

JOURNAL

A MONTHLY PUBLICATION OF THE BONNEVILLE POWER ADMINISTRATION

July 2004

Web site: www.bpa.gov/corporate/pubs/Journal

Celilo DC converter station shines for the 21st century

BPA, Siemens Corp. and the Los Angeles Department of Water and Power celebrated the completed modernization of BPA's Celilo Converter Station on June 2. Celilo, the northern end of the DC intertie line from The Dalles, Ore., to Los Angeles, is the largest single line on the BPA grid. It's a nonstop electrical "interstate highway" that can move enough power for three Seattles up or down the West Coast.

The recent work retired the last of 1970 vintage power converters that used six-foot vacuum tubes. The new system uses solid-state silicon chips four inches in diameter. The original equipment had lasted more than twice its expected life through careful operation and maintenance. Now, Celilo should continue to keep the DC intertie humming at 3,100 megawatts for another 35 years or so. BPA crews did most of the modernization work themselves, which reduced costs of the project. LADWP is still working to modernize its end of the DC line near Sylmar, Calif.

The modernized Celilo will also be cooler, safer and ecologically improved. The new thyristors eliminate reliance on mercury for power conversion. Asbestos has been removed from the station. Old, noisy, maintenance-intensive air cooling has been replaced with a smaller, efficient water-cooled system. Chemical use for water treatment and overall water consumption by the station will be significantly reduced. Improved fire protection and lighting make Celilo safer.

IOU agreement leads to smaller CRAC

The Load-Based Cost Recovery Adjustment Clause in BPA power rates will drop to 22.34 percent in October 2004 through March 2005. That's nine percentage points lower than previously expected, thanks primarily to the recently signed agreements with the region's investor-owned utilities. BPA's Power Business Line rates staff had that good news to share with cus-

tomers at a June 10 workshop. The IOU agreements removed \$200 million in costs from BPA power rates over the balance of the current rate period.

The reduction in the load-based CRAC will result in overall rates about six percent lower than they would otherwise be. The precise overall rate for October-March will be determined in August after a public process this summer on the financial-based and safety net CRAC adjustments for fiscal year 2005.

In addition, because the load-based CRAC is based on a projection, it gets trued up to actual costs every year. BPA rates staff said customers should expect a refund totaling about \$1.6 million for the load-based CRAC charges made during October 2003 to March 2004.



All the power converters at Celilo are now modern solid-state thyristors.

Fish spill plan goes to NOAA

BPA and the U.S. Army Corps of Engineers sent their final summer spill plan to the National Oceanic and Atmospheric Administration Fisheries on June 24. NOAA was expected to make a "findings" determination of

the plan's biological effectiveness within a week to 10 days. If NOAA Fisheries says the plan is consistent with its 2000 biological opinion on Columbia River hydro operations for fish, the Corps could issue a final decision document as early as the first full week of July. To see the final spill plan, check out the Federal Caucus Web site at www.salmonrecovery.gov/implementation.shtml.

The final summer spill plan, officially titled the Final Proposal for Federal Columbia River Power System (FCRPS) Summer Juvenile Bypass Operation calls for:

- ï Spill at Ice Harbor and John Day dams through Aug. 25; and
- ï No spill at The Dalles or Bonneville dams in August.



Under the normal summer spill regimen, all four of these dams would spill through Aug. 31. After removing the cost of offsets, additional revenue to BPA from increased power sales is expected to net between \$18 million and \$28 million.

BPA, the Corps and others have agreed to several offsets to assure that, if the summer spill plan is carried out, migrating salmon will be at least as well off as with the existing spill regimen. The total cost of these offsets is \$12.9 million. The offsets include:

- Additional flows from Idaho Power Co.'s Brownlee Dam in July.
- Enhanced pikeminnow removal program.
- Expanded Hanford Reach anti-stranding program.
- Habitat improvements and hatchery production increases.
- Added funding for the Northwest Power and Conservation Council's fish and wildlife program.

Transmission rate case workshops coming

BPA is beginning to develop its transmission rates for fiscal years 2006 and 2007. The Transmission Business Line will hold several rate case workshops for customers and the public throughout the summer to discuss rate issues and methodology. In late June, BPA sent notices to customers on the workshops.

The first workshop will be July 15 in Portland. It will cover the rate case schedule, the overall approach to the rate case and the process for dealing with issues between BPA business lines. See the additional notice under the Public Involvement section in this Journal. BPA will post the schedule on its transmission Web site at www.transmission.bpa.gov/Business/Rates_and_Tariff/default.cfm?page=2006RC.

Regional Dialogue should start by mid-July

The long-awaited Regional Dialogue on BPA's future load obligations should begin by mid-July after BPA releases a draft policy for public comment. The draft policy will address rights to the lowest cost priority firm power rate,

service to new publicly owned utilities, direct-service industries, new large single loads and residential and small-farm consumers of investor-owned utilities. It will cover BPA's commitment to renewable resources and energy conservation, availability of products and treatment of customers with five-year purchase commitments. And, it will clarify the agency's long-term power obligation and lay out a schedule for addressing long-term issues.

Other areas for discussion include methods of controlling costs and consulting with stakeholders, and what BPA intends to do with tiered rates.

The draft policy is the result of more than a year of discussion among BPA, the Northwest Power and Conservation Council, BPA customers, state governments, environmental groups and other stakeholders. BPA will take comments on the proposed long-term schedule through Aug. 20, and on the remaining Regional Dialogue draft policy itself through Sept. 22.

BPA calls "open season" on transmission line participation

BPA is holding an "open season" for power plant sponsors to sign up for transmission service and help finance a new \$140-million transmission line between McNary and John Day dams on the Columbia River.

The project will add about 1,250 megawatts of transfer capacity along the Columbia River from the Tri-Cities to the Rufus-John Day area. It will also help integrate new gas and wind energy generated in the area. The project was placed on hold in late 2002 due to lack of funding.

"This line will be needed if developers elect to build power plants in that area," said Brian Silverstein, BPA manager of network planning. "If a sufficient number of customers sign up, they would collectively finance construction and subsequently receive a credit against their transmission bills to recoup their investment."

Silverstein says the line is needed to serve demand from any additional generation developed in the area, rather than to ensure power grid reliability. The season is open July 1 to 20. To see more on the proposal, check out this Web site: www.transmission.bpa.gov/newsev/view.cfm?ID=211&type=notice.

PUBLIC INVOLVEMENT Updates and Notices

NEW PROJECTS

McNary-John Day 500-kV Transmission Line – Various counties in Wash. and Ore.

BPA's Transmission Business Line intends to host an "open season" from July 1 to July 20 for eligible customers requesting transmission service for capacity that primarily crosses the West of McNary /West of Slatt (WOM/WOS) transmission path. The objective of the open season is to invite customers to submit transmission service requests

that require, in aggregate, sufficient flow crossing the WOM/WOS paths to enable the TBL to proceed with construction of the McNary-John Day 500-kilovolt-line project. This 79-mile-long project was placed on hold in late 2002 due to lack of funding. On June 18, TBL announced its intentions to host the open season for its transmission service request queue. For more information, visit the Web site at <http://www.transmission.bpa.gov/newsev/view.cfm?ID=211&type=notice>. A customer meeting is scheduled for July 7 in Vancouver, Wash., for eligible customers. (See *calendar of events*.)

Notice of Request for Offers and Awards – Regionwide

BPA issued a Notice of Request for Offers and Awards for nonwires demonstration pilot projects to defer transmission construction. The submission period opens June 11 and closes Aug. 19, 2004. Find details on the Web site at http://www.bpa.gov/Energy/N/Projects/Non_Wires/. Contact Vasia Polizos at (503) 230-4164 or e-mail Polizos at vpolizos@bpa.gov.

Power Rate Levels for FY 2005 – Regionwide

In a letter mailed June 18, 2004, BPA invited comments from customers and others regarding the upcoming decision on the Financial-Based Cost Recovery Adjustment Clause and the Safety Net Cost Recovery Adjustment Clause. BPA posted relevant materials covering its current financial and rate forecasts for FY 2004-2006 on June 25, 2004. Comments will be taken through July 30, 2004. More information can be found at www.bpa.gov/power/rates. A second workshop and public comment period will take place in August when BPA proposes the levels of these rate adjustments for FY 2005. (See close of comment.)

Rate Case Workshops – Regionwide

TBL is beginning to develop its transmission rates for fiscal years 2006 and 2007 and will hold several rate case workshops throughout the summer to discuss rate issues and methodology. BPA's first workshop, on July 15, will discuss, among other things, the rate case schedule and the overall approach to the rate case itself, including the process for dealing with BPA between-business line issues. (See calendar of events.) See http://www.transmission.bpa.gov/Business/Rates_and_Tariff/default.cfm?page=2006RC.

Transmission Rates Fiscal Years 2006 and 2007 – Regionwide

BPA's Transmission Business Line is beginning to develop its transmission rates for fiscal years 2006 and 2007. These rates will be in effect from Oct. 1, 2005, through Sept. 30, 2007. BPA will hold several rate case workshops throughout the summer to discuss rate issues. An agenda and handouts will be posted to the Web site at http://www.transmission.bpa.gov/Business/Rates_and_Tariff/. (See calendar of events.)

FISH AND WILDLIFE – ONGOING PROJECTS

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

Fish trapping, incubation, rearing and release hatchery facilities are proposed 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 FEIS is available on CD, in hard copy or online at <http://www.efw.bpa.gov> under links to environmental analysis/planning and active projects. A ROD is scheduled for publication in September 2004.

Reduction in Summer Spill Proposal – Regionwide

The U.S. Army Corps of Engineers and BPA are submitting an amended implementation plan to NOAA Fisheries that includes their final plan for reducing summer spill. See <http://salmonrecovery.gov> for more information.

Salmon Creek EIS – Okanogan County, Wash.

BPA proposes to fund a project to enhance fish habitat and 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 scheduled for release in summer 2004.

South Fork Flathead Watershed/Westslope Cutthroat Trout Conservation Program EIS – 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 drainage. BPA is preparing an EIS. Additional information is available at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/MountainLakesTrout>.

POWER – ONGOING PROJECTS

BPA's Power Supply Role After 2006 – Regionwide

BPA plans to publish a draft proposal and begin a public comment period later this month, followed by public meetings in August and

September, regarding how it will market power and share the costs and benefits of the Federal Columbia Power River System in the Pacific Northwest after 2006. There will be ample opportunity for all interested parties to participate. Updated information will be posted to BPA's Web site at <http://www.bpa.gov/power/regionaldialogue>.

TRANSMISSION – ONGOING PROJECTS

Anderson Ranch 115-kV Rebuild – Elmore County, Idaho

BPA proposes to replace five wood pole structures located in rough terrain with two steel dead-end towers on the Boise River crossing. The purpose of the rebuild is to maintain line reliability and ensure public safety. All of the aged and decaying wood poles on the remaining portion of the 18-mile line would be replaced with steel poles. Construction is scheduled to begin July 2004 and to be completed by December 2004. A construction start letter was sent to landowners in June. Additional project information is available on BPA's Web site at http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/default.cfm?page=AR.

BP Cherry Point Cogeneration Project Interconnection EIS – Whatcom County, 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 and is subject to Washington state energy facility siting processes. BPA and Washington EFSEC developed a joint SEPA/NEPA DEIS, which was released in September 2003. The comment period for the joint SEPA/NEPA DEIS ended Nov. 3, 2003. The final EIS is scheduled for release in September 2004. See http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

COB Energy Facility Interconnect EIS – Klamath County, Ore.

Peoples Energy Resources Corp. has requested interconnection of its proposed 1,200-MW combustion turbine project at a site near Bonanza in Klamath County, 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 was released for public review in November 2003 and the comment period ended Feb. 13, 2004. Public meetings were held Jan. 22, 2004, in conjunction with Oregon EFSC hearings. The FEIS has been approved and is in publication. See http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

FERC Order 2003-A: Large Generator Interconnection – Regionwide

The Transmission Business Line held a public meeting in April to discuss its proposed compliance filing of FERC Order 2003-A. This meeting was a reschedule of a March 19, 2004, meeting due to FERC's recent release of an updated order carrying significant and numerous changes that TBL must reconsider for its proposed filing. Comments were due by May 18, 2004. More information is available at http://www2.transmission.bpa.gov/Business/Customer_Forum_and_Feedback/FERC_order_2003/. Please contact tblfeedback@bpa.gov for questions.

Grand Coulee-Bell 500-kV Transmission Line – Spokane and Lincoln counties, Wash.

Construction is underway on the rebuilding of 84 miles of an existing 115-kV wood-pole transmission line with a new, higher capacity 500-kV steel lattice line. The transmission line corridor between the Grand Coulee and Bell substations currently contains two 115-kV transmission lines on two wood-pole structures and three 230-kV transmission lines on two steel lattice structures. The existing transmission lines cannot reliably move power from existing generation sources east of Spokane to the west. See http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information and construction photos.

Hanford Reach National Monument CCP/EIS – Benton, Franklin and Grant counties, Wash.

BPA is participating as a cooperating agency in a land management planning process led by the U.S. Fish and Wildlife Service. The

USFWS seeks to develop a comprehensive conservation plan as required by the Refuge System Improvement Act of 1997. BPA is providing information and writing sections of the plan that pertain to transmission facilities, roads, energy facilities and river flow management within the monument. A DEIS is scheduled for release in 2004.

Nisqually Transmission Line Relocation Project EA – Thurston County, Wash.

BPA is proposing to relocate two miles of transmission line corridor off the Nisqually Indian Reservation in Thurston County, Wash. BPA has an existing transmission line corridor across the reservation and a portion of the Fort Lewis military base just north of State Route 510. This corridor contains two transmission lines: the Olympia-Grand Coulee 287-kV line and the Olympia-South Tacoma 230-kV line. This relocation is being proposed because the 50-year easement for one of the lines on the reservation has expired. Public scoping meetings were held Oct. 21 and Oct. 22, 2003. BPA is developing a preliminary EA scheduled for release fall 2004 and the final EA is scheduled for release winter 2004. The scoping comment period ended Nov. 21, 2003. See http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

Programs in Review – Regionwide

In June, TBL started a public process known as Programs in Review. In this process, TBL discloses proposed operating costs for both capital programs and expense programs for the 2006 and 2007 rate period. Six meetings have been held with one more scheduled for Montana on July 22. Customer feedback has been considerable and will help shape upcoming 2006-07 rate workshops. (See calendar of events.) See http://www.transmission.bpa.gov/Business/Customer_Forums_and_Feedback/Programs_in_Review/pir2004.cfm for more information.

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

BPA proposes to rebuild an existing 115-kV transmission line between Raymond and Cosmopolis, roughly parallel to Highway 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. Public meetings were held in February and the comment period ended Feb. 26, 2003. The final EA and FONSI were released Sept. 5, 2003. Line construction began in June 2004 and will be completed by November 2004. See http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

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

BPA is building a new 500-kV line from Schultz Substation to the new Wautoma Substation southwest of the Hanford Monument. An FEIS was released in February 2003. The ROD was released in March 2003. Construction on the new Wautoma Substation began May 5, 2003, and is halfway complete. Construction of the Sickler-Schultz portion of the line began February 2004. Fiber construction began in late January 2004. The project will be completed by November 2005. See http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information and construction photos.

SnoKing Tap to Monroe-Echo Lake Project – Snohomish County, Wash.

This project allowed BPA's existing 500-kV SnoKing Tap to Monroe-Sammamish 230-kV transmission line to be reconnected to the Monroe-Echo Lake 500-kV transmission line as part of several projects known as the Puget Sound Area Additions. The SnoKing Tap to Monroe-Echo Lake 500-kV transmission line was energized to 500-kV Sept. 29, 2003. The original transmission line was constructed in the 1970s as a 500-kV line but had been operated at

230-kV until recently. An increase in ambient noise levels was anticipated but the level of concern from area residents along the transmission line and in the vicinity of the SnoKing Substation was not. BPA held five public meetings and plans to hold a final meeting in summer 2004, to respond to public concern about the noise increase and to discuss solutions. See http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

Wanapa Energy Center Generation Project EIS – Umatilla County, 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 released the DEIS in October 2003. BPA is participating as a cooperating agency. Two public meetings were held in December 2003. The comment period ended Dec. 29, 2003. A FEIS is scheduled for August 2004, with a ROD to follow. See <http://www2.transmission.bpa.gov/PlanProj/> for more information.

SUPPLEMENT ANALYSES

Watershed Management Program EIS:

- SA-144 Salmon River Habitat Enhancement Monitoring and Evaluation, Fencing and Planting, Custer County, Idaho
- SA-145 Hood River Habitat – Baldwin Creek Culvert Replacement 2004. Hood River County, Ore.
- SA-146 Grand Ronde Model Watershed Project – Catherine Creek Off-Channel Rearing Habitat Improvement. Union County, Ore.
- SA-147 Grand Ronde Model Watershed Project – Catherine Creek/Swackhammer Fish Passage and Erosion Management. Union County, Ore.
- SA-148 Idaho Model Watershed Habitat Projects – Gydesen-Moen Irrigation Improvement and Riparian Enhancement. Custer County, Idaho

System Operation Review EIS:

- SA-2 2004 Federal Columbia River Power System Juvenile Bypass Operations. Lower Columbia and Snake rivers.

CALENDAR OF EVENTS

McNary – John Day Customer Meeting

- July 7, 9:30 a.m. to 1 p.m., One Park Place, 7600 NE 41st St., Room 301, Vancouver, Wash.

Transmission Rates Fiscal Years 2006 and 2007 Workshops

- July 15, 9 a.m. to noon, 911 NE 11th Ave., Portland, Ore.
- Aug. 5, 9 a.m. to 4 p.m., 911 NE 11th Ave., Portland, Ore.
- Aug. 26, 9 a.m. to 4 p.m., 911 NE 11th Ave., Portland, Ore.
- Sept. 16, 9 a.m. to 4 p.m., 911 NE 11th Ave., Portland, Ore.

Programs In Review

- July 22, 1:30 to 3:30 p.m., Holiday Inn Parkside, 200 South Pattee Street #2, Missoula, Mont.

CLOSE OF COMMENT

- July 30 – Power Rate Levels for FY 2005

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 14428, Portland, OR 97293-4428. 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.

