

journal

April 2007

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Wind integration plan released

Northwest energy industry leaders released the Northwest Wind Integration Action Plan in March. The plan concludes that there are no technical barriers to integrating 6,000 megawatts of transmission into the Northwest system by 2024, but work is needed to address costs and transmission issues. The plan will serve as a guide for utilities and state regulatory commissions as they strategize for the future. To view the action plan, go to www.nwccouncil.org/energy/Wind/Final.htm.



Those preparing the report included leaders of state utility commissions, public and investor-owned utilities, wind power developers, renewable power interests, environmental groups and others. The group was convened last summer by BPA and the Northwest Power and Conservation Council with a mission to study all aspects of how to make wind power fit into the region's existing power system.

Dam removal costs analyzed

BPA estimates Northwest electricity ratepayers could pay between \$400 million to \$550 million a year to replace the power capabilities of the four lower Snake River dams if those dams were removed.

BPA's analysis of the value of the power capabilities of the lower Snake River dams stands in contrast to a report released in November by environmental and sport fishing groups. The earlier "Revenue Stream" report concluded that ratepayers and taxpayers would be economically better off without the lower Snake River dams over a 10-year period.

When power numbers that reflect the actual costs are used in the calculation, however, net benefits claimed in the report become a net cost of \$1.5 billion to \$3.8 billion over 10 years.

"Revenue Stream" understated the replacement energy costs and did not address costs associated with replacing the capacity capabilities of the dams. The four lower Snake River dams have the ability to

generate up to three times their typical output for short periods when consumer demands for electricity are very high.

The lower Snake River dams also provide operating flexibility that is necessary to meet the constant fluctuations that occur in electricity use. In addition, the dams are helpful to fill in behind intermittent sources of power such as wind and provide the region with electricity reserves that help maintain overall system reliability.

An analysis of the power costs of removing the dams is at www.bpa.gov/Corporate/BPANews/Perspective/2007/Snake_River_Dams/.

Wildlife habitat proposed

A number of wildlife species – including the bald eagle, Fender's blue butterfly, moose, elk and bear – are expected to get an improved home soon. BPA proposes to acquire either land or conservation easements on five parcels of wildlife habitat, four in Idaho and one in Oregon, in partial mitigation of wildlife habitat lost due to federal hydro project construction and operation.

The projects include a 1,244-acre conservation easement in Oregon's McKenzie River watershed; a 62-acre parcel on the St. Joe River in Benewah County, Idaho; a 620-acre parcel in the upper west branch Priest River watershed and two

parcels totaling 210.5 acres along the Pack River in Bonner County, Idaho. The Idaho Department of Fish and Game or the Kalispel Tribe will manage the Idaho acquisitions.

The Nature Conservancy will provide long-term stewardship for the Oregon conservation easement. Fact sheets are at www.efw.bpa.gov/.



EIS released for transmission project

An international underwater transmission cable is one step closer to reality. In March, BPA released a draft environmental impact statement (EIS) for the Port Angeles-Juan de Fuca transmission project on behalf of



the Department of Energy (DOE). A public meeting will be held in Port Angeles, Wash., to accept comments on the draft EIS. Comments will be accepted through April 24.

The project grew out of a request from Sea Breeze Olympic Converter LP for interconnection to the Federal Columbia River Transmission System of a 550-megawatt underwater transmission cable across the Strait of Juan de Fuca from Vancouver Island, B.C., to Port Angeles, Wash., on the Olympic Peninsula.

Sea Breeze has also applied to DOE's Office of Electricity Delivery and Energy Reliability for a presidential permit, required for transmission lines that cross the U.S. border. The transmission line would interconnect at BPA's existing Port Angeles Substation facilities and would require additional facilities.

Annual fish operations begin

Juvenile salmon and steelhead are getting help in their annual journey to the ocean. On April 3, BPA and the U.S. Army Corps of Engineers began federal system operations for juvenile salmon and steelhead migration. This year's regime will closely resemble 2006 operations and reflects agreements reached earlier this year with five Northwest Indian tribes.

As in 2006, the 2007 regime involves spilling water at lower Snake and Columbia River dams from April through August in addition to providing augmented streamflows. Also as in 2006, a higher proportion of migrating salmon and steelhead will travel in-river, and fewer will be transported past the dams than in 2005 and earlier years.

Current spill levels are based on past research indicating that the operations will provide high survival for salmon and steelhead, while still allowing the dams to operate for their other authorized purposes. Criteria include 1) optimized survival through the spillway based on biological studies; 2) maximum spill possible without exceeding state water quality standards; 3) physical constraints at a dam; and 4) other biological constraints (such as to assure adult salmon can use fish ladders).



Juvenile fish passage has improved greatly over the last 15 years. Today, it is as good as or better than it was when there were only four dams on the lower Columbia and Snake rivers, according to NOAA Fisheries. In 2006, NOAA found that survival for

spring chinook was 58 percent through all eight dams – equivalent to survival in the undammed waters between the Sawtooth Hatchery on the Salmon River and Lower Granite Dam. Juvenile survival is nearly 95 percent to 98 percent through the recently installed removable spillway weirs and nearly 100 percent through the Bonneville Dam corner collector

Bond sale boosts BPA debt optimization

BPA and Energy Northwest priced a \$548 million bond deal on March 20 as part of its overall debt management program. The sale was made March 22 and was expected to close April 3.

BPA secures all bond debt that Energy Northwest has from building Columbia Generating Station, the Northwest's only nuclear plant, plus the other Energy Northwest terminated nuclear Projects 1 and 3.

The sale had three parts. One part was related to BPA's Debt Optimization Program that enables BPA to pay down a portion of its Treasury debt early and create more room under the agency's debt ceiling at Treasury. The second part provides Energy Northwest with needed capital for projects at Columbia Generating Station. The third part completes a refinancing that replaces higher-interest bonds with lower-interest bonds. This last part will save BPA about \$19.1 million in net present value savings over the life of the bonds.

BiOp collaboration continues

BPA continues to work in collaboration with NOAA Fisheries, the U.S. Army Corps of Engineers, Bureau of Reclamation, Northwest states and Indian tribal sovereigns to clarify scientific issues and narrow areas of disagreement on hydro, habitat, hatchery and harvest actions for Columbia Basin fish listed under the Endangered Species Act.

District Judge James Redden ordered the collaboration in his remand of NOAA Fisheries' 2004 biological opinion. The federal action agencies are preparing biological assessments of their proposed actions for operating the federal hydropower system for submission to NOAA Fisheries. The court schedule calls for NOAA Fisheries to review the Federal Proposed Action and issue a new biological opinion by July 31.

Crime Witness Program offers hotline

BPA, as well as other utilities, are seeing a rise in metal theft in addition to traditional crimes. Each year, vandalism and other crimes cost BPA's ratepayers up to \$1 million in direct costs of replacing damaged or stolen equipment. Through its Crime Witness Program, BPA offers up to \$25,000 for information that leads to the arrest and conviction of individuals committing crimes against BPA facilities and infrastructure. Anyone having information is asked to call BPA's confidential and toll-free Crime Witness Hotline at (800) 437-2744 or local law enforcement.

AGENCY – PROJECTS UNDER REVIEW

ColumbiaGrid – Regionwide

ColumbiaGrid has offered a second functional agreement – the Developmental and Staffing Reliability Functional Agreement – to the region for signature. For more information on BPA's participation in ColumbiaGrid, visit www.bpa.gov/corporate/business/restructuring/. For the complete ColumbiaGrid Developmental and Staffing Reliability Functional Agreement and information about ColumbiaGrid, see 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 month. 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.

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 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 for public comment is planned for release in May. Public meetings will be scheduled soon for Okanogan and Bridgeport, Wash. For more information, see BPA's Web site: www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/.

Lyle Falls Fish Passage Project – Klickitat County, Wash.

BPA is preparing an EIS for the proposed Lyle Falls Fish Passage Project. The project addresses the modification and upgrade to the existing fishway. The draft EIS is scheduled for release in June 2007. For more information, see BPA's Web site: 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, 2006, 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 spring. For more information, see BPA's Web site: www.efw.bpa.gov/environmental_services/Document_Library/Grand_Rondel/.

POWER – PROJECTS UNDER REVIEW

Regional Dialogue – Regionwide

BPA is preparing the Long-Term Regional Dialogue final policy and ROD. For more information, see BPA's Web site: 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 to improve 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. Field work and design are planned for spring 2007. BPA expects to release a draft EA in fall or winter 2007. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

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

BPA is proposing to rebuild a 17-mile section of the Libby-to-Bonnars 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 in spring 2007. For more information and the latest update to stakeholders, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

Olympic Peninsula Reinforcement Project – Thurston and Mason Counties, Wash.

BPA is proposing to remove 14.5 miles of a portion 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 EA on the proposed project. The preliminary EA is scheduled to be released in summer 2007. If BPA decides to proceed with this project, construction could begin in late 2007. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

Port Angeles/Juan de Fuca Transmission Project – Port Angeles, Wash.

Sea Breeze 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 was released for review and comment on March 9. An open

house and public hearing are scheduled for April 10. The comment period will be open through April 24. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/. (see close of comment and calendar of events)

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 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/.

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 six miles of new 115-kV transmission line between Main Canal and the new Pinto Ridge Substation, three miles of new 115-kV transmission line between Summer Falls and Pinto Ridge, and their new 115-kV substation adjacent to the 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. An additional meeting will be scheduled soon in Coulee City, Wash. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Transmission_Projects/. When the date of the meeting has been set, the information will be added to the site.

Transmission Rate Case – Regionwide

In January, BPA and its customers executed a settlement for the FY 2008-2009 Transmission Rate Case. BPA then filed its Initial Rate Proposal based on the settlement. No parties filed objections to the Initial Proposal and BPA is proceeding to complete the rate case with a ROD that is expected to be released by the end of this month. For more information, see BPA's Web site: www.transmission.bpa.gov/Business/Rates_and_Tariff/.

TRANSMISSION – PROJECTS UNDER CONSTRUCTION

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

BPA will interconnect the Klondike III and Biglow Canyon wind projects in Sherman County, Ore. The ROD was signed on Oct. 25, 2006. Construction has begun on the John Day Substation and construction of the transmission line will begin May 2007. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Wind/.

Rock Creek Substation – Klickitat County, Wash.

Rock Creek Substation is under construction and will be complete in fall 2007. For more information, see BPA's Web site: www.transmission.bpa.gov/PlanProj/Wind/.

CALENDAR OF EVENTS

April 10, 4:30 p.m. to 7:30 p.m., Port Angeles Branch Library, 2210 South Peabody Street, Port Angeles, Wash. PLEASE NOTE: Formal testimony will be taken at 5:30 p.m.

CLOSE OF COMMENT

April 24 – Port Angeles/Juan de Fuca Transmission Project

RECORD OF DECISION SIGNED

March 5, 2007 – Coyote Business Park 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. 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, ESA-Endangered Species Act, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision.

