

journal

February 2006

www.bpa.gov/corporate/pubs/Journal

Science bowl hits record size

On Jan. 28, BPA held the largest regional science bowl in the 15 years of the program. More than 300 high school students on 64 teams from Washington and Oregon competed. The science bowl is a national quiz style show begun by the Department of Energy in 1991.

Winners of the regional bowls compete in the national finals in the spring. Besides the national awards, 14 colleges and universities in the Northwest offered scholarships to members of the top three teams in the BPA contest.

Access Middle School, a magnet program in Portland, won the middle school science bowl held the previous week. Winners of the middle and high school bowls are posted under education on the BPA Web site at www.bpa.gov.

Fish data and analysis groups picked

BPA has selected two organizations to monitor salmon activities and analyze data in the Columbia Basin. The Pacific States Marine Fisheries Commission will conduct fish monitoring and data collection and reporting formerly done by the Fish Passage Center. Battelle Pacific Northwest Laboratory will manage analysis work using the data. The analysis will be performed by scientists and biometricians selected by Battelle.

BPA's Greg Delwiche, vice president for Environment, Fish and Wildlife, stressed that, in making the selections, BPA focused on maintaining a clear separation between scientific data collection and analysis of that data for policy-making. The change-over from the Fish Passage Center responds to directions from Congress.

BPA joins new grid effort

Five Northwest utilities, including BPA, are supporting a new organization, still unnamed at press time, to oversee the use and expansion of the Pacific Northwest's transmission system. Participants in addition to BPA include Chelan and Grant County public utility districts, Puget Sound Energy and Seattle City Light.

The effort will focus on both design and implementation of near-term services beginning in 2006 and design of additional longer-term responsibilities, such as voluntary consolidation of control areas. The utilities hosted a public meeting in Portland on Jan. 27.

The group is committed to working to achieve broad stakeholder involvement in the new organization. BPA also will continue active discussion with Grid West participants and will participate in Grid West stakeholder processes. The goal remains to build bridges that would eventually bring the region together.



The Access team from north Portland won the BPA middle school science bowl in January and will go to the national finals this spring.

Regional Dialogue collaboration extended

In December, customer and public interest group participants in the Regional Dialogue process agreed to extend their collaboration two months. The Regional Dialogue addresses BPA's long-term power supply role in the region. The extra time will allow the Technical and Principals

Management groups to work toward greater alignment on the issues, including service to public customers and benefits to investor-owned utilities. The formal policy proposal, originally scheduled for release in late January, will be released in late March for public comment.

BPA estimates cost of court decision

BPA estimates that the annual cost of fiscal year 2006 river operations ordered by Judge James Redden in his Dec. 29, 2005, decision will be around \$60 million, based on the full 50-year average range of water conditions. However, this estimate is subject to variable market prices and actual water conditions so the cost could be higher or lower.

The judge's order called for implementation of the spill operations proposed by the federal agencies, but with adjustments that added spill in the late spring and continued spill through Aug. 31. The effects on fiscal year 2007's power rates will be figured in the final rate case



studies and in September after actual costs of operations have been determined.

2005 spill strained transmission

BPA briefed the Technical Management Team at its mid-January meeting with a report on transmission stability last year. The TMT has representatives from federal agencies, the Northwest states and BPA, and it makes recommendations on dam and reservoir operations to protect endangered fish populations.

The BPA report said that lost generation due to spill at the Lower Snake dams in the summer of 2005 increased the risk of BPA transmission problems following critical transmission outages. BPA's Mike Viles said that the power system had to generate energy elsewhere to replace what was lost on the Snake River. That increased loading on internal constrained transmission paths which put them above their Operational Transfer Capability limits more often than in the summer of 2004.

Project saves 1.3 million kWh

BPA presented an energy efficiency rebate check for just under \$152,000 to SYSCO Food Services of Spokane at a Jan. 26 program held at the company's plant at Post Falls, Idaho. The program included a tour of the 110,000-square foot plant that began operations last year. It was built with state-of-the-art energy efficient equipment. Kootenai Electric Cooperative applied for funding under BPA's Conservation Augmentation program. The rebate was based on the energy savings from the plant's first year of operation. It saved nearly 1.3 million kilowatt-hours — enough energy to meet the needs of more than 100 Northwest homes.

'Smart' grid experiment begins

BPA is supporting a project that could save it and other utilities major construction costs in the future. And that may translate to lower costs for BPA customers.

Pacific Northwest National Laboratory kicked off the GridWise Demonstration Project Jan. 11. In a nutshell, it hopes to lead to 'smart' power grids that will be able to

communicate with home appliances. By shutting down or powering down some sources during peak periods, GridWise will reduce electric use so that existing grid systems can meet loads put on them.

The year-long experiment will test the equipment and give insight to energy users' behavior. About 300 volunteers on Washington's Olympic Peninsula, in Yakima and in Gresham, Ore. are participating.

New system covers access roads

BPA has a new database system that allows it to get the locations and conditions of more than 3,000 miles of access roads for its transmission grid in the Pacific Northwest. The creation of the new Access Roads Management System will enhance BPA's maintenance of the system by allowing staff to better plan and target maintenance activities. And, since ARMS can be used with a Geographic Positioning System unit, users will be able to track their location in real time.

Crews endure weather, restore line

BPA crews worked in snow and freezing temperatures over the Martin Luther King holiday weekend to restore service to the Taft-Bell 500-kilovolt transmission line which runs 98 miles from Taft Substation in Montana to Bell Substation in Spokane, Wash. The line was out of service for 30 hours on Jan. 15 due to conductor failure.

The failure occurred near Mullan, Idaho, when a steel core separated about six inches ahead of a sleeve. That caused one sub-conductor of a three-bundle phase to hit the ground. It took a day to locate the fault, find out what caused it, and get repair crews to the site. A 14-member team worked from 7 a.m. to 3:30 p.m. on Jan. 16 to make repairs, rebuild the line and restore service.

No load was lost or customers affected by the outage.

Correction in CRAC article

The January article on the Financial-Based CRAC had the year wrong in one reference for the Cost Recovery Adjustment Clause. It should have read 2006, not 2005.

publicinvolvement

updates and notices

NEW PROJECTS

Tucannon River-North Lewiston 115-kV Transmission Line – Garfield County, Wash. and Nez Perce County, Idaho

A section of the Tucannon River-North Lewiston 115-kV transmission line needs pole replacement and new conductor to improve reliability and safety. Access road construction began last fall. A letter was sent to the public the first week of February announcing a public meeting in Clarkston, Wash. Construction could begin as early as summer 2006. For more information on the February meeting and other project information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

AGENCY – ONGOING PROJECTS

Supplement Analysis to the Business Plan EIS – Regionwide

BPA is preparing a Supplement Analysis to its Business Plan EIS, scheduled for release in early 2006. The 1995 Business Plan EIS analyzed environmental impacts of BPA's business practices, such as marketing and transmitting power, energy conservation, renewable energy development, and fish and wildlife mitigation. The analysis looked at effects on the natural, economic and social environments. Letters announcing and outlining the supplement analysis to the Business Plan EIS went out December 2004. Comments were accepted through March 1, 2005. For more on the supplement analysis and the comments received, see BPA's Web site: 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 that BPA fund a program sponsored by the Confederated Colville Tribes to assist in 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. 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 consider use of the proposed facilities to reintroduce spring chinook salmon to historical habitats in Okanogan subbasin. Comments were accepted through Sept. 19, 2005. A draft EIS will be available for review and comment in spring 2006. For more information, see BPA's Web site: www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/.

Proposal for Alternative Contracting Approach for Capitalizing BPA Funded Wildlife Land Acquisitions – Regionwide

BPA is seeking feedback on a draft proposal for an alternative contracting concept for capitalizing land acquisitions for wildlife mitigation. The draft proposal addresses some issues that have led to a perceived slowing of mitigation efforts resulting from implementation of the agency's capitalization policy. For more information, see BPA's Web site: www.efw.bpa.gov/.

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 draft EIS 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 September 2004, comments accepted through Nov. 9, 2004. Further environmental analysis is delayed until a master plan is completed. Environmental analysis will continue only if the master plan is approved for funding by the Northwest Power and Conservation Council.

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

BPA released the final EIS for the South Fork Flathead Watershed/Westslope Cutthroat Trout Conservation Program on July 25, 2005. Subsequently, some parties informed BPA that the final EIS did not include comments they submitted during the draft EIS comment period (July 12 through Aug. 20, 2004). BPA accepted comments that raised new information or identified changed circumstances from those discussed in the FEIS through Dec. 12, 2005. The FEIS is available on BPA's Web site: www.efw.bpa.gov/environmental_services/Document_Library/South_Fork_Flathead/.

POWER – ONGOING PROJECTS

Opportunities for public comment on BPA's service to DSI customers – Regionwide

Public comment on the direct service industry benefits for fiscal years 2007-2011 closed Jan. 4, 2006. Several comments requested that DSI benefit levels be included in BPA's Power Function Review II, which kicked-off Jan. 23, 2006, and is scheduled to conclude in April 2006. BPA has agreed to this request. Subject to the outcome of this review, BPA expects to sign DSI contracts (assuming they are offered) at the end of April. Note: BPA reserves the right to accelerate the timeline for review and final decision regarding DSI benefits if power prices drop to a point where BPA believes certainty on benefit levels may allow DSIs to make power purchase decisions. The delay of the DSI contract process was announced Jan. 18, 2006. A notice was placed on both the Power Function Review Web site: www.bpa.gov/power/pl/review/announcements.shtml and Regional Dialogue Web site: www.bpa.gov/power/pl/regionaldialogue/announcements.shtml.

Port Townsend Contract Prototypes – Regionwide

Contract prototypes for direct service industry customers were released for public comment on Nov. 28, 2005. At that time, BPA committed to release the Port Townsend contract prototype at a later date. Comments were accepted through Jan. 31, 2006. Additional information is available on the BPA Web site: www.bpa.gov/power/regionaldialogue.

Power Function Review – Regionwide

In June 2005, the Power Business Line issued the closeout report for the Power Function Review, committing to follow up in early 2006 on a number of issues. BPA kicked off the follow-up process Jan. 23 with a public workshop. At this workshop, BPA staff provided an overview of topics to be covered in the follow-up process. Two technical workshops have been scheduled for Feb. 8 and Feb. 13. A full schedule of workshops and topics is available on the BPA Web site. Additional information on the process is also available on BPA's Web site: www.bpa.gov/power/review.

Power Rates 2007 to 2009 – Regionwide

In fall 2005, BPA began the formal 7(i) process of setting power rates for fiscal years 2007 to 2009 with release of the 2007 Wholesale Power Rate Case Initial Proposal (WP-07). BPA held six field hearings around the region to provide the public with an opportunity to comment on the initial proposal. The comment period is open until Feb. 13, 2006. More information about this rate process is available on BPA's Web site: www.bpa.gov/power/ratecase. (See close of comment)

Regional Dialogue

Two final meetings have been scheduled for the Regional Dialogue technical and principals management groups. The technical group will meet Feb. 23, and the principals management group will meet Feb. 27. BPA plans to release a formal policy proposal for public comment in late March 2006. Additional information is available on BPA's Web site: www.bpa.gov/power/regionaldialogue.

Transfer Service – Regionwide

BPA held four meetings in November and December 2005 to discuss outstanding issues from the April 2005 agreement regarding transfer service that BPA executed with customers served through general transfer agreements or open access transmission tariff arrangements. BPA reviewed the issues discussed and plans to bring proposals back to the customer group on Feb. 9. Additional information is available on BPA's Web site: www.bpa.gov/power/pl/subscription/announcements.shtml.

TRANSMISSION – ONGOING PROJECTS

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

BPA is participating 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 draft EIS is scheduled for release in spring 2006.

Klondike III/Biglow Canyon Wind Integration Project – 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 and by Orion Energy LLC to interconnect 400 MW of the proposed Biglow Canyon (formerly Sherman County) Wind Project. Integration would require BPA to build and operate a new double-circuit 230-kV transmission line, approximately 12 miles long, with one or two substations. The new facilities would be built near the towns of Wasco and Rufus, Ore. BPA is analyzing the effects of the proposed action and both wind projects in an EIS. BPA expects to issue a draft EIS in April 2006. Scoping meetings were held in Wasco, Ore., in March and April 2005. Comments were accepted through Jan. 5, 2006. For more information, see BPA's Web site: 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 Lincoln County, Mont. Current options include: (a) rebuilding as a single-circuit 115-kV wood-pole H-frame line with some wood-pole equivalent steel poles; (b) rebuilding as a double-circuit 115-kV tubular steel-pole line; (c) rebuilding as a double-circuit 230-kV tubular steel-pole line; and, (d) 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 draft EIS in spring 2006. Comments were accepted through Oct. 30, 2005. An informational public meeting on electric and magnetic fields was held Nov. 17, 2005, in Libby, Mont. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

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 draft EIS is scheduled for release in spring 2006. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

Rock Creek Substation – Klickitat County, Wash.

BPA will offer contract terms for interconnection of 150 MW of power from the Goodnoe Hills wind project and up to 200 MW of power from the White Creek wind project into the Federal Columbia River Transmission System. The tiered ROD was signed Nov. 9, 2005. The interconnection involves constructing a new 500/230-kV substation along the Wautoma-John Day 500-kV transmission line between structures 85/4 and 85/5. This new facility, called Rock Creek Substation, will require approximately 7.5 acres of land in the Goodnoe Hills area, off Hoctor Road in Klickitat County, Wash. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Wind/.

Seven Mile Hill Wind Project – Wasco County, Ore.

UPC Wind Partners, LLC, requested BPA to interconnect 50 MW of power to generate from its proposed wind development southwest of The Dalles, Ore. BPA is considering constructing a simple tap to create a three-terminal line within a switchyard beneath BPA's The Dalles-Hood River 115-kV transmission line. UPC would build a 115/34.5-kV substation adjacent to the switchyard, but outside the transmission right-of-way. BPA will largely parallel its National Environmental Policy Act review process with the Wasco County review of the conditional use permit application for this project. BPA plans to issue a tiered ROD under the Transmission Business Plan EIS. UPC is currently conducting bat and bird studies and tentatively plans to file a conditional use permit application with Wasco County in 2006.

Thurston-Willakenzie 115-kilovolt transmission line – Lane County, Ore.

BPA will relocate a segment of its Thurston-Willakenzie 115-kV transmission line located in Springfield, Ore. The Oregon Department of Transportation has asked BPA to move two transmission structures adjacent to Interstate Highway 5 just south of the Beltline Road interchange and the existing transmission line away from buildings and proposed development in the Gateway Industrial Park. BPA will construct approximately one mile of new single circuit 115-kV transmission line from the Thurston-Willakenzie transmission line just west of the McKenzie River to Eugene Water and Electric Board's McKenzie Substation. Construction of the line began in November 2005 and may be completed as early as February. For more informa-

tion, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

Willow Creek Winds Project – Gilliam and Morrow Counties, Ore.

Invenergy, LLC requested interconnection of up to 180 MW of power generated from the proposed Willow Creek Winds Project located in Gilliam and Morrow Counties, Ore. BPA proposes to interconnect up to 150 MW to BPA's Tower Road-Alkali 115-kV transmission line in Gilliam County. Interconnection would require rebuilding one mile of transmission line and constructing two switch structures within the existing BPA right-of-way. Invenergy is currently proposing a 72-MW project with no firm expansion plans at this time. A public scoping meeting was held Oct. 18, 2005, in Arlington, and comments were accepted through Nov. 1, 2005. BPA will analyze project impacts in a tiered ROD under the Business Plan EIS, scheduled to be completed in 2006. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Wind/.

SUPPLEMENT ANALYSES

To view copies of the supplement analysis, visit the link provided.

Watershed Management Program EIS

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

- SA-246 Pataha Creek Stream and Cropland Restoration – Garfield County Sediment Reduction and Riparian Improvement, Garfield County, Wash.
- SA-247 Implement Trout Creek Watershed Enhancement and Trout Creek Habitat Restoration, Jefferson County, Ore.
- SA-248 Idaho Fish Screening Improvement – Squaw Creek Diversion Project, Custer County, Idaho.

Transmission Vegetation Management Program EIS

- SA-271 Bonneville-Alcoa, Clark and Skamania Counties, Wash.
- SA-272 Port Angeles-Sappho, Clallam County, Wash.
- SA-273 Red Mountain-White Bluffs, Benton County, Wash.
- SA-274 Sacajawea-Sun Harbor, Walla Walla County, Wash.
- SA-275 Wautoma and Tucannon River Substations, Benton and Columbia counties, Wash.

CALENDAR OF EVENTS

Tucannon River-North Lewiston 115-kV Transmission Line – Garfield County, Wash. and Nez Perce County, Idaho

- Feb. 2006 – For the date and time of this meeting, please monitor BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

Power Function Review

- Feb. 8, 9 a.m. to 4 p.m., 911 N.E. 11th Avenue, BPA Rates Hearing Room, Portland, Ore.
- Feb. 13, 9 a.m. to 4 p.m., 911 N.E. 11th Avenue, BPA Rates Hearing Room, Portland, Ore.

Regional Dialogue

- Feb. 23, 9 a.m. to 4 p.m., Technical Group meeting, 911 N.E. 11th Avenue, BPA Rates Hearing Room, Portland, Ore.
- Feb. 27, 9 a.m. to 4 p.m., Principals Management Group meeting, 911 N.E. 11th Avenue, BPA Rates Hearing Room, Portland, Ore.

CLOSE OF COMMENT

- Feb. 13, 2006 – Power Rates 2007 to 2009

The Journal is a monthly publication of the Bonneville Power Administration. If you have questions or comments, or you want to be added to the mailing list for any project, call (503) 230-3478 in Portland or toll free 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: www.bpa.gov. For details on BPA environmental reviews listed above, including site maps and documents issued to date, see www.efw.bpa.gov/environmental_services/napadocs.aspx. Process Abbreviations: EA-Environmental Assessment, 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.

