

# Journal

November 2006

www.bpa.gov/corporate/pubs/Journal

## BPA pays U.S. Treasury

In early October, BPA paid the U.S. Treasury \$1.113 billion for fiscal year 2006, which ended Sept. 30. This is the full, scheduled annual payment, with interest, plus a prepayment on the U.S. taxpayer investment in the Federal Columbia River Power System.

"This is the 23rd year in a row that we have paid the U.S. Treasury in full and on time," said Steve Wright, BPA administrator. "This payment, along with lowering wholesale power rates for the fourth year in row, is further evidence that we are putting the West Coast energy crisis behind us."

The Treasury payment included \$646.2 million in principal, \$390.6 million in interest and \$76.1 million in other obligations. In addition to the Treasury payment, BPA paid operation and maintenance expenses for U.S. Army Corps of Engineers, Bureau of Reclamation and U.S. Fish and Wildlife Service projects directly funded by BPA. This amount came to \$217.2 million in fiscal year 2006.

## Power rate decrease

On Oct. 1, BPA cut its wholesale power rate for the fiscal year 2007 by about 3 percent. This is the fourth year in a row that BPA has reduced its rates. The average base rate for priority firm power in 2007-2009 is \$27.33 per megawatt-hour. Rates are adjustable to ensure funding for Treasury payment and for fish recovery actions related to ongoing court proceedings. Extraordinary collaboration among BPA's utility customers, Energy Northwest and others was a key factor in the rate decrease.

Customers recommended and 33 signed up for a flexible power rate program that will enable BPA to increase cash flows on short notice if needed. This decreased the revenue required for reserves, which effectively lowered base rates. Customers also worked to put in place an agreement for BPA to directly pay Energy Northwest nuclear project costs rather than paying these costs through customers. This helps level out BPA's annual cash flow, and contributes to the need for lower reserves.

## Council makes F&W recommendations

On Oct. 18, the Northwest Power and Conservation

Council made funding recommendations for its fiscal year 2007-2009 fish and wildlife program. BPA will make the final funding decisions on the projects sometime in November.



BPA's Randy Ridenhour shows students at the Wenatchee Salmon Festival how to check for insects in a stream — signs of the stream's health for fish. The annual festival drew 3,000 students in late September for BPA's "Kids in the Creek" program. The program recently won a national award for hands-on curriculum.

In an Oct. 6 letter to the Council, Greg Delwiche, BPA vice president for Environment, Fish and Wildlife, commended the Council on its work to stay within BPA's established fish and wildlife budget of \$143 million expense and \$36 million capital annually, in the face of numerous and competing expectations.

He noted that there would likely be additional Endangered Species Act needs once the new Federal Columbia River Power System Biological Opinion is complete. The Council recommended an unallocated balance of about \$2 million per year for ESA-listed fish under the new

BiOp, expected early next year.

## Thieves risk life in break-ins

As the number of break-ins at BPA substations continues to rise, BPA is working to warn and educate the public about the dangers of stealing equipment from substations. BPA's Crime Witness program offers up to \$25,000 for information leading to the arrest and conviction of thieves.

More attention has been given to the issue since the recent electrocution of a man in La Center, Wash. Authorities believe he was trying to steal copper wiring from a Clark Public Utilities electrical yard.

Nationwide, many would-be thieves have been electrocuted while attempting to steal materials from energized facilities. Besides risking their own lives, they are putting at risk the safety of the general public and the employees who work in the facilities.

## Low-income weatherization increases

BPA is working to help more low-income people in the Northwest cut their energy bills. Through its Low Income Weatherization program, BPA is providing \$15 million to Pacific Northwest states and tribes over the rate period of FY 2007-2009, or \$5 million per year.



On an average yearly basis, this is more than BPA has provided for low-income weatherization in its 69-year history. Weatherization experts, say that there is a tremendous need in the Northwest for low-income weatherization assistance.

BPA distributes its weatherization funds through agreements with the four Northwest states and through direct contracts with Northwest tribes.

### **Fences help habitat**

A BPA success story for stream bank protection and fish habitat restoration recently got national exposure. The USDA Private Land News ran an article about a project in the Sawtooth National Recreation Area of Idaho. BPA helped finance 15 miles of riparian fence on three large ranches there in 2004 and 2005.

Banks along the Salmon River and Valley Creek were protected from grazing impacts. The projects had willing ranchers who contributed cost-sharing and a 35-foot set back from the creek or river bank. In return, they received a new low maintenance fence and multiple conservation benefits.

### **BPA VP gets top award**

BPA Senior Vice President Paul Norman was awarded one of the top honors for federal service. President George Bush tabbed Norman to receive a Presidential Rank Award as a Meritorious Senior Executive. Only three other BPA employees have received such awards since 1998.

Norman's leadership is credited with helping achieve many of the successes by BPA's Power Services in the

past six years. These include capturing 250 average megawatts of energy savings, lowering rates for the past four years, and exceeding performance targets for the Federal Columbia River Power System.

### **Pikeminnow program closes**

BPA extended the 2006 pikeminnow sport reward program by two weeks this year, and the final tally in mid-October was 232,929 fish. This represents adult predators that won't be around to prey on salmon smolts in the future. Northwest anglers were rewarded with a payout of more than \$1.5 million.

### **New chair of NEEA board**

Mike Weedall, BPA vice president for Energy Efficiency, will head the Northwest Energy Efficiency Alliance for the next year. The Alliance is a non-profit group that works to make affordable, energy-efficient products and services available in the marketplace. Members include utilities, local and regional governments and energy interest groups.

### **BPA fleet cuts gas use**

BPA has added E-85 fuel pumps at its Ross Complex in Vancouver, and the use of E-85 by BPA vehicles will cut gasoline use by more than 10,000 gallons per month. That will bring commensurate reductions in pollutants from gasoline as well.

E-85 is a blend of 85 percent ethanol and 15 percent gasoline. Stations are adding E-85 pumps across the country. E-85 use by cars, vans and pickups in BPA's vehicle fleet will curb the consumption of petroleum-based fuel by more 125,000 gallons per year.

## **publicinvolvement**

## **updates and notices**

### **NEW PROJECTS**

#### **FCRPS Revised Draft Systemwide Programmatic Agreement – Regionwide**

The U.S. Army Corps of Engineers, Bureau of Reclamation, and BPA (lead federal agencies) have released a Federal Columbia River Power System Revised Draft Systemwide Programmatic Agreement. It covers the management of historic properties affected by the multi-purpose operations of 14 of the dam/reservoir projects within the FCRPS. It provides the systemwide principles and commitments for the lead federal agencies, compliance with Section 106 of the National Historic Preservation Act. The comment period is open until Jan. 19, 2007. For more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/culturalresources.aspx](http://www.efw.bpa.gov/environmental_services/culturalresources.aspx). (See close of comment)

#### **North American Electric Reliability Council Entity Registration– Regionwide**

BPA is working with customers and customer representatives to prepare a joint response to NERC's request for registration under the new Electric Reliability Organization's Functional Model. In an effort to educate and inform affected transmission customers, a joint task force hosted three regional workshops in October on the registration process and potential impacts. For more information, see BPA's Web site: [www.bpa.gov/corporate/business/nerc\\_ero/](http://www.bpa.gov/corporate/business/nerc_ero/).

#### **Olympic Peninsula Reinforcement Project – Thurston County, Wash.**

BPA is proposing to remove 14.5 miles of an existing 115-kilovolt transmission line between Olympia and Shelton substations and replace it with a double-circuit, 230-kV line and add equipment at the two substations. This will improve voltage stability during winter-peak load conditions on the Olympic Peninsula. BPA will complete an environmental assessment on the proposed project. The preliminary EA will be released in summer 2007. If BPA decides to proceed with this project, construction could begin in late 2007. BPA will host public scoping meetings in early December to seek public feedback on the proposal. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects).

#### **Within-Year Treasury Payment Probability – Regionwide**

In the fiscal years 2007-2009 wholesale power rate case, two risk mitigation tools, the National Marine Fisheries Service Federal Columbia River Power System Biological Opinion (NFB) Adjustment and the Emergency NFB Surcharge, were put into place to address uncertainties surrounding litigation over the 2004 Biological Opinion. If a "trigger event" as defined in the General Rate Schedule Provisions occurs and results in changes to BPA's Endangered Species Act obligations, the NFB Adjustment will trigger. If a trigger event occurs and the agency within-year Treasury payment probability is less than 80 percent, the Emergency NFB Surcharge will trigger. Rate case

parties indicated they would like to have an opportunity to review BPA's methodology for calculating the within-year TPP. On Nov. 7, BPA will hold a public workshop to kick off this process. For more information, see BPA's Web site: [www.bpa.gov/power/psp/rates/announcements.shtml](http://www.bpa.gov/power/psp/rates/announcements.shtml). (See calendar of events)

## **AGENCY – PROJECTS UNDER REVIEW**

### **ColumbiaGrid – Regionwide**

BPA and six other utilities supporting ColumbiaGrid are funding its development. The three-member board is collaborating on a business plan and will hire key staff to develop the ColumbiaGrid organization over the next two years. While BPA has not yet decided whether it will sign any proposed functional agreements that will specify the scope of ColumbiaGrid's responsibilities, BPA is fully engaged in drafting the agreements. ColumbiaGrid's Planning and Expansion Subgroup is finalizing the draft functional agreement on Transmission Planning and Expansion. BPA has issued a letter seeking public comments on the impacts of BPA's potential participation in this agreement, including environmental impacts. See BPA's Web site: [www.bpa.gov/corporate/business/restructuring/](http://www.bpa.gov/corporate/business/restructuring/) for more information, including the dates of public meetings. For the complete draft ColumbiaGrid Planning and Expansion Functional Agreement, and information about ColumbiaGrid's public review process, see [www.columbiagrid.org/](http://www.columbiagrid.org/).

### **Supplement Analysis to the Business Plan EIS – Regionwide**

BPA is preparing a Supplement Analysis to its Business Plan EIS, scheduled for release this fall. For a copy of the Supplement Analysis, or for more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/Document\\_Library/bpsa](http://www.efw.bpa.gov/environmental_services/Document_Library/bpsa).

## **FISH AND WILDLIFE – PROJECTS UNDER REVIEW**

### **Chief Joseph Hatchery Program – Okanogan County, Wash.**

The Northwest Power and Conservation Council recommended that BPA study 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 below Chief Joseph Dam. This program would include a new hatchery near the base of the Chief Joseph Dam and acclimation ponds throughout the Okanogan River subbasin. The EIS also will consider use of the proposed facilities to reintroduce spring chinook salmon to historical habitats in the Okanogan subbasin on an experimental basis. The program includes production to augment the ceremonial and subsistence harvest of salmon for the Confederated Colville Tribes. This program would be designed to have no effect on the operational flexibility of Chief Joseph Dam. A draft EIS will be available for public comment this fall. For more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Chief\\_Joseph/](http://www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/).

### **Lyle Falls Fish Passage Project – Klickitat County, Wash.**

BPA will be preparing an EIS for the proposed Lyle Falls Fish Passage Project and expects a draft EIS in May 2007. For more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Lyle\\_Falls/](http://www.efw.bpa.gov/environmental_services/Document_Library/Lyle_Falls/).

### **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 ROD signed March 11, 2005. Several minor changes to facility features and sites resulted, so additional environmental analysis was conducted that included 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, which found that a supplemental EIS was not warranted by the minor changes. The U.S. Fish and Wildlife Service and NOAA Fisheries have concurred that the original ESA consultation remains valid. A ROD authorizing construction is planned for this winter. For more information, see BPA's Web site: [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Grand\\_Ronde/](http://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 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/](http://www.efw.bpa.gov/).

## **POWER – PROJECTS UNDER REVIEW**

### **Regional Dialogue – Regionwide**

The comment period on the Long-Term Regional Dialogue Policy Proposal closed Oct. 31. BPA will review comments and begin work on the final policy and ROD. Comments are online: [www.bpa.gov/corporate/public\\_affairs/Comment\\_Listings/Regional\\_Dialogue\\_Proposal/](http://www.bpa.gov/corporate/public_affairs/Comment_Listings/Regional_Dialogue_Proposal/). For more information, see BPA's Web site: [www.bpa.gov/power/regionaldialogue](http://www.bpa.gov/power/regionaldialogue).

## **TRANSMISSION – PROJECTS UNDER REVIEW**

### **Caribou-Lower Valley Project – Caribou County, Idaho**

BPA is proposing to build, own, operate and maintain a new 138/115-kilovolt substation near a proposed PacifiCorp substation near Soda Springs, Idaho. BPA would connect to PacifiCorp's new substation for the purpose of improving service to Lower Valley Energy. Lower Valley Energy would construct, own and operate a new 20-mile double-circuit 115-kV transmission line from BPA's new substation to a tap on the Lower Valley Energy transmission system between Lanes Creek and Valley substations. Lower Valley Energy would work with BPA to acquire all land and rights-of-way for the 115-kV line. BPA held a public meeting June 6 and received comments through July 14. Field work and design are planned for spring 2007. BPA expects to release a draft EA in late summer or fall 2007. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_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 is working on a comprehensive conservation plan under the Refuge System Improvement Act of 1997. BPA is helping with 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 this fall.

### **Libby (Flathead Electric Cooperative)-to-Troy Section of the Libby-to-Bonniers Ferry 115-kV Transmission Line Rebuild – Lincoln County, Mont.**

BPA is proposing to rebuild a 17-mile-long section of the Libby-to-Bonniers Ferry 115-kilovolt transmission line to improve its reliability and meet future load growth in Lincoln County, Mont. BPA is analyzing the environmental effects of the proposed project and the comments received during the scoping process. BPA expects to issue a draft EIS this winter. Comments were accepted through Oct. 30, 2005. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

### **Port Angeles/Juan de Fuca Transmission Project – 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. The draft EIS is expected to be released this fall. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

### **Programs in Review – Regionwide**

The 2006 PIR process will set planned spending levels which become the foundation for the revenue requirement in the Transmission rate case. BPA held five public meetings to share proposed operating costs for both capital and expense programs for its 2008 to 2009 transmission rate period. BPA also hosted a technical workshop to respond to questions and share more

detailed information on the proposed capital programs. BPA accepted comments on the program levels through Aug. 31 and issued a draft letter to customers and stakeholders for comment in October, prior to issuing a final closeout. The final letter will be released soon. For more information, see BPA's Web site: [www.transmission.bpa.gov/business/Customer%5FForums%5Fand%5FFeedback/Programs\\_in\\_Review/pir2006.cfm](http://www.transmission.bpa.gov/business/Customer%5FForums%5Fand%5FFeedback/Programs_in_Review/pir2006.cfm).

#### **Shepherds Flat Wind Farm Interconnection Project – Gilliam and Morrow Counties, Ore.**

Lifeline Renewable Energy, Inc. requested interconnection of up to 750 megawatts of power generated from the proposed Shepherds Flat Wind Farm that would be located in Gilliam and Morrow Counties, Ore. BPA proposes to interconnect up to 750 MW by expanding the existing Slatt Substation in Gilliam County. BPA held a public meeting on Oct. 25 in Arlington. Comments will be taken on this project through Nov. 10. BPA will analyze project impacts in a tiered ROD under the Business Plan EIS. The ROD is scheduled to be completed in 2007. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Wind/](http://www.transmission.bpa.gov/PlanProj/Wind/). (See close of comment)

#### **Seven Mile Hill Wind Interconnection 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-kV transmission line. UPC would build a 115/34.5-kV substation adjacent to the switchyard but outside the transmission right-of-way. Recent planning considerations by the developer suggest that new alternatives being explored. These changes may require BPA to re-evaluate the interconnection request. BPA will largely parallel its National Environmental Policy Act review process with the Oregon Energy Facilities Site Evaluation Council review of this proposed wind project. UPC plans to start construction in late 2007.

#### **Summer Falls/Main Canal Interconnection Project – Grant and Douglas Counties, Wash.**

BPA proposes to interconnect 122 megawatts of generation from Summer Falls and Main Canal hydropower projects to the federal transmission grid. BPA proposes to construct a new 230-kilovolt substation (Pinto Ridge) in Grant County and a new communications site (Banks Lake) in Douglas County to complete the interconnection by 2008. Seattle City Light and Tacoma Power requested the interconnection. They also requested that BPA construct eight miles of new 115-kV transmission line between Main Canal and the new Pinto Ridge Substation, one mile of new 115-kV transmission line between Summer Falls and Pinto Ridge, and their new 115-kV substation adjacent to BPA's proposed substation. Seattle City Light and Tacoma Power would own these facilities. BPA, Seattle and Tacoma plan to work cooperatively to complete a combined state and National Environmental Policy Act process and associated environmental compliance. A public meeting was held in August. Comments were accepted through Sept. 24. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

#### **Windy Point Wind Interconnection – Klickitat County, Wash.**

BPA is considering the interconnection of up to 250 megawatts from Windy Point Partners LLC. This wind project would interconnect at the Rock Creek Substation, now under construction. Two groups filed an appeal to the county's SEPA determination and a hearing was held on July 19. A tiered ROD is expected to be released after the appeal process is complete. For

more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Wind/](http://www.transmission.bpa.gov/PlanProj/Wind/).

## **TRANSMISSION – PROJECTS UNDER CONSTRUCTION**

#### **Klondike III/Biglow Canyon Wind Integration Project – Sherman County, Ore.**

BPA has decided to interconnect the Klondike III and Biglow Canyon wind projects in Sherman County, Ore. The ROD was signed on Oct. 25, 2006. Construction is underway on the John Day Substation. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Wind/](http://www.transmission.bpa.gov/PlanProj/Wind/).

#### **Rock Creek Substation – Klickitat County, Wash.**

Construction of Rock Creek Substation is under way and is expected to be complete in fall 2007. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Wind/](http://www.transmission.bpa.gov/PlanProj/Wind/).

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

Construction on the Tucannon River-North Lewiston transmission line is under way and expected to be complete in fall 2006. For more information, see BPA's Web site: [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

## **SUPPLEMENT ANALYSES**

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

#### **Watershed Management Program**

[www.efw.bpa.gov/environmental\\_services/Document\\_Library/Watershed\\_Management/](http://www.efw.bpa.gov/environmental_services/Document_Library/Watershed_Management/)

- SA-278 Colville Confederated Tribes Repair Work (Thirty Mile Culvert Installation and Streambank Armoring; Bridge Creek Sediment Removal; and South Nanamkin Creek Recontouring, Floodplain Reconnection and Armoring), Ferry County, Wash.
- SA-279 McPherson Side Channel Restoration Project, Okanogan County, Wash.
- SA-280 Yakima Tributary Access and Habitat Program – Parke Creek (Eslinger & Sorenson) Irrigation Diversion and Fish Screen Project, Kittitas County, Wash.

#### **Transmission Vegetation Management Program**

- SA-314 New Herbs, states of Idaho, Mont., Ore., Wash., and Wyo.
- SA-315 CHEH-RAYM DT's, Lewis and Pacific Counties, Wash.
- SA-316 Ostrander Substation, Clackamas County Ore.
- SA-317 LoMo-LittleGoose, Walla Walla County, Wash.
- SA-318 Southern Coastal Project, Coos and Curry Counties, Ore..

## **CALENDAR OF EVENTS**

Within-Year Treasury Payment Probability Public Workshop  
Nov. 7, 9 a.m. to noon, BPA Rates Hearing Room, 911 N.E. 11th Avenue, Portland, Ore.

ColumbiaGrid public meetings dates – see BPA site: [www.bpa.gov/corporate/business/restructuring/](http://www.bpa.gov/corporate/business/restructuring/).

## **CLOSE OF COMMENT**

Nov. 10, 2006 – Shepherds Flat Wind Farm Interconnection Project

Jan. 19, 2007 – FCRPS Revised Draft Systemwide Programmatic Agreement

## **RECORD OF DECISION SIGNED**

Oct. 20 - Klondike III/Biglow Canyon Wind Integration 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 toll free (800) 622-4519.**

To order copies of documents, call: (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](mailto:comment@BPA.gov). BPA home page: [www.bpa.gov](http://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](http://www.efw.bpa.gov/environmental_services/nepadocs.aspx). Process Abbreviations: EA-Environmental Assessment, EIS-Environmental Impact Statement, ESA-Endangered Species Act, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision.

