

JOURNAL

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BPA pays treasury in full and on time

BPA paid the U.S. Treasury \$1.053 billion on Sept. 30. It was the 21st straight year in which BPA has made its annual Treasury payment in full and on time.

"It is particularly gratifying to announce our Treasury payment within weeks of announcing a reduction in wholesale power rates," said Administrator Steve Wright. "It means a stringent cost-management program is paying off and that we are regaining the financial stability we had prior to the West Coast energy crisis."

The payment is a return, with interest, on the U.S. taxpayer investment in the Federal Columbia River Power System — the federal hydropower dams and transmission grid.

BPA paid the Treasury \$592 million in principal and \$420 million in interest, plus \$41 million in other obligations. Of that, \$30.9 million assures that ratepayers, not taxpayers, fully fund post-retirement benefit programs for Federal Columbia River Power System employees.

Symposium takes holistic look at region's needs

Nearly 450 people attended the Sept. 28-29 BPA symposium at Portland on "Energizing the Northwest Today and Tomorrow." Administrator Steve Wright opened the symposium and said it had two key themes. "One, we have a need for transmission adequacy standards that balance consumers' desire for high reliability with an equally fervent desire for low rates. Two, we need to resolve how we advance the idea of making energy efficiency and other non-construction alternatives an integral part of the equation as we consider transmission solutions."

The symposium covered transmission adequacy standards, non-wires solutions to transmission congestion,

energy efficient technologies and innovations, and current and future regional conservation programs.

The work of the region's Non-Wires Solutions Round Table got special attention. With siting challenges and the costs of transmission lines running into the tens of millions of dollars, alternatives to transmission lines are becoming more and more attractive. For example, BPA's nine-mile line for Kangley-Echo Lake east of Seattle cost nearly \$60 million due to extensive mitigation requirements.



Jim Connaughton, chairman of the White House Council on Environmental Quality speaks at wetland project dedication Oct. 13 near Eugene, Ore. See article to the right.

White House applauds wetland partnership

While frogs croaked away and hawks soared above, federal, state and local officials gathered near Eugene, Ore., Oct. 13 to dedicate an addition to a protected wetlands project. Jim Connaughton, chairman of the White House Council on Environmental Quality, praised the partnership that led to the successful project.

"The protection of this land is a significant example of how strong partnerships can bring about great achievements," Connaughton said. "I applaud the partners and commend them for making a smart investment that will result in the continued protection of Willamette Valley wildlife habitat."

BPA provided \$1.4 million for easements on four properties totaling 165 acres just west of Eugene. The land is now part of the Willow Creek Wildlife Mitigation Area, which includes a 340-acre area already managed by The Nature Conservancy. The Conservancy will manage all 505 acres of the area in perpetuity.

Nearly 200 different species of native Willamette Valley plants live in the site, including the endangered



Fender's blue butterfly and other threatened or rare flora and fauna.

BPA gets gold partner award from EPA

On Nov. 15, BPA will be recognized as a gold partner in the Federal Electronics Challenge pilot (FEC). The awards and new partner signing ceremony will take place in Washington, D.C. During 2004, BPA became one of nine FEC pilot partners seeking to reduce the environmental and energy impacts of federal government acquisition, use and disposal of electronic equipment.

As a gold partner in the FEC, BPA will mentor other agencies, while continuing its own focus on total life-cycle electronics management. The federal government is the largest block purchaser of electronics in the world. Most of the 1.8 million federal employees have a personal computer.

Given the average three-year life cycle of each computer, the federal government discards approximately 10,000 computers each week. Approximately 70 percent of the heavy metals in municipal solid waste landfills is estimated to come from electronics discards. For more on the FEC, check its Web site at www.federalelectronicschallenge.net/.

Conservation work group assembles

A Post-2006 Conservation work group, now numbering over 55 members, formed five subcommittees in October and began designing the future of BPA's conservation programs. The groups are studying the approach for acquiring BPA's share of the conservation targets starting in 2006 as designated by the Northwest Power and Conservation Council.

The group represents utilities, environmental groups, industries, businesses and private citizens. BPA's vice president for Energy Efficiency, Mike Weedall, is the chair. Weedall said, "On our agenda are questions such as what elements of BPA's current conservation programs would be most useful in future programs?"

How can BPA be sure it gets the conservation savings it pays for? And how can small utilities get more involved in these programs?"

Weedall said he hopes the work group can complete Phase I, the initial program recommendations by January 2005. BPA will then conduct a public review process before beginning work on Phase II, the details of the programs.

Non-Wires Round Table kicks off its third year

On Oct. 27, the Non-Wires Solution Round Table kicked off its third year working to incorporate non-wires solutions into the transmission planning process as well as receiving regional acceptance for non-wires ideas. The 20-person team welcomed three new members to the round table: Jeff Bumgarner, director of demand-side services for PacifiCorp; K.C. Golden, policy director for Climate Solutions; and Tom Schneider, Montana Public Service Commissioner. Two members will be leaving the round table: Heather Rhodes-Weaver, executive director of Northwest SEED, and Art Compton of the Montana Department of Environmental Quality.

At the October round table meeting, members were presented with certificates of appreciation for their two years of service. "I am very proud of this team. You all have received regionwide attention for the groundbreaking work you've accomplished," said BPA Administrator SteveWright. "Keep up the good work."

The team also discussed round table goals for 2005. The round table committed to another two years and will re-evaluate priorities of the group in 2006. Mike Weedall and David Le of Energy Efficiency gave an update on the request for proposals and explained that BPA had begun negotiations with a few of the requestors. The round table's next meeting is scheduled for Jan. 19-20, 2005.

PUBLIC INVOLVEMENT Updates and Notices

NEW PROJECTS

Arlington CEP Wind Project Interconnection - Gilliam County, Ore.

Columbia Energy Partners (CEP) has requested to integrate up to 200 MW of power generated from the Arlington CEP Wind Project into the Federal Columbia River Transmission System. CEP would interconnect to a proposed BPA substation adjacent to the 230-kV McNary-Santiam line. BPA's proposed project would involve building a new substation, adjacent to the CEP collector substation and an access road from the county road to the BPA substation. Construction of the substation would involve clearing approximately six acres of

grassland to build a short access road and a substation. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

Arlington PPM Wind Project Interconnection - Gilliam County, Ore.

Pacific Power Marketing (PPM) has requested to integrate up to 200 MW of power generated from the Arlington PPM Wind Project into the Federal Columbia River Transmission System. PPM would interconnect at the same substation as proposed for the Arlington CEP Wind Project described above. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

Combine Hills Wind Project Interconnection - Umatilla County, Ore.

Eurus Energy America Corporation has requested to integrate up to 63 MW of power generated from the Combine Hills Wind Project into the Federal Columbia River Transmission System. BPA would need to upgrade 5.8 miles of the Walla Walla-Pendleton transmission line. The upgrade of the transmission line would involve replacing the wood poles within the same right-of-way and stringing new conductor. This request is an expansion of an existing 41 MW that connects to PP&I's transmission system. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

Hopkins Ridge Wind Project Interconnection - Columbia County, Wash.

Blue Sky Wind L.L.C. has requested interconnection of a portion of the output of its proposed Hopkins Ridge Wind Project, located northeast of the town of Dayton, Wash. Interconnection of 150 MW of power would require BPA to build a substation on a two-acre parcel adjacent to BPA's Walla Walla-North Lewiston 115-kV transmission line. Blue Sky Wind is requesting a conditional use permit from Columbia County. BPA proposes to analyze the environmental effects of the proposed substation in a tiered ROD to the Business Plan EIS. Additional information is available online at <http://www.transmission.bpa.gov/PlanProj/Wind>.

AGENCY - ONGOING PROJECTS

Supplemental Analysis to the Business Plan EIS - Regionwide

BPA will be preparing an SA to its Business Plan EIS. The 1995 EIS analyzed the environmental, economic and social effects of BPA's business practices, such as marketing and transmitting power, energy conservation, renewable energy development and fish and wildlife mitigation activities. In response to emerging regional and agency issues, this process will replace the development of the Transmission Business Policy EIS initiated December 2003. Consequently, BPA is preparing a notice of termination for the TBP EIS for publication in the Federal Register.

CONSERVATION - ONGOING PROJECTS

Post-2006 Conservation Work Group

The Post-2006 Conservation Work Group began its Phase I process to set the approach and direction of a conservation plan for the next rate period. Committees and chairpersons were appointed. The results of the Oct. 7 meeting in Spokane, Wash., can be reviewed online at <http://www.bpa.gov/Energy/N/Post2006Conservation/>. The next meeting will be held at Benton Co. PUD in Kennewick, Wash., on Nov. 9. There will also be a Dec. 2 meeting in BPA's headquarters building in Portland and a Jan. 11 meeting in Seattle, location to be determined. Phase II is scheduled to start in early 2005 and will refine the proposal and include public review. For more information, contact Becky Clark at (503) 230-3158. (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 online at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/Granderonde>. A ROD is scheduled for publication in November 2004.

Kootenai River Ecosystem/Fisheries Improvement Study - Boundary and Bonners counties, Idaho and Lincoln County, Mont.

The Kootenai Tribe of Idaho (in coordination with Idaho Fish and Game; Montana Fish Wildlife and Parks; and British Columbia Ministry of Environment, Land and Parks) plan to initiate a con-

trolled large-scale nutrient enhancement effort in the mainstem Kootenai River near the Montana-Idaho border. An EA will be prepared.

Salmon Creek EIS - Okanogan County, Wash.

BPA proposes to fund a project to enhance fish habitat, passage and 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 was released in September and is available at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/SalmonCreek>. A public meeting was held Sept. 28, 2004, and comments are due by Nov. 9, 2004. (See *close of comment section*.)

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. A DEIS was released and the comment period closed Aug. 20, 2004. 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 (Regional Dialogue) - Regionwide

The public comment period on BPA's Regional Dialogue policy proposal closed Sept. 22. BPA's immediate goal is to decide issues that prepare the way for setting rates for the next rate period while assuring that the agency's long-term strategic goals and its long-term responsibilities to the region are aligned. Internal review of comments received is now under way.

Upon initial review, BPA identified four issue areas that the Agency felt could benefit from additional public discussion. On Oct., BPA issued a letter announcing the opportunity for parties to request further discussion on these four areas: Service to direct service industries, future service to customers with five-year purchase commitments that do not contain the lowest PF rate guarantee, product availability and new publics. Anyone interested in further discussions should contact their Customer Account Executive, Tribal Account Executive, Constituent Account Executive, or Helen Goodwin. These discussions must conclude by Nov. 12, 2004, at which time BPA will focus on completing its analysis and finalizing its Regional Dialogue policy decisions. BPA plans to issue a final policy and ROD in December 2004. Additional information is available on BPA's Web site at <http://www.bpa.gov/power/regionaldialogue>.

TRANSMISSION - ONGOING PROJECTS

Anderson Ranch 115-kV Rebuild - Elmore County, Idaho

BPA is replacing 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 will be replaced with steel poles. Construction began July 2004 and is scheduled to be completed by December 2004. Additional project information is available on BPA's Web site at http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/default.cfm?page=AR.

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

Construction is nearing completion on a rebuild of 84 miles of a 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 contains one 115-kV transmission line on wood-pole structures and three 230-kV transmission lines on two steel lattice structures. Residents of Spokane, Wash., should be aware that the project is utilizing implosive devices to connect lengths of wire to each other on the new transmission line periodically throughout November. The local community will continue to hear a number of loud explosions during the day within the

construction zone. The implosive charges, which are set on lines suspended from towers, make a loud bang accompanied by some smoke. The immediate area is being secured before the detonations that pose no danger to property and land. Methods to prevent grass fires are being employed. See http://www.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. The EA is available for public comment until Nov. 26, 2004. A decision on the project is expected this winter. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information. (See close of comment.)

Programs in Review – Regionwide

TBL has completed seven Programs in Review meetings throughout the region. These meetings were held to discuss TBL proposed program levels for 2006 and 2007. Per customer request, additional technical workshops were held on debt optimization, corporate and shared services programs, TBL capital and expense programs, and staffing. End of comment period was Sept. 15 with the close-out letter expected by Nov. 30. For more information, visit the Web site at http://www.transmission.bpa.gov/Business/Customer_Forum_and_Feedback/Programs_in_Review/pir2004.cfm.

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

BPA is rebuilding 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://www.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://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information and construction photos.

Transmission Rate Case Workshops

BPA's TBL has held several rate case workshops in Portland as part of its process to develop its transmission rates for fiscal years 2006 and 2007. Four workshops have been held. See http://www.transmission.bpa.gov/Business/Rates_and_Tariff/default.cfm?page=2006RC 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. An FEIS is scheduled for December 2004, with a ROD to follow. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

SUPPLEMENT ANALYSES

Watershed Management Program EIS:

- SA-185 Grays Bay Estuary Habitat Rehabilitation Project. Wahkiakum County, Ore.
- SA-186 Habitat Projects Lake Roosevelt tributaries – Roaring Creek Culvert replacement. Ferry County, Wash.
- SA-187 Yakima Tributary Access and Habitat Program – East Branch Wilson Creek, Sorensen Properties. Kittitas County, Wash.

Wildlife Mitigation Program EIS:

- SA-42 Blue Creek Winter Range - Spokane Reservation (acquisition of Lantzy West and Rajewski, Allotment 1052) Properties. Stevens County, Wash.
- SA-43 Amazon Basin (Willow Creek - Eugene Wetlands) - Cuddeback land acquisition. Lane County, Ore.
- SA-44 Hellsgate Big Game Winter Range-Wildlife Mitigation Project. Okanogan and Ferry counties, Wash.
- SA-45 Protect and restore wildlife habitat, Coeur d'Alene Tribe – Hangman acquisition (1 parcel, 910 acres). Benewah County, Idaho

Transmission Vegetation Management Program EIS

- SA-227 Tanner Tap – Snoqualime Lake Tradition #1. King County, Wash.
- SA-228 Reston-Fairview #1 and 2. Douglas and Coos counties, Ore.

CALENDAR OF EVENTS

Post-2006 Conservation Work Group

Nov. 9 – 9 a.m. to 4 p.m., Benton County PUD, 2721 W. 10th Ave., Kennewick, Wash.

Dec. 2 – 9 a.m. to 4:30 p.m., BPA headquarters building, 905 NE 11th Ave, Portland, Ore.

Jan. 11 – Seattle, Wash. Location to be determined.

CLOSE OF COMMENT

Nov. 9 – Salmon Creek EIS

Nov. 26 – Nisqually Transmission Line Relocation Project EA

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-Supplemental Analysis.

