

journal

May 2006

www.bpa.gov/corporate/pubs/Journal

Workshops on transmission and capital

BPA is coordinating efforts to share information with customers and interested stakeholders on capital and expense levels from two perspectives: Transmission's Programs in Review (PIR) and a longer-term agency Capital Planning Review. These efforts respond to customer comments and are the first move toward a combined agency look at capital spending and expenses in the future.

Programs in Review

BPA will hold regional workshops as part of its Transmission PIR public process. PIR is a pre-rate case process inviting all interested parties to discuss program levels proposed for fiscal years 2008 through 2009. Workshops will be held around the region from mid-May through the end of June.

Capital Planning Review

BPA will hold three workshops in June on its capital programs for fiscal years 2007 through 2012. Two workshops will follow PIR meetings, and all will provide a long-term look at projected capital spending to increase stakeholder understanding of BPA's overall management of its capital programs, including investments in hydroelectric facilities, conservation, fish and wildlife, information technology and Energy Northwest as well as Transmission. Watch for more on BPA's public involvement page at www.bpa.gov/corporate/public_affairs/ and in the June Journal.

Grid congestion gets attention

BPA will begin using curtailment calculators for this summer on May 1. BPA held an April 18 workshop with customers and constituents. As a result, a group of eight customers will meet weekly through May 12 to discuss potential solutions for this summer. After May 12, a group of 13 customers will meet periodically to look at solutions for the summer of 2007 and beyond. (For more, see the article in the public involvement section, under "New Projects.")

ColumbiaGrid officially launched

ColumbiaGrid is now a nonprofit corporation in Washington state. On April 14 it adopted bylaws to govern operations. BPA and a number of other major owners of Northwest transmission lines created this regional entity to help expand and integrate use of the region's interconnected transmission system.

The next steps include establishing a new longer-term funding agreement, seating a three-member board of directors (targeted for mid-July) and completing

functional agreements that set out the specifics of ColumbiaGrid's roles and responsibilities.

Fish Passage Center contract extended

BPA announced April 12 that it has extended the Fish Passage Center contract. To ensure it continues to comply with a court order over litigation regarding the FPC, BPA decided to extend the agreement supporting the FPC through Nov. 30.

Spill under way for fish

The U.S. Army Corps of Engineers began spilling water April 3 on the Snake River and April 10 on the Columbia River to assist migrating juvenile fish. This year the operating plan calls for spill through Aug. 31 at all four lower Snake River dams and the four mainstem dams on the lower Columbia River.

BPA supplies Yakama Power

Yakama Power is now taking power from BPA, with an initial load of about 3.25 average megawatts. The new tribal utility has been in development since 2000. Yakama Power is picking up load that PacifiCorp had previously served.

Midway-Vantage project to upgrade

BPA is upgrading its Midway-Vantage 230-kilovolt transmission line in central Washington, north of Hanford. The upgrade will allow BPA to operate the line at a higher temperature during spring and summer. Construction started in mid-April and should be completed by the end of May.

Idaho rebuild nears completion

BPA will wrap up its construction this summer on the rebuild of the Swan Valley – Goshen 161-kilovolt transmission line east of Idaho Falls. The rebuild is to provide safe and reliable service to customers. Work will begin in May and be completed by this fall on the last stretch – miles 14 through 27.

Longview annex to be sold

BPA will sell its Annex II Substation site in Longview, Wash., that served the Alcoa aluminum plant in the past. The plant is closed and BPA no longer needs the site. But first it is selling off excess material from there and other sites. The scrap metal will be recycled and will earn BPA about \$320,000.



East Spokane project completed

BPA completed work in April on the Bell East Corridor Project at Spokane. The project moved and raised

towers and lines to allow for the Washington Department of Transportation to build a new U.S. 395 highway east of the city. Work on the project began last August, and WDOT will pay BPA for it.

publicinvolvement

updates and notices

NEW PROJECTS

Caribou-Lower Valley Project – Caribou County, Idaho

BPA is proposing to build, own, operate and maintain a new 138/115-kV Caribou Substation adjacent to a proposed expansion of an existing PacifiCorp substation. BPA would connect to a new 138-kV point of delivery from PacifiCorp's Caribou Substation for service to Lower Valley Energy. BPA would help fund the construction of a new 20-mile double-circuit 115-kV Caribou Tap transmission line from BPA's new Caribou Substation to a tap on the Lower Valley Energy transmission system between their Lanes Creek and Valley substations. Lower Valley Energy would work with BPA to acquire all land and rights-of-way for the 115-kV Caribou Tap transmission line. BPA would sign a lease arrangement with Lower Valley Energy agreeing to pay 50 percent of the estimated cost for construction of the line over a 43-year period of the lease. Lower Valley Energy would build, own, operate and maintain the new transmission line. BPA plans to seek public comment on this project from mid-May through July 14. BPA will host a public meeting on June 6 in Soda Springs, Idaho. Field work and design are planned for summer of 2006. BPA expects to release a preliminary environmental assessment in winter 2006/07. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/. (See calendar of events and close of comment)

Windy Point Wind Interconnection – Klickitat County, Wash.

BPA is now considering the interconnection of up to 250 megawatts from Windy Point Partners LLC. This wind project, located just west of the Goodnoe Hills wind project, would interconnect at Rock Creek Substation which is currently under construction. A developer-sponsored community meeting was held in Goldendale, Wash. on March 16. BPA accepted comments on the interconnection of the Windy Point project through April 3. A tiered record of decision is expected to be released in early May. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Wind/.

Congestion Management White Paper – Regionwide

To provide the region with background on the growing problem of congestion, BPA has prepared a white paper, "Challenge for the Northwest: Protecting and managing an increasingly congested transmission system," describing how and why the Northwest grid has become increasingly stressed and identifying underlying causes of congestion. The white paper is available on BPA's Web site: http://www.bpa.gov/corporate/pubs/Congestion_White_Paper_April06.pdf.

BPA is interested in customer and stakeholder comments on the approaches put forward in the white paper and how they can be fleshed out. Which will be most effective? Are there other feasible approaches not included? What principles and criteria should be used in evaluating potential solutions? BPA is specifically interested in views on the cost and impacts to BPA and the region and how these impacts might be mitigated. The comment period will be open through May 12. BPA held a public meeting on April 18 to discuss the white paper and approaches for evaluating solutions to solving the congestion management issue. (See close of comment)

Conservation Easement in the Elk Creek Watershed – Missoula County, Mont.

BPA is proposing to fund the acquisition of habitat to benefit resident fish species in the Swan Valley, Missoula County, in northwest Montana. The land is located near the mouth of Elk Creek, a major tributary to the Swan River. The land would be acquired by the Swan Ecosystem Center (a nonprofit commu-

nity organization based in Condon, Mont.) for the purpose of bull trout habitat conservation. For more information, see the Web site: www.efw.bpa.gov. The comment period will close June 1. (See close of comment)

North Swan Valley Conservation Easement – Lake County, Mont.

BPA is proposing to fund a portion of the final phase of the conservation easement purchase by Montana Fish, Wildlife and Parks on some of Plum Creek Timberland property located in the North Swan Valley within the Swan River State Forest. The purpose of BPA participation in the project is to benefit resident fish, including bull trout and westslope cutthroat trout, by conserving stream habitat in the Goat and Squeezer Creek drainages. For more information, see the Web site: www.efw.bpa.gov. The comment period will close June 1. (See close of comment)

Summer Falls/Main Canal Interconnection Project – Grant and Douglas counties, Wash.

BPA is proposing to interconnect 122 megawatts of generation from Summer Falls and Main Canal hydropower projects, owned by Seattle City Light and Tacoma Power, to the federal transmission grid. BPA proposed to construct a new 230-kV substation (Pinto Ridge), approximately nine miles of new 115-kV transmission line in Grant County, and a new communications site in Douglas County to complete the interconnection by 2008. BPA, SCL and TP plan to work cooperatively to complete a combined state and national environmental policy acts process and environmental compliance.

AGENCY – ONGOING PROJECTS

Supplement Analysis to the Business Plan EIS – Regionwide

BPA is preparing a Supplement Analysis to its Business Plan environmental impact statement, scheduled for release in spring 2006. The 1995 Business Plan EIS analyzed 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 near 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 environmental impact statement will also consider use of the proposed facilities to reintroduce spring chinook salmon to historical habitats in the Okanogan subbasin. Initial public

comments were accepted through Sept. 19, 2005. A draft EIS will be available for additional public review and comment in spring 2006. For more information, see BPA's Web site: www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/.

Northeast Oregon Hatchery Program, Grande Ronde-Imnaha Spring Chinook Hatchery Project – Wallowa County, Ore.

BPA has conducted value engineering, land acquisition and final design according to the record of decision signed March 11, 2005. Several minor changes to facility features and sites resulted. Additional environmental analysis was conducted on the minor changes that include, but were not limited to, Endangered Species Act compliance, cultural resources surveys and hydrologic effects. No substantial new environmental effects or public issues are anticipated by the changes. A Supplement Analysis was completed March 23, 2006, which found that a supplemental environmental impact statement was not warranted by the minor changes. BPA has amended the project Biological Assessment for ESA consultation as well. For more information, see BPA's Web site: www.efw.bpa.gov/environmental_services/Document_Library/Grand_Ronde/.

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 environmental impact statement 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 in September 2004; comments were 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 environmental impact statement 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 final EIS. Comments were accepted through Dec. 12, 2005. The final EIS is available on BPA's Web site: www.efw.bpa.gov/environmental_services/Document_Library/South_Fork_Flathead/.

POWER – ONGOING PROJECTS

Power Function Review – Regionwide

A draft closeout report of the Power Function Review II process was released for public comment on April 4. Comments were accepted through April 26, 2006. This process has provided interested parties additional opportunities to review program expense levels for the FY 2007 to 2009 rate period. The final report will be issued in early May. Additional information is available on BPA's Web site: www.bpa.gov/power/review/.

2007 Wholesale Power Rate Case (WP-07) – Regionwide

The 2007 Wholesale Power (WP-07) Rate Case, conducted in accordance with the 7(i) process, will determine BPA's power rates for the FY 2007 to 2009 rate period. BPA issued a notice of the case in the Nov. 8, 2005, Federal Register. The case is

summarized in the initial proposal, which is available on BPA's Web site: www.bpa.gov/power/pjfr/rates/ratecases/wp07/.

On Feb. 8, BPA filed a motion requesting the hearing officer revise the WP-07 rate case schedule to allow BPA to submit supplemental testimony that will modify BPA's initial proposal by eliminating estimates of revenues from the Transmission Business Line for the inside-the-band component of the generation input allocation for generation-supplied reactive power for FY 2008 and 2009. This modification recognizes recent changes in Federal Energy Regulatory Commission case law addressing the payment of generation input cost for generation-supplied reactive power and voltage control. The motion also requested that a new public comment period be instituted, limited to this proposal. The comment period began Feb. 13 and closed March 6. Additional information is available on the Web site: www.bpa.gov/power/pjfr/rates/ratecases/wp07/.

Regional Dialogue – Regionwide

BPA is preparing to issue a policy proposal for public comment in May. This policy proposal will address key issues in the post-2011 time frame. These issues include service to public customers, benefits to the residential and small-farm consumers of investor-owned utilities, benefits to direct-service industries, and conservation and renewables. A public comment period will follow the release of the proposal. Public meetings will also be held throughout the region. Additional information is available on BPA's Web site: www.bpa.gov/power/regionaldialogue/.

DSI Economic Study – Regionwide

As part of the Long-Term Regional Dialogue, BPA is considering the level of service it will provide to the direct-service industries after FY 2011. To better inform its decision, the agency is seeking a more comprehensive understanding of the economic impact of various levels of support it may provide to the aluminum smelters. BPA is asking interested regional parties to submit empirically based papers and studies that will help BPA understand the positive and negative impacts to the Pacific Northwest economy that may result from BPA providing benefits to the aluminum smelters. BPA is interested in papers that evaluate benefit levels ranging from no benefits to 560 average megawatts of power at a priority firm equivalent price. The deadline to submit papers and studies is May 31, 2006. Additional information is available on BPA's Web site: www.bpa.gov/power/regionaldialogue/. (See close of comment)

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 environmental impact statement is scheduled for release this spring.

Klondike III/Biglow Canyon Wind Integration Project – 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 400 MW of the proposed Biglow Canyon (formerly Sherman County) Wind Project. Portland General Electric has recently executed an agreement to purchase the Biglow Canyon Wind Project and, if the Oregon Public Utility Commission approves the deal, PGE will be working with BPA to integrate the project. Integration would require BPA to build and operate a new double-circuit 230-kilovolt transmission line, approximately 12 miles long, expand one substation and build another. The new facilities would be built near the towns of Wasco and Rufus, Ore. BPA is analyzing the effects of the proposed action of both wind projects in an environmental impact statement. BPA expects to issue a draft EIS in the spring for public review. Once the draft EIS is released, BPA will hold an open comment period and a

public meeting to accept public comments on the project. 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-Bonnors Ferry 115-kV Transmission Line Rebuild – Lincoln County, Mont.

BPA is proposing to rebuild a 17-mile-long section of the Libby-to-Bonnors Ferry 115-kilovolt transmission line to improve its reliability and meet future load growth in Lincoln County, Mont. Current options include rebuilding as a single-circuit 115-kV wood-pole H-frame line with some wood-pole equivalent steel poles; rebuilding as a double-circuit 115-kV tubular steel-pole line; rebuilding as a double-circuit 230-kV tubular steel-pole line; and not rebuilding the line. BPA plans to analyze the environmental effects of the proposed project and comments received during the scoping process in an environmental impact statement and expects to issue a draft EIS in summer 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/%20Transmission_%20Projects/.

Port Angeles Transmission Line Interconnection – Port Angeles, Wash.

Olympic Converter LP has requested interconnection to the Federal Columbia River Transmission System of a 550-megawatt 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 environmental impact statement is expected to be released this summer. 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 megawatts 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 at the new Rock Creek Substation. The tiered record of decision was signed Nov. 9, 2005. Construction of Rock Creek Substation is under way. 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 megawatts of power it plans 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-kilovolt 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 record of decision under the Transmission Business Plan environmental impact statement. UPC is currently conducting bat and bird studies and tentatively plans to file a conditional use permit application with Wasco County in the spring/summer of 2006.

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-kilovolt transmission line needs pole replacement and new conductor to

improve reliability and safety. Access road construction began last fall. Public meetings were held in February in Pomeroy and Clarkston, Wash. Construction for replacing the poles and conductor will begin in June. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

Willow Creek Winds Interconnection Project – Gilliam and Morrow counties, Ore.

Invenergy, LLC requested interconnection of up to 180 megawatts of power generated from the proposed Willow Creek Winds Interconnection Project located in Gilliam and Morrow counties, Ore. BPA proposes to interconnect up to 150 MW to BPA's Tower Road-Alkali 115-kilovolt 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 in Arlington, Ore. and comments were accepted through Nov. 1, 2005. BPA will analyze project impacts in a tiered record of decision 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

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

- SA-51 Idaho Fish Screening Improvement – SEF-15 Diversion Project, Columbia County, Ore.

Transmission Vegetation Management Program Environmental Impact Statement

- SA-284 Santiam-Albany, Linn County, Ore.
- SA-286 Holcomb-Naselle No. 1, Pacific County, Wash.
- SA-287 Rattlesnake-Garrison #1, Missoula, Granite and Powell counties, Mont.
- SA-288 Garrison-Anaconda #1, Powell and Deer Lodge counties, Mont.
- SA-289 Libby-Conkley #1, Lincoln and Flathead counties, Mont.
- SA-290 Fairmount-Port Angeles No. 1, Jefferson and Clallam counties, Wash.
- SA-291 Libby-Bonnors Ferry #1, Lincoln County, Mont., and Boundary County, Idaho
- SA-292 Raymond-Cosmopolis No. 1, Pacific and Grays Harbor counties, Wash.

CALENDAR OF EVENTS

Caribou-Lower Valley Project

June 6, 5 to 8 p.m., Soda Springs Ranger District, 410 Hooper Avenue, Soda Springs, Idaho

CLOSE OF COMMENT

- May 5 – Transmission System Vegetation Management Program environmental impact statement, proposal to add four new herbicides to the program.
- May 12 – Congestion Management white paper
- May 31 – DSI Economic Study – deadline to submit papers and studies
- June 1 – Conservation Easement in the Elk Creek Watershed
- June 1 – North Swan Valley Conservation Easement
- July 14 – Caribou-Lower Valley Energy Project

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/nepadocs.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.

