major 500-kV substation," said Johnny Luiz, substation construction manager.

The 10-acre substation will anchor the southern end of the new Schultz-Wautoma 500-kV line and should be energized in 2005. The substation will be built under and tie into two existing 500-kV lines.

PUBLIC INVOLVEMENT Updates and Notices

NEW PROJECTS

ONGOING PROJECTS

BP Cherry Point Cogeneration Project Interconnection EIS – Whatcom Co., Wash.

BP West Coast Products LLC has requested interconnection of its proposed 720-MW combustion turbine project at its Cherry Point Refinery near the community of Birch Bay, Wash. The project may require rebuilding an existing single-circuit 230-kV transmission line to double-circuit from Cherry Point to Custer Substation. The project is subject to Washington energy facility siting process. BPA and Washington EFSEC are developing a joint SEPA/NEPA DEIS expected to be published this spring.

BPA's Power Supply Role After 2006 – Regionwide

A regional discussion regarding how BPA will market power and share the costs and benefits of the Federal Columbia River Power System in the Pacific Northwest after 2006 is proceeding at a slower pace for now. The reason for the slower pace is the need to focus more attention on near-term cost and rate matters. BPA will decide in mid-June when work will begin again in full on this project. Please refer to BPA's Web site at www.bpa.gov/power/regionaldialogue for up-to-date information, or contact Jenifer Scott at (503) 230-7685.

COB Energy Facility Interconnect EIS – Klamath Co., Ore.

Peoples Energy Resources Corp. has requested interconnection of its proposed 1,200-MW combustion turbine project at a site near Bonanza in Klamath Co., Ore. The project would require a new 500-kV transmission line to BPA's Captain Jack Substation. The project is subject to Oregon Energy Facility Siting Council certification. The DEIS is scheduled for publication this spring.

Conservation and Renewables Discount Program – Regionwide

The C&RD program requirements and technical information are being updated. March 30 marked the deadline for interested parties to offer petitions to improve C&RD policy, program implementation and technical issues. During the first

week of May, a summary of the comments received and BPA's proposed changes were distributed for a 30-day comment period. Copies of the C&RD manual can be found on BPA's Web site: <http://www.bpa.gov/Energy/N/>.

Fish and Wildlife Implementation Plan EIS – Regionwide

This EIS examines potential impacts of implementing any of the fish and wildlife policy directions being considered in regional processes. BPA has developed a preferred alternative using regional guidance. The three-volume FEIS is available in CD or hard copy format. See <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/FishWildlifeImplementation> for more information.

Grande Ronde and Imnaha Spring Chinook Project EIS – Wallowa and Union Cos., Ore.

Fish trapping, incubation, rearing and release hatchery facilities would be built to help boost spring chinook salmon populations in the Grande Ronde and Imnaha river basins of northeast Oregon. Planned facilities would modify and augment existing Lower Snake River Compensation Plan facilities. The DEIS is available on CD or hard copy. Comments will be accepted until July 7, 2003. DEIS public meetings are set for June 9 in La Grande, Ore.; June 10 in Enterprise, Ore.; June 11 in Imnaha, Ore.; and June 12 in Lostine, Ore. (See close of comment and calendar of events for more information.)

Kangley-Echo Lake Transmission Line Project – King and Kittitas Cos., Wash.

BPA proposes to build a 500-kV transmission line to connect an existing transmission line near Kangley to BPA's Echo Lake Substation in western Washington. BPA's preferred alternative would run parallel to the major portion of the Raver-Echo Lake 500-kV line. The project is needed to improve transmission system reliability and to enhance BPA's ability to meet treaty requirements with Canada. BPA is preparing an FEIS and intends to release the document early this summer. Following the release of the FEIS, BPA will make a decision on the proposal. A proposed settlement between BPA and the city of Seattle would add nearly 600 acres of land to the Cedar River Watershed in exchange for allowing construction

of a proposed power transmission line through the watershed. See www.transmission.bpa.gov/projects for more information.

Plymouth Generating Facility EIS – Benton Co., Wash.

Plymouth Energy requested interconnection of its proposed 306-MW combustion turbine project near Plymouth in Benton Co., Wash. BPA is preparing a joint NEPA/SEPA EIS with Benton Co. A DEIS is available for review. The comment period on the DEIS ended on Oct. 15, 2002. An FEIS is anticipated to be released this month.

Raymond-Cosmopolis 115-kV Transmission Line EA – Grays Harbor and Pacific Cos., Wash.

BPA proposes to rebuild an existing 115-kV transmission line between Raymond and Cosmopolis, roughly parallel to Hwy. 101. Most of the 18-mile-long line will remain in the existing right-of-way. The preliminary EA was released for public review in February. The comment period ended Feb. 26. Public meetings were held Feb. 11 in Cosmopolis and Feb. 12 in Raymond. The final EA will be released in early July. See www.transmission.bpa.gov/projects for more information.

Salmon Creek EIS – Okanogan Co., Wash.

BPA proposes to fund a project to enhance fish habitat and fish passage and to increase instream flows in 4.3 miles of lower Salmon Creek, a tributary of the Okanogan River. The project would rehabilitate the stream channel, revegetate stream banks and increase streamflows. A DEIS is anticipated in fall 2003.

Schultz-Hanford Area 500-kV Line Project – near Ellensburg to near the Hanford Reservation, Wash.

BPA proposes to build a new 500-kV line from Schultz Substation to the new Wautoma Substation southwest of the Hanford Monument. An FEIS was released in February. The ROD was released in March. Construction on the new Wautoma Substation began May 5. Construction of the Sickler-Schultz portion of the line near the Schultz Substation is scheduled to begin this summer. See www.transmission.bpa.gov/projects for more information.

South Fork Flathead Watershed/Westslope Cutthroat Trout Conservation Program – Flathead National Forest, Mont.

BPA proposes to fund a project to remove exotic trout species from selected lakes in the South Fork of the Flathead drain-

age. BPA is preparing an EIS. Comments and suggestions on the proposed action are being accepted at comment@bpa.gov. Comments will be accepted until June 23, 2003. Call to be placed on the mail list. Additional information at www.efw.bpa.gov/cgi-bin/efw/E/Welcome.cgi.

Wanapa Energy Center Generation Proj. EIS – Umatilla Co., Ore.

The Confederated Tribes of the Umatilla Indian Reservation requested interconnection of the Wanapa Energy Center, a proposed 1,300-MW gas-fired combined-cycle combustion turbine project, into the transmission grid. The project would be located on tribal trust land. The Bureau of Indian Affairs plans to prepare an DEIS in February 2004 with an FEIS in July and a ROD in September 2004. BPA is participating as a cooperating agency.

CLOSE OF COMMENT

- South Fork Flathead Watershed-Westslope Cutthroat Trout Conservation Program – June 23, 2003
- Grande Ronde and Imnaha Spring Chinook Project EIS – July 7, 2003

CALENDAR OF EVENTS

Grande Ronde and Imnaha Spring Chinook Project DEIS Public Meetings:

- June 9, 4 to 7 p.m., Blue Mountain Conference Center, La Grande, Ore.
- June 10, 4 to 7 p.m., Community Connection, Enterprise, Ore.
- June 11, 6 to 8 p.m., Imnaha Christian Fellowship, Imnaha, Ore.
- June 12, 4 to 7 p.m., Hayward House, Granger Road South, Lostine, Ore.

SUPPLEMENT ANALYSES

Wildlife Mitigation Program EIS

- SA-32 Zumwalt Prairie Preserve Conservation Easement – Wallowa County, Ore.
- SA-33 Gooderich Bayou Culvert Replacement (Hungry Horse Fisheries Mitigation Program) – Flathead County, Mont.

If you have questions or comments, or you want to be added to the mailing list for any project, call (503) 230-3478 (Portland) or 1-800-622-4519.

To order copies of documents, call: 1-800-622-4520 or (503) 230-7334. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. E-mail address: comment@BPA.gov. BPA home page: <http://www.bpa.gov>. For details on BPA environmental reviews listed above, including site maps and documents issued to date, see <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/Projects>. **Process Abbreviations:** EA-Environmental Assessment, EFSEC-Washington Energy Facility Site Evaluation Council, EFSC-Oregon Energy Facility Siting Council, EIS-Environmental Impact Statement, DEIS-Draft Environmental Impact Statement, FEIS-Final Environmental Impact Statement, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision, SA-Supplement Analysis.

