

JOURNAL

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

Lower power rate Oct. 1

BPA's average wholesale power rate will be 1.6 percent lower in fiscal year 2006 than it was in fiscal 2005, despite the sixth consecutive year of below average water. The new rate takes effect Oct. 1. The rate decrease is due to better-than-expected revenues from surplus power sales and agency cost cutting.

"This is the third year in a row that we have reduced our wholesale power rates, which is good news for our customers and the Northwest economy," said Steve Wright, BPA administrator. BPA expected to end the fiscal year with \$20 million more in surplus power sales than had been forecast due to effective marketing and high market prices on the West Coast. This helped offset the fact that water volume in the Columbia Basin is about 75 percent of normal for the entire year.

Cost control is paying off

BPA continues its efforts to cut costs and improve its operations. Internal operation costs charged to power rates are running below actual costs incurred in FY 2001. BPA has exceeded its target goals for managing its FY 2003 through 2006 costs that are charged to power rates. These internal power and corporate operating costs will average \$102 million a year in FY 2003 through 2006. The FY 2001 actual figure was \$107.7 million. That's almost \$22 million in total savings over the four years.

Grid West-TIG mix?

A number of the region's utilities have proposed a way to join parts of the Grid West and Transmission Improvements Group plans for improving Northwest transmis-

sion grid operations and planning. With regional comments and support running 50-50 between the two alternatives, utilities sought ways to move the proposals toward a single direction.

"Their agreement doesn't mean that we will adopt this proposal," said Alan Burns, BPA executive vice president for Industry Restructuring. "The proposal has merit and

should be pursued and developed for a few more weeks." That means sharing it with other regional stakeholders and presenting it at the Regional Representatives Group meeting on Sept. 29. Watch the news for follow-up to that meeting, or for a report on it in the November BPA Journal.



Workers unload six portable 30-kilowatt generators from a BPA truck at the Portland Airbase on Sept. 8. The generators arrived in New Orleans to help in the aftermath of Hurricane Katrina.

New BiOp proposals aired

U.S. District Court Judge James Redden was to meet with all parties Sept. 30 on the latest developments over the 2004 Biological Opinion on Columbia River operations for salmon

survival. On Sept. 20, NOAA Fisheries and the federal agencies that manage Columbia River hydro operations filed a proposal for a two-year regional collaborative process to develop a new plan for operating the Federal Columbia River Power System. The agencies said that a new plan would be the subject of a new biological opinion, and would be integrated with long-term salmon recovery plans already underway.

The National Wildlife Federation and other plaintiffs on Sept. 23 asked the court to remand the 2004 biological opinion to the federal fish and river agencies for revi-



sions to be completed within one year. The plaintiffs tentatively agreed to the NOAA proposal, but stated they would seek an injunction unless they see a new interim river operation proposal within the first 30 days of collaboration and are satisfied with it. The plaintiffs also want specific changes in the BiOp and requested quarterly progress reports.

Regional Dialogue paper is out

In mid-September, BPA put out the Regional Dialogue Concept Paper for public review. The Regional Dialogue is an opportunity to define BPA's power supply and marketing role for the long term after 2011. Issues involved range from service to publicly owned utilities to long-term cost control. Workshops, open to the public, began Sept. 19.

For the 90-day public process, BPA will conduct an intensive regional process to reach as much alignment as possible on the issues before issuing a formal policy proposal next spring.

Slice review starts

BPA is reviewing its Slice power product as part of the Regional Dialogue process. BPA met with interested customers and others on Sept. 15.

Attendees discussed a proposed Slice Review group charter. They also identified key issues to be addressed in relation to the Slice portion of the Regional Dialogue and assigned technical working groups to analyze and develop proposals. A final decision on the Slice product will be made in spring 2006 with the release of the Long-Term Regional Dialogue Policy and record of decision.

Under the Slice product, customers purchased from BPA a "slice" of the generation output of the federal system. With it they also assume both the risks and benefits of the system. They manage their proportionate share of the risks associated with variable water volume and price for secondary sales rather than paying BPA a risk premium to manage those risks on their behalf.

BPA, TriMet test fuel cell

The Portland area Tri-County Metropolitan Transportation District and BPA will test a hydrogen fuel cell at the transit agency's Powell Garage in southeast Portland. The fuel cell generates one kilowatt of electricity through a chemical reaction using hydrogen and oxygen. The only byproduct of the reaction is water.

TriMet's fuel cell provides emergency backup power to keep power-sensitive systems running at TriMet's garage. The fuel cell replaces an oversized diesel generator that burns up to 10 gallons of fuel an hour. The fuel cell will be dedicated Oct. 11.

BPA generators head to Louisiana

BPA joined other government agencies, utilities and businesses that responded with help in the aftermath of Hurricane Katrina that hit the Gulf States on Aug. 29. BPA sent six 30-kilowatt portable power generators to New Orleans, La. BPA delivered the generators to the Oregon National Guard at the Portland Airbase the morning of Sept. 8, and they arrived in Louisiana early the next morning.

The 20-year old generators were going to be sold on E-Bay, but after the hurricane BPA put out the word they were available, in good condition and ready to use. Operation U.S.A. was to deliver the generators to federally qualified health centers in areas where electrical infrastructure has been destroyed, Louisiana state officials said. Each generator can power a single facility.

New substation is wind bridge

BPA has completed construction of the \$5 million Tucannon River Substation near Dayton, Wash. The substation will bring power from Puget Sound Energy's Hopkins Ridge Wind Project into the Northwest transmission grid and wheel power from there to the Seattle area. The wind project is expected to generate 50 average megawatts, enough to serve 50,000 homes.

Blue Sky Wind LLC, Inc. is installing one turbine a day and should complete the project this fall with commercial operation by the end of this year. BPA is working on 10 new projects to integrate about 1,200 MW into the grid by end of 2007.

Wild coho in the Cowlitz

More than 329,255 salmon and steelhead smolts were captured at BPA's Cowlitz Falls Fish Collection Facility this spring and summer. It was the second largest number since BPA began its salmon restoration project on the Cowlitz in 1996.

Even better, more than two-thirds of the smolts are naturally produced coho. No hatchery coho have been released into the river since 1999. The other smolts include wild and hatchery steelhead and spring chinook and wild cutthroat trout.

All the young fish were then trucked downstream past two Tacoma Power dams and Cowlitz Falls Dam of Lewis County PUD. The dams don't have fish ladders. When the spawning runs take place, the returning adult fish are trucked around the dams and released to return to their spawning grounds upstream.

PUBLIC INVOLVEMENT Updates and Notices

NEW PROJECTS

Seven Mile Hill Wind Project – Wasco County, Ore.

UPC Wind Partners, LLC submitted a request to BPA for the interconnection of 50 megawatts of power it plans to generate from its proposed wind development southwest of The Dalles, Ore. BPA would provide the interconnection to enable UPC to market windpower. BPA is considering constructing a simple tap creating a three-terminal line within a switchyard to be constructed beneath BPA's The Dalles-Hood River 115-kilovolt transmission line. UPC would build a 115/34.5-kV substation adjacent to the switchyard but outside the transmission line right-of-way. BPA will largely parallel its NEPA review process with the Wasco County review of the Conditional Use Permit application for this project and plans to issue a Tiered ROD under the Transmission Business Plan EIS. UPC is currently conducting fall bat and bird studies and tentatively plans to file a CUP application with Wasco County in December 2005.

Slice Product Review – Regionwide

BPA has begun a Slice Product Review as part of the Regional Dialogue process that will lead to decisions on the future of the Slice product. Meetings are underway and will continue to be held in the coming months. For more information, see BPA's Web site: www.bpa.gov/power/regionaldialogue.

Willow Creek Wind Project – Gilliam and Morrow counties, Ore.

Invenergy LLC submitted an interconnection request for up to 180-megawatts of power generated from the proposed Willow Creek Wind Project located in Gilliam and Morrow counties, Ore. to the Federal Columbia River Transmission System. BPA's studies recommended a plan of service to interconnect up to 150-MW to BPA's Tower-Alkali 115-kV transmission line in Gilliam County. Additional work would be needed at the BPA Boardman Substation, within the substation fence, to support this plan of service. Invenergy is currently proposing a 72-MW project with no firm expansion plans at this time. BPA is accepting public comments on the proposed interconnection through Nov. 1, 2005. A public scoping meeting will be held on Oct. 18, 2005, in Arlington. BPA will release a tiered ROD under the Business Plan EIS, expected in December 2005. If BPA decides to interconnect the project, a contract will be offered for interconnection of 150-MW of power from the wind project into the FCRTS. The interconnection facilities will be scheduled for completion by Oct. 1, 2006, or sooner depending on BPA construction schedules. At that time, Invenergy would be allowed to begin testing of the generation and to commence commercial operation. For more information visit the project Web site: <http://www.transmission.bpa.gov/PlanProj/Wind/>. (See close of comment and calendar of events)

AGENCY – ONGOING PROJECTS

Northwest Transmission Planning and Operation – Regionwide

BPA has been working with regional sponsors on two alternative proposals to improve regionwide planning and operation of the Northwest transmission grid. The Grid West alternative would establish a new independent transmission entity. The Transmission Improvements Group alternative would work via contract agreements within existing institutions. BPA accepted comments on which of these proposals it should support for further development. A new convergence proposal is now being considered that would merge elements of both. See Web site: www.bpa.gov/corporate/business/restructuring/.

Supplement Analysis to the Business Plan EIS

BPA is preparing an SA to its Business Plan EIS, which is expected to be released at the end of 2005. The 1995 BP 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 include 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. The comment period on the SA closed on March 1, 2005. For additional information about the SA and the comments that were received, see BPA's Web site: http://www.efw.bpa.gov/environmental_services/Document_Library/bpsa/.

FISH AND WILDLIFE – ONGOING PROJECTS

Chief Joseph Hatchery Program – Okanogan County, Wash.

The Northwest Power and Conservation Council has recommended BPA fund a program sponsored by the Confederated Colville Tribes assisting in the conservation and recovery of summer/fall chinook salmon in the Okanogan subbasin and the Columbia River between the Okanogan River and Chief Joseph Dam. This program would include construction, operation and maintenance of a hatchery at the base of the Chief Joseph Dam and a few acclimation ponds throughout the Okanogan River subbasin. Adult fish broodstock collection for gathering eggs would occur throughout the project area by various means. Egg incubation and early rearing would occur at the new hatchery. Final rearing and release of juvenile fish would occur at new and existing acclimation ponds. While the focus of the program would be the propagation of summer/fall chinook salmon, the EIS will also study using the proposed facilities to reintroduce extirpated spring chinook salmon to historical habitats in the Okanogan subbasin. The comment period closed Sept. 19, 2005. A DEIS will be available for public review and comment in spring 2006. For more information, see BPA's Web site: http://www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/

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 on BPA's Web site: 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 on this project is delayed until a Master Plan is completed. Environmental analysis will continue only if the Master Plan is 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 available on BPA's Web site: http://www.efw.bpa.gov/environmental_services/Document_Library/South_Fork_Flathead/.

POWER – ONGOING PROJECTS

Power Rates – Regionwide

BPA's current power rates schedules expire at the end of FY 2006. New rates will need to be determined. BPA expects to hold a workshop to explain the components of its initial FY 2007-2009 Wholesale Power Rates proposal in early Oct. 2005. For more information, see BPA's Web site: <http://www.bpa.gov/power/rates>.

Regional Dialogue – Regionwide

BPA is working on this second phase of the Regional Dialogue and has released a concept paper that begins a series of intense public workshops on BPA's role in power supply. At the conclusion of the public workshops, BPA will issue a policy proposal and open a formal public comment period. The target date to release the policy proposal for comment is early 2006. Please monitor the Regional Dialogue Web site: <http://www.bpa.gov/power/regionaldialogue> for meeting schedules.

TRANSMISSION – ONGOING PROJECTS

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 spring 2006.

Klondike III Wind Project Interconnection – Sherman County, Ore.

BPA has been asked by PPM Energy Inc. to interconnect 300 megawatts of the output of the proposed Klondike III Wind Project and by Orion Energy LLC to interconnect 350 MW of the proposed Biglow Canyon (formerly Sherman County) Wind Project. Interconnection would require BPA to build and operate a new double circuit 230-kV transmission line, approximately 12 miles long, and one or 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 both wind projects in an EIS. BPA expects to issue a DEIS in winter 2005/06 or spring 2006. Scoping meetings were held in Wasco, Ore., in March and April 2005, and the comment period closed May 13, 2005. For more information, see BPA's Web site: <http://www.transmission.bpa.gov/PlanProj/Wind/>.

Libby (Flathead Electric Cooperative) to Troy Section of the Libby to Bonners Ferry 115-kilovolt Transmission Line Rebuild – Lincoln County, Mont

BPA is proposing to rebuild a 17-mile-long section of the Libby to Bonners Ferry 115-kV transmission line to improve its reliability and meet future load growth in the Libby, Mont., area. Current options include rebuilding the line as a single-circuit 115-kV wood-pole H-frame line with some wood-pole equivalent steel poles; rebuilding the line as a double-circuit 115-kV tubular steel-pole line; rebuilding the line as a double-circuit 230-kV tubular steel pole line; and the alternative of not rebuilding the line. BPA plans to analyze the environmental effects of the proposed project and comments received during the scoping process in an EIS and expects to issue a DEIS in spring 2006. The comment period has been extended until Oct. 30, 2005. For more information, see BPA's Web site: http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/. (See close of comment)

Port Angeles Transmission Line Interconnection – Port Angeles, Wash.

Olympic Converter LP has requested interconnection to the Federal Columbia River Transmission System of a 550-MW transmission cable across the Strait of Juan de Fuca from Vancouver Island, B.C., to Port Angeles, Wash., on the Olympic Peninsula. The line would interconnect at BPA's existing Port Angeles Substation. BPA is leading the environmental studies and coordinating efforts with the Department of Energy. The DEIS is scheduled for release in December 2005. The comment period for the environmental scoping closed June 8, 2005. A public scoping meeting was held on May 24 in Port Angeles, Wash. For more information, see BPA's Web site: http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

Rock Creek Substation – Klickitat County, Wash.

Windtricity LLC and Last Mile Electric Cooperative, two wind developers, have requested to interconnect up to 150-MW of power from the Goodnoe Hills Wind Project and up to 200-MW of power

from the White Creek Wind Project to the Federal Columbia River Transmission system. BPA proposes to build a new 500/230-kV substation along the existing Hanford-John Day 500-kV transmission line. This new facility would require approximately 7.5 acres of land in the Goodnoe Hills area. Close of comment was Aug. 8, 2005. BPA expects to issue a Tiered ROD to BPA's Business Plan in November 2005. For more information, see BPA's Web site: <http://www.transmission.bpa.gov/PlanProj/Wind/>.

SUPPLEMENT ANALYSES

To view copies of the Supplement Analyses, visit the link provided.

Wildlife Mitigation Program EIS

http://www.efw.bpa.gov/environmental_services/Document_Library/Wildlife_Mitigation/

- SA-48 Sand Creek Excess Property Transfer – Bonner County, Idaho

Watershed Management Program EIS

http://www.efw.bpa.gov/environmental_services/Document_Library/Watershed_Management/

- SA-224 Protect and Enhance John Day Anadromous Fish Habitat, Oxbow Mine Tailings Restoration – Grant County, Ore.
- SA-225 North Fork John Day Anadromous Fish Habitat Enhancement Project – Grant and Umatilla counties, Ore.
- SA-226 Satus Creek Watershed Restoration Project – Yakima County, Wash.
- SA-227 Tucannon River Model Watershed, Broughton Land Company Irrigation Efficiency/Flow Enhancement – Columbia County, Wash.
- SA-228 Tucannon River Model Watershed, Hovrud Irrigation Efficiency/Flow Enhancement – Columbia County, Wash.
- SA-229 Implement Fisheries Enhancement Opportunities on the Coeur d'Alene Reservation (2006 SOW) – Benewah County, Idaho
- SA-230 Yakima Tributary Access and Habitat Program, South Fork Cowiche Creek, Thornton Property – Yakima County, Wash.
- SA-231 Yakima Tributary Access and Habitat Program, Garretson Fish Passage and Screening, Cowiche Creek – Yakima County, Wash.
- SA-232 Tucannon River Model Watershed, Turner Farms Alternative Livestock Watering Project – Yakima County, Wash.
- SA-233 Twisp/Methow Salmon Recovery Foundation (MSRF) Side Channel Reconnection Project, Phase 1 – Okanogan County, Wash.
- SA-234 Ahtanum Creek Watershed Restoration Project – Yakima County, Wash.

Transmission Vegetation Management Program EIS

- SA-262 Walla Walla – N. Lewiston, Columbia, Garfield, Asotin and Whitman counties, Idaho

CALENDAR OF EVENTS

Willow Creek Wind Project

- Oct. 18, 6 to 8 p.m., Arlington High School, 1200 Main Street, Arlington, Ore.

CLOSE OF COMMENT

- Oct. 30 – Libby (FEC) to Troy
- Nov. 1 – Willow Creek Wind Project

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.

