

JOURNAL

A MONTHLY PUBLICATION OF THE BONNEVILLE POWER ADMINISTRATION

March 2005

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

Regional Dialogue decisions

BPA has released a Regional Dialogue policy and a record of decision that describes key BPA power supply issues for the period following expiration of current power contracts in FY 2006. "BPA's primary role will be to provide reliable power at favorable rates and environmental stewardship well into the future," said Administrator Steve Wright.

The single most important decision would limit BPA's long-term sales of firm power at its lowest-cost based rates to close to the capacity of the federal system. The system produces about 8,000 average megawatts of power from the 31 federal Columbia River system dams and one nuclear plant. If customers rely on BPA for their increased supplies in the future, they may have one rate reflecting the costs of the available federal supply, and a second rate based on the costs of acquired power.

BPA will establish a three-year rate period for fiscal years 2007-2009. The shorter rate period allows BPA to set wholesale power rates lower than would be required for a five-year period because there is less risk that needs to be covered.

Power function review is under way

In late January, BPA kicked off its power function review process as a prelude to the new power rate case for the fiscal 2007 to 2009 period. The purpose of the review is to determine program levels and costs to be used in the new power rate case that begins this fall. These costs include debt service, operation and maintenance for hydro facilities, fish and wildlife, conservation and renewables, internal operations, transmission acquisition and risk mitigation. The comment period opened Jan. 25 and runs through April 29.

Bi-op implementation plan is posted

BPA, the U.S. Army Corps of Engineers and Bureau of Reclamation posted a draft three-year implementation plan for the updated proposed action on the 2004 NOAA Fisheries Biological Opinion. It is at www.salmonrecovery.gov. The agencies are following up with meetings with Northwest tribes, customers and other stakeholders to go over the plan during the public involvement period. The final plan is scheduled to be completed in late March.



Behemoth fish saver begins journey to Ice Harbor Dam.

Giant fish slide for Ice Harbor Dam

A 10-story-tall, 850-ton spillway weir was towed nearly 200 miles up the Columbia River in mid-February to Ice Harbor Dam near the confluence of the Snake and Columbia rivers. The U.S. Army Corps of Engineers will attach it to one of the dam spillways by the end of March.

BPA funded the \$20 million innovative juvenile fish bypass structure, commonly referred to as a fish slide. Regular spillways pass fish at high speed and under high pressure through gates 50 feet below the surface. The removable weir passes spill close to the water surface giving fish a slower, low-pressure ride. The less turbulent water on the dam's downstream side allows the smolts to move downstream more quickly and avoid predators.

Wind power workshop to be in Portland

BPA, the Federal Energy Regulatory Commission and the Western Electricity Coordinating Council will conduct a workshop in Portland, March 16 and 17 aimed at integrating wind power projects into utility transmission systems. FERC asked BPA to take the national lead in developing a proposed new transmission service called "conditional firm." The workshop will also consider tariff language to allow such products.



Invitees include BPA customer utilities, public interest groups and wind generation developers. While there is great wind energy potential in the Western states, transmission capacity is limited over most paths. So, getting the power to a load is a challenge. A conditional firm product is an attempt to mitigate that problem.

BPA engineer named to top academy

A BPA electrical engineer, Carson Taylor, was elected to the National Academy of Engineers in February. The NAE is a professional group whose mission is to promote the technological welfare of the nation by marshaling the knowledge and insights of eminent members of the engineering profession.

This is the latest in a string of honors for Taylor. The February 2004 issue of MIT's "Technology Review" magazine named Taylor as one of the five world leaders in an area identified as one of the "10 Emerging Technologies that Will Change Your world." MIT recognized Taylor for his work in developing BPA's wide-area stability and voltage control system (WACS).

Towers fly on Schultz-Wautoma project

A huge air crane helicopter carried transmission tower sections across southern Washington early this year as BPA's Schultz-Wautoma 500-kilovolt transmission line continued to take shape. Plans call for installing 98 towers in a 20-mile section of the new line, extending from the newly built Wautoma Substation toward Vantage, Wash.

When completed in December 2005, the line will extend about 63 miles from Ellensburg to near the Hanford Reservation west of Richland.

Transmission program review closes

The 2004 Programs In Review process for BPA's transmission business has closed. This PIR process is the same type as that used for BPA's power function review.

In response to public comments and concerns, BPA reduced the transmission capital program over \$122 million from the initial proposal for fiscal years 2006-2007. In addition, it reduced transmission expense programs such as maintenance by \$1 million and regulatory fees by \$1.2 million. BPA will remain vigilant in identifying new opportunities for cost and resource efficiencies and reductions.

Libby-Troy line rebuild planned

The Libby-Troy 115-kilovolt line that crosses the Kootenai River Gorge in northwestern Montana is one of the most inaccessible lines in BPA's grid. But, the 18-mile transmission line may soon be rebuilt to improve its reliability and meet future load growth in the area. Fortunately, the U.S. Forest Service, the state of Montana and the Salish-Kootenai Tribes generally agree on what has to be done with this line.

Flathead Rural Electric Cooperative sold the wood pole line built in the 1950s to BPA about three years ago. Its age and condition make it highly unreliable. The project will require an environmental impact statement. Preliminary designs for rebuilding the line will examine rebuilding as-is or upgrading to 230-kV to meet future load growth. Public meetings in the area will take place some time in the spring.

Yakima area ranch mitigates for wildlife

A half-million-dollar BPA grant has helped the nonprofit group, Cowiche Canyon Conservancy, acquire 1,700 acres of the Snow Mountain Ranch northwest of Yakima, Wash. The \$1.1 million deal included funds from the Washington state Salmon Recovery Funding Board.

The purchase helps mitigate for possible damage to lands used for BPA transmission line tower sites and access roads during construction of the Schultz-Wautoma and Grand Coulee-Bell lines as well as for future projects. The ranch land will be preserved for public use and protection of fish and wildlife habitat.

PUBLIC INVOLVEMENT Updates and Notices

AGENCY – ONGOING PROJECTS

Supplement Analysis to the Business Plan EIS – Regionwide

BPA will prepare an SA to its Business Plan EIS. The 1995 EIS analyzed the environmental impacts of BPA's business practices, such as marketing and transmitting power, energy conservation, renewable energy development and fish and wildlife mitigation activities. The impacts analyzed included effects on the natural, economic and social environments. Public letters announcing and outlining the SA to the Business Plan EIS went out in December 2004. As part of the SA process, BPA invites all interested parties to submit comments on the Business Plan EIS, specifically on any perceived changes in BPA's business activities since 1995 that are relevant to environmental concerns. Close of comment is March 1, 2005. For additional information about the SA and how to comment, see BPA's Web site at http://www.bpa.gov/efw/Environmental_Planning_and_Analysis/Business_Plan_SA/. (See close of comment.)

CONSERVATION – ONGOING PROJECTS

Annual Review of the Conservation and Renewables Discount (C&RD) Program – Regionwide

The annual review process is prescribed in the C&RD Manual. BPA's Energy Efficiency group is accepting comments for improvements to the fiscal year 2006 program until March 31, 2005. Following the close of comment, all recommendations will be compiled and made available for specific review and comment in April. Comments will be accepted for the manual or technical components of the C&RD. For more information call (503) 230-7669. Copies of the C&RD Manual are on the Web at http://www.bpa.gov/Energy/N/projects/cr_discount/. This site also provides a link to the Regional Technical Forum, which has a list of the current approved efficiency measures. (See close of comment.)

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/environmental_services/Document_Library/Grand_Ronde/. A ROD is scheduled for publication in early 2005.

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) plans to initiate a controlled nutrient restoration effort in the mainstem Kootenai River near the Montana-Idaho border. A public scoping open house was held Dec. 13, 2004, in Bonners Ferry, Idaho. Close of comment was Jan. 28, 2005. More information is available online at http://www.efw.bpa.gov/environmental_services/Document_Library/Kootenai/.

Salmon Creek EIS – Okanogan County, Wash.

BPA proposes to fund a project to enhance fish habitat, fish 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 2004 and is available at http://www.efw.bpa.gov/environmental_services/Document_Library/Salmon_Creek/. A public meeting was held Sept. 28, 2004, and the comment period closed Nov. 9, 2004. Further environmental analysis and comment on this project is delayed until summer 2005 and will continue only if given approval for funding by the Northwest Power and Conservation Council.

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. A FEIS is being prepared. Additional information is available at http://www.efw.bpa.gov/environmental_services/Document_Library/South_Fork_Flathead/.

POWER – ONGOING PROJECTS

Power Function Review – Regionwide

BPA's Power Business Line's Power Function Review began in January 2005. This process is designed to provide interested parties opportunities to examine, understand and provide input on the cost projections, including fish and wildlife costs, that will form the basis for the FY 2007 wholesale power rate case. Input received will be considered in establishing program costs for the FY 2007 rate case initial proposal, which is expected in the fall of 2005.

A number of technical workshops, management discussions and regional public meetings have been scheduled. The public comment period closes April 29, 2005. Additional information along with the schedule of meetings is posted on BPA's Web site at www.bpa.gov/power/review. (See calendar of events and close of comment.)

BPA Service to DSI Customers – "Straw Proposal" – Regionwide

On Feb. 4, 2005, BPA sent a letter to customers, constituents, tribes and other regional stakeholders announcing additional opportunities for public input on BPA service to DSI customers during the FY 2007-2011 period. The public process is to seek comments on the BPA "straw proposal" described in the letter and on other alternatives that may be proposed. BPA has scheduled a public meeting for March 1 to hear comments from the public. The comment period closes March 11, 2005. More information can be found on BPA's Web site at <http://www.bpa.gov/power/pl/regionaldialogue/announcements.shtml>. (See calendar of events and close of comment.)

TRANSMISSION – ONGOING 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 the proposed Jones Canyon BPA substation adjacent to the 230-kV McNary-Santiam line. BPA's proposed project would involve building Jones Canyon 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. A tiered ROD to the Business Plan EIS was issued in January 2005. See http://www.efw.bpa.gov/environmental_services/Document_Library/Arlington/ 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 interconnection to PP&L's transmission system. A public letter describing the proposal was sent out in December 2004. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

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 2005.

Hopkins Ridge Wind Project Interconnection – Columbia County, Wash.

BPA was asked by RES America Developments to interconnect 150 MW of the output of the proposed Hopkins Ridge Wind Project, which will require constructing a BPA switching substation adjacent to an existing BPA transmission line. BPA decided to offer contract terms for interconnection in a ROD tiered to BPA's Business Plan EIS and the Business Plan ROD. The tiered ROD was finalized on Dec. 20, 2004. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information, including the ROD.

Klondike III Wind Project Interconnection – Sherman County, Ore.

BPA has been asked by PPM Energy Inc. to interconnect 300 MW of the output of the proposed Klondike III Wind Project. Interconnection would require BPA to build and operate a new 230-kV transmission line and two substations. The new facilities would be built near the towns of Wasco and Rufus, Ore. BPA plans to analyze the effects of the BPA action and the PPM Wind Project in an EIS. BPA expects to issue a Draft EIS in summer 2005. On March 1, 2005, from 6 to 8 p.m. a scoping meeting will be held at St. Mary's Parish Hall, 807 Bennett Street, Wasco, Ore. The comment period closes March 17. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information. (See calendar of events and close of comment.)

Leaning Juniper Wind Project Interconnection (Formerly Arlington PPM Wind Project Interconnection) – Gilliam County, Ore.

Pacific Power Marketing has requested to integrate up to 200 MW of power generated from the Leaning Juniper 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 (Jones Canyon). A tiered ROD, under the Business Plan EIS, is expected soon after Gilliam County's environmental review in early 2005. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

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

BPA will relocate two miles of transmission line corridor off the Nisqually Indian Reservation in Thurston County, Wash. A preliminary EA was released for public comment in October 2004. There were few public comments. A Revision Sheet for the EA, a FONSI and a Mitigation Action Plan were released Feb. 7, 2005. Construction of the lines on Fort Lewis will begin in May 2005, with removal of the existing lines and completion of the project by winter 2005. 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. A construction update letter was sent in December 2004. Fiber construction began in late January 2004. Seventy-three transmission towers were flown into place the week of Jan. 24 and stringing is underway. The project will be completed by December 2005. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information and construction photos.

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 FEIS in December 2004. BPA is participating as a cooperating agency. BPA issued a ROD on Feb. 24, 2005, to offer a Large Generation Interconnection Agreement to the project. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

White Bluffs-Richland Relocation – Benton, Wash.

BPA is proposing to relocate a portion of its White Bluffs-Richland 115-kilovolt transmission line that is currently located in private homeowner backyards of the 1800 block of Stevens and Mahan drives in Richland, Wash. BPA plans to relocate its transmission line to the city of Richland's power line located on the east side of Stevens Drive so that both lines would be located within the city's right-of-way. Construction began in fall 2004 and two concrete pier foundations were installed. A construction update letter was sent to the landowners announcing construction to resume in March 2005. Construction will be completed during the spring of 2005. See http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/ for more information.

SUPPLEMENT ANALYSES

Watershed Management Program EIS:

- SA-201 Secure and Restore Critical Fish Habitats – Flathead Basin, Mont.
- SA-202 Rainwater Wildlife Area – Ongoing Operations and Maintenance Activities – Columbia County, Wash.
- SA-203 Protect and Restore Mill Creek Watershed – Idaho County, Idaho

CALENDAR OF EVENTS

Power Function Review – Technical Workshops

All technical workshops will be held in the Rates Hearing Room located at 911 N.E. 11th Ave. in Portland.

- **March 1** – 9 a.m. to 4 p.m. Topic: Internal operations costs charged to power rates, federal and nonfederal debt service and debt management
- **March 15** – 9 a.m. to 4 p.m. Topic: Columbia Generating Station, U.S. Army Corps of Engineers and Bureau of Reclamation operation and maintenance costs and capital investments
- **April 5** – 9 a.m. to 4 p.m. Topic: Fish & wildlife program costs, both expense and capital
- **April 6** – 9 a.m. to 4 p.m. Topic: Risk mitigation packages and tools

Power Function Review – Management-Level Discussions

- **March 16** – 9 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave. Topic: Columbia Generating Station, Corps of Engineers and Bureau of Reclamation operation and maintenance costs and capital investment
- **March 17** – 9 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave. Topic: Internal operations costs charged to power rates, federal and nonfederal debt service and debt management
- **April 12** – 9 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave. Topic: Risk mitigation packages and tools and fish & wildlife program costs, both expense and capital
- **April 27** – 8:30 a.m. to 11:30 a.m., BPA Rates Hearing Room, 911 N.E. 11th Ave. Topic: Summary of what we've heard, outstanding issues and discussion with the administrator

Power Function Review – Regional Meetings

- **April 13** – Registration: 4:30 p.m., Meeting: 5 to 9 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.
- **April 14** – Registration: 4:30 p.m., Meeting: 5 to 9 p.m., Mountaineers Headquarters, 300 Third Ave. W., Seattle, Wash.
- **April 19** – Registration: 4:30 p.m., Meeting: 5 to 9 p.m., Red Lion, 475 River Parkway, Idaho Falls, Idaho
- **April 21** – Registration: 4:30 p.m., Meeting: 5 to 9 p.m., WinGate Inn, 5252 Airway Blvd., Missoula, Mont.
- **April 26** – Registration: 4:30 p.m., Meeting: 5 to 9 p.m., Airport Ramada Inn, 8909 Airport Rd., Spokane, Wash.

BPA Service to DSI Customers – “Straw Proposal” – open forum

- **March 1** – 9 a.m. to 4:30 p.m., Sheraton Portland Airport, 8235 N.E. Airport Way, Portland, Ore.

Klondike III Wind Project Interconnection – scoping meeting

- **March 1** – 6 to 8 p.m., St. Mary's Parish Hall, 807 Bennett St., Wasco, Ore.

RECORD OF DECISION SIGNED BY ADMINISTRATOR

- **Feb. 4, 2005** – BPA's Policy for Power Supply Role for Fiscal Years 2007-2011
- **Feb. 4, 2005** – BPA's NEPA ROD for Power Supply Role for Fiscal Years 2007-2011
- **Feb. 24, 2005** – Wanapa Energy Center Generation Project EIS – Umatilla County, Ore.

CLOSE OF COMMENT

- **March 1** – Supplement Analysis to the Business Plan EIS
- **March 11** – BPA Service to DSI Customers – “Straw Proposal”
- **March 17** – Klondike III Wind Project Interconnection
- **March 31** – Annual Review of the Conservation and Renewables Discount (C&RD) Program
- **April 29** – Power Function Review

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: www.bpa.gov/comment. 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.

