

# journal

June 2008

[www.bpa.gov/corporate/pubs/Journal](http://www.bpa.gov/corporate/pubs/Journal)

## BPA seeks input on proposed costs

BPA is inviting the region to review and comment on proposed spending levels before it sets rates to recover those costs. In the past, BPA has sought public input separately on power and transmission expenses and capital spending levels. But BPA customers requested the opportunity to consider all BPA program costs at one time. The result is the Integrated Program Review. This new, expanded public discussion invites BPA customers and the interested public to consider all BPA program costs.

BPA has kept power operating costs flat and reduced power rates each of the last several years, while improving its financial condition. Now, while cost discipline continues, external drivers are affecting BPA's proposed spending levels. Cost drivers include maintenance for aging transmission lines and power plants, the need to build more transmission to serve growing loads and integrate new wind farms and other power plants, and increased commitments to fish protection.

Detailed information is available on BPA's Web site, and public workshops are under way through June 26. Comments on BPA's cost proposal will be considered in establishing program costs for the final supplemental 2009 power rate proposal this summer, for initial 2010-2011 power and transmission rate proposals this fall and for capital programs through 2013.

BPA expects to conduct an Integrated Program Review every other year before preparing power and transmission rate cases.

For workshop dates and to find out how to comment, see the Public Involvement section. For more information, go to [www.bpa.gov/corporate/Finance/IBR/IPR/](http://www.bpa.gov/corporate/Finance/IBR/IPR/).

## Go fishing, hook into cash

Anglers can earn cash and help save salmon by participating in the Northern Pikeminnow Sport Reward Fishery Program, which kicked off last month in the lower Columbia and Snake rivers and will continue until Sept. 28. This program is designed to reduce the number of, but not eradicate, northern pikeminnow, which eat millions of young salmon and steelhead each year.

Anglers who register and follow the rules of the program will be paid \$4 per fish up to 100. The payment jumps to \$5 per fish for each one over 101 and \$8 per fish for 401 fish and above. There are also pikeminnow with special tags worth \$500 each.

Since 1991, more than 3.2 million northern pikeminnow have been removed from the Snake and Columbia rivers through this program. In 2007, the northern pikeminnow predation on juvenile salmon was cut by an estimated 37 percent.

The program is administered by the Pacific States Marine Fisheries Commission and funded by BPA. For fishing tips, registration sites and program rules, go to [www.pikeminnow.org](http://www.pikeminnow.org).

## BPA will report to "Climate Registry"

From Alcoa Aluminum to Xcel Energy, Shell Oil to Saint Olaf College, organizations large and small have promised to submit data on their greenhouse gas emissions to the Climate Registry, a nonprofit whose reporting protocol is expected to become the North American standard. BPA is joining this diverse group as a founding reporter.

"BPA's hydropower and nuclear resources do not emit greenhouse gases, but our trucks, airplanes and heating and cooling systems do. When triggered, our transmission breakers also release a greenhouse gas," explained agency climate change lead Janelle Schmidt. "We're developing an agency inventory of these emissions. Using the widely recognized protocol of the Climate Registry will help assure that we're consistent with any future national standards."

The Climate Registry is a non-profit organization founded in 2007 to create a consistent method of reporting greenhouse gas emissions.

## BPA co-chairs new EE taskforce

Several Northwest leaders – inside and outside the utility industry – recently formed the Energy Efficiency Taskforce, a volunteer group whose aim is to further improve the efficient use of electricity throughout the Pacific Northwest. BPA Administrator Steve Wright, Pacific Power President Pat Reiten and Northwest Power and Conservation Council Member Tom Karier are co-chairs.

A number of dramatic changes in the Northwest spurred this effort, including increasing concerns over climate change, growth in regional population paralleled by growing demand for energy, escalating costs for new



power sources due to competition for raw materials and skilled labor, and state mandates to achieve increased levels of energy efficiency within specific deadlines.

The taskforce will pull together innovative ideas from successful energy-efficiency programs and explore how, through regional collaboration, energy efficiency can be delivered more efficiently. Technical work groups will be formed to undertake such tasks as researching how consumers' use of electricity has changed over time and identifying how communities can become involved in energy-efficiency actions.

## BiOp release paves way to recovery

NOAA Fisheries released a final biological opinion last month for operation of the federal dams on the Columbia and Snake rivers. The agency believes the actions BPA, the U.S. Army Corps of Engineers and the Bureau of Reclamation have planned will put threatened and endangered Columbia Basin salmon and steelhead on a trend to recovery.

The new plan responds to litigation before Judge James Redden in U.S. District Court of Oregon. In September 2005, Redden remanded the BiOp to NOAA, directing the agency to collaborate with federal, state and tribal governments to deliver a new BiOp that addressed the concerns of the court.

The BiOp calls for the federal hydro system to meet higher standards for juvenile fish survival through the dams than ever before – 96 percent survival on average

per dam for juvenile spring chinook and 93 percent for juvenile fall chinook.

NOAA Fisheries also issued two other BiOps on May 5 – one for the Upper Snake irrigation dams operated by Reclamation and one for Columbia Basin harvest.

For more details on the new biological opinions, go to [www.salmonrecovery.gov](http://www.salmonrecovery.gov).

## BPA invites comments on draft policy

In July 2007, BPA released its Long-Term Regional Dialogue Policy and ROD to define BPA's long-term power supply role for the region in a way that keeps the economic benefit of the Federal Columbia River Power System in the Northwest. BPA now proposes some adjustments to the original policy that reflect nearly a year's conversation about the policy and that also reaffirm the original policy's direction. (See "Tiered Rate Methodology" in the Public Involvement section of this issue).

BPA is accepting comments on this draft supplemental policy from June 6 through June 27, 2008. This is the last opportunity for customers and the public to comment on the policy decisions that will be reflected in the Regional Dialogue contracts. The final policy and ROD will be issued in late summer prior to the time contracts must be executed. For more information, go to [www.bpa.gov/power/pl/regionaldialogue/implementation/](http://www.bpa.gov/power/pl/regionaldialogue/implementation/).

# publicinvolvement

## updates and notices

### NEW PROJECTS

#### Golden Hills Wind Farm Interconnection Project – Sherman County, Ore.

BP Alternative Energy requested interconnection of 200 MW of power generated from the proposed Golden Hills Wind Project that would be located in Sherman County, Ore. BPA proposed to interconnect 200 MW by installing equipment and expanding PGE's existing Biglow Substation. BPA would also purchase a portion of the substation and the control house. Comments on this project will be accepted through June 30. BPA will analyze project impacts in a tiered ROD under the Business Plan EIS. The ROD is scheduled to be completed this year. For more information, go to [www.transmission.bpa.gov/PlanProj/Wind/](http://www.transmission.bpa.gov/PlanProj/Wind/).

### AGENCY – PROJECTS UNDER REVIEW

#### Integrated Program Review – Regionwide

In May, BPA began the Integrated Program Review portion of a new process that ensures its customers and stakeholders have regular access to clear and transparent financial information as well as frequent opportunities for meaningful input into BPA cost and program decisions. IPR workshops will continue through June. BPA will consider the input received as it establishes program costs for the supplemental FY 2009 power rate case and for the Power and Transmission 2010-2011 rate cases, which will begin this fall. For more information, go to [www.bpa.gov/corporate/Finance/ibr/](http://www.bpa.gov/corporate/Finance/ibr/). (See calendar of events.)

#### WI-09 Wind Integration Rate Case – Regionwide

BPA is proposing a new transmission rate to recover the costs of balancing the variable output of wind farms in its control area within each hour. The rate would be in effect for one year from October 2008 to September 2009, and would be charged to wind power producers in BPA's control area. BPA and a significant number of rate case parties have signed a settlement agreement under which BPA is proposing a monthly rate of 68 cents per kilowatt of installed wind capacity. BPA accepted comments through April 15. BPA plans to issue a ROD this spring and submit the proposed rate to FERC for approval for the rate to become effective Oct. 1. For more information, go to [www.transmission.bpa.gov/Business/Rates\\_and\\_Tariff/2009WindIntegRateCase.cfm](http://www.transmission.bpa.gov/Business/Rates_and_Tariff/2009WindIntegRateCase.cfm).

### 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 Tribes of the Colville Reservation 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 use of the proposed facilities

to reintroduce spring chinook salmon in the Okanogan subbasin is also being considered. The program would augment the ceremonial and subsistence harvest of salmon for the Colville Tribes. This program would be designed to have no effect on Chief Joseph Dam operations. Public meetings on the draft EIS were held and comments were accepted through June 18, 2007. A final EIS and ROD are expected by late summer. For more information, go to [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 issued the Lyle Falls Fish Passage draft EIS for public review on March 19. BPA prepared the analysis along with cooperating agencies: the Yakama Nation, Washington Department of Fish and Wildlife and the U.S. Forest Service. The draft EIS addresses the proposed modification and upgrade to the existing fishway to improve fish access to upper reaches of the Klickitat River, meet state and federal fish passage standards and assist biologists in collecting valuable biological (fisheries) information. Comments on the draft EIS were accepted until May 12. A public meeting was held April 16. For more information, go to [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 initial ROD signed March 11, 2005. A ROD authorizing construction is planned for summer 2008. For more information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Grand\\_Ronde/](http://www.efw.bpa.gov/environmental_services/Document_Library/Grand_Ronde/).

## **POWER – PROJECTS UNDER REVIEW**

#### **Average System Cost Methodology – Regionwide**

BPA's 2008 Average System Cost Methodology (ASCM) will be used to establish average system costs that will be incorporated into the revised power rates for FY 2009. A draft ROD was issued in May, and comments will be accepted through June 12. BPA plans to complete the final ROD by June 30, and file the proposed ASCM and final ROD with FERC in early July 2008. For more information, go to [www.bpa.gov/corporate/Finance/ascm](http://www.bpa.gov/corporate/Finance/ascm).

#### **Bridge Net Requirement Block Agreements – Regionwide**

BPA is authorized by the Northwest Power Act to sell power to investor-owned utilities to meet their net requirements. BPA now seeks to establish a new net requirements contract to replace the previous contract. This contract, called "Bridge NR Block Agreements," will be in effect from Oct. 1, 2008, through Sept. 30, 2011. The draft contract is based on the original subscription contract provisions and provides investor-owned utilities access to federal power at the NR Block rate. BPA is seeking comment on this draft contract to be consistent with the timeline of offering all Regional Dialogue Long-Term contracts in August 2008. Following the close of comment on June 16, BPA will consider all comments and issue a ROD on this contract this summer. For more information, go to [www.bpa.gov/corporate/finance/ascm/letters.cfm](http://www.bpa.gov/corporate/finance/ascm/letters.cfm).

#### **FCRPS Draft Systemwide Cultural Resources Programmatic Agreement – Regionwide**

The Federal Columbia River Power System Draft Systemwide Cultural Resources Programmatic Agreement covers the management of historic properties affected by the multi-purpose operations of 14 FCRPS hydro projects. It provides the systemwide principles and commitments for the Lead Federal Agencies' compliance with Section 106 of the National Historic

Preservation Act. Comments on the draft PA were accepted through May 11. For more information, go to [www.efw.bpa.gov/environmental\\_services/culturalresources.aspx](http://www.efw.bpa.gov/environmental_services/culturalresources.aspx).

#### **Residential Purchase and Sales Agreements – Regionwide**

In order to reestablish the Residential Exchange Program, BPA is proposing to offer Residential Purchase and Sale Agreements (RPSA) to utilities wishing to participate in the REP starting in FY 2009. BPA is seeking public comment on two draft RPSAs planned to be offered in August 2008. The Bridge RPSA will implement the REP between Oct. 1, 2008, and the time the Regional Dialogue Long-Term RPSA takes effect (currently scheduled to be Oct. 1, 2011). The Regional Dialogue Long-Term RPSA will be offered in conjunction with the rest of the Regional Dialogue Long-Term Contracts this August. Following the close of comment on June 16, BPA will consider all comments and issue a ROD on these contracts this summer. For more information, go to [www.bpa.gov/corporate/finance/ascm/letters.cfm](http://www.bpa.gov/corporate/finance/ascm/letters.cfm).

#### **Tiered Rate Methodology – Regionwide**

BPA submitted an initial proposal for its Tiered Rate Methodology (TRM) for publication in the Federal Register on May 2. Comments on the initial proposal will be accepted through July 10. A prehearing conference was held May 9, at which time the hearing officer set the schedule for the formal rate setting process. BPA expects to conclude the process in late September 2008 when the final ROD will be issued. Under the July 2007 Long-Term Regional Dialogue Final Policy, BPA will offer 20-year Regional Dialogue Contracts to its public utility and federal agency customers that provide for tiered rates under the Priority Firm Power (PF) rate schedule. The TRM establishes a rate design that creates a predictable and durable means by which to tier BPA's PF rate. Actual rate levels will be set in Northwest Power Act section 7(i) rate proceedings for two-year rate periods beginning in FY 2012, consistent with the TRM. For more information, go to [www.bpa.gov/corporate/ratecase/2008/2008\\_TRM/](http://www.bpa.gov/corporate/ratecase/2008/2008_TRM/).

#### **WP-07 Supplemental Wholesale Power Rate Case – Regionwide**

BPA is holding its 2009 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Supplemental Proceeding) to respond to recent rulings by the U.S. Court of Appeals for the Ninth Circuit regarding the 2000 Residential Exchange Program settlement agreements and the allocation of their costs to consumer-owned utilities. This proceeding will result in revised power rates for FY 2009 and the foundation for the future implementation of the REP under the NW Power Act. The supplemental proposal is the start of the formal legal process. There are many ways to respond to the Court's rulings, and BPA is proposing one technically and legally defensible approach. BPA accepted comments through May 2. For more information, go to [www.bpa.gov/corporate/ratecase/](http://www.bpa.gov/corporate/ratecase/).

## **TRANSMISSION – PROJECTS UNDER REVIEW**

#### **Albeni Falls-Sand Creek Transmission Line Project – Bonner County, Idaho**

BPA will replace poles on a section of the Albeni Falls-Sand Creek transmission line in northern Idaho and perform other upgrades to improve the reliability of the line. The project is on an existing right-of-way from the Albeni Falls Dam to one mile north of BPA's Sandpoint Substation. This project will replace approximately 340 wood poles along 25 miles of the transmission line and 17 miles of conductor will be replaced with larger conductor. BPA employees or contractors will be in the area through the summer performing various activities in support of the project, such as surveying for cultural resources

and noxious weeds as well as reviewing the area for dangerous trees. For more information, go to [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

### **Caribou-Lower Valley Project (includes Hooper Springs Substation) – Caribou County, Idaho**

BPA is proposing to build, own, operate and maintain the new Hooper Springs 138/115-kV substation near a proposed PacifiCorp substation near Soda Springs, Idaho. BPA would connect to PacifiCorp's new substation (Three-Mile Knoll) 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. For more information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Caribou/](http://www.efw.bpa.gov/environmental_services/Document_Library/Caribou/).

### **Cascade Wind Interconnection Project – Wasco County, Ore.**

BPA has been asked by UPC Oregon Wind, LLC to interconnect up to 50 MW of electricity generated from UPC's proposed Cascade Wind Project. UPC would independently build, own and operate the wind project and its associated facilities. If UPC's project is approved by the Oregon Energy Facility Siting Council, BPA proposes to construct a new switchyard and tap beneath BPA's existing Hood River-The Dalles 115-kV transmission line. For more information, go to [www.transmission.bpa.gov/PlanProj/Wind/default.cfm?page=cascade](http://www.transmission.bpa.gov/PlanProj/Wind/default.cfm?page=cascade).

### **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 section of the Libby-to-Bonniers Ferry 115-kV transmission line provide stable and reliable transmission service. BPA expects to issue a final EIS this month. For more information, go to [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

### **Palisades-Goshen Transmission Line Reconstruction – Bonneville and Bingham Counties, Idaho**

Close of comment on the preliminary EA was May 9. Four comments were received. BPA is preparing a revision sheet to the preliminary EA, a Mitigation Action Plan, and a FONSI. BPA expects to sign the FONSI in early June. The Palisades-Goshen 115-kV transmission line was built in 1949 and extends from Palisades Dam in eastern Idaho approximately 52 miles west to BPA's Goshen Substation south of Idaho Falls, Idaho. BPA proposes to rebuild this line due to its age and deteriorated condition to ensure safe and reliable transmission service. For more information, go to [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

### **Port Angeles-Juan de Fuca Transmission Project – Clallam County, Wash.**

BPA released an EIS Oct. 4, 2007. The EIS evaluates the request from Sea Breeze Olympic Converter LP to interconnect a 550 MW under-water transmission cable to the Federal Columbia River Transmission System. The cable would run from Vancouver Island, B.C., across the Strait of Juan de Fuca to Port Angeles, Wash. For more information, go to [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

## **TRANSMISSION – PROJECTS UNDER CONSTRUCTION**

### **Olympic Peninsula Transmission Line Reinforcement Project – Thurston and Mason Counties, Wash.**

BPA completed the EA and FONSI and made a decision to proceed with the project. Activities include removing most of its existing Olympia Shelton No. 1 115-kV transmission line (structures and conductor) from Olympia Substation to Shelton Substation and replace the last 14.5 miles of this line into Shelton Substation with a double-circuit 230-kV line on lattice steel towers. This will improve voltage stability during winter-peak load conditions on the Olympic Peninsula. For more information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Olympic/](http://www.efw.bpa.gov/environmental_services/Document_Library/Olympic/).

## **SUPPLEMENT ANALYSES**

**SA-371** – Chehalis-Centralia 1 and 2, Lewis County, Wash.

**SA-372** – Elbe Tap to Alder-LaGrande 115-kV, and Lynch Creek Tap to LaGrande-Cowlitz 115 kV, Pierce County, Wash.

**SA-373** – Cheney Tap to Silver Lake-Sunset, Spokane County, Wash.

## **CALENDAR OF EVENTS**

To view BPA's public involvement calendar, visit: [www.bpa.gov/corporate/public\\_affairs/Calendar/](http://www.bpa.gov/corporate/public_affairs/Calendar/).

**Integrated Program Review workshops** – BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.:

- General Manager Meeting, June 11, 1 to 4 p.m.
- Fish and Wildlife, Hydro, Lower Snake, Columbia River Fish Mitigation Investment and NWPCC, June 12, 1 to 4 p.m.
- Corps/Bureau Capital Expenses, June 12, 1 to 4 p.m.
- Transmission, June 19, 9 a.m. to 12 p.m.
- Depreciation, Amortization and Interest and Debt Management, June 19, 1 to 4 p.m.
- General Manager Meeting, June 26, 9 a.m. to 12 p.m.
- IPR Conclusion, June 26, 1 to 4 p.m.

## **CLOSE OF COMMENT**

**June 12, 2008** – Average System Cost Methodology draft ROD

**June 16, 2008** – Bridge Net Requirement Block Agreements

**June 16, 2008** – Residential Sales and Purchase Agreements

**June 27, 2008** – Draft Supplemental Policy for the 2007 Long-term Regional Dialogue Final Policy

**June 30, 2008** – Golden Hills Wind Farm Interconnection Project

**July 10, 2008** – Tiered Rate Methodology Initial Proposal

**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.

