

journal

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Stimulus package helps BPA build

Thanks in part to new borrowing authority contained in the American Recovery and Reinvestment Act signed into law last month by President Obama, BPA has decided to build a major new transmission project – the McNary-John Day 500-kilovolt transmission line.

When energized in late 2012, the line will allow BPA to provide transmission service to more than 870 megawatts of energy, including service for more than 700 megawatts of new wind energy. The \$246 million project creates about 700 jobs at its peak. Work will begin this spring.

The plans were made possible by an additional \$3.25 billion in borrowing authority for BPA from the U.S. Treasury for capital projects in the newly signed law. The increased access to capital removed a major uncertainty for BPA, helping enable the decision to proceed with this project.

United States Senator Patty Murray (D-WA) and Congressman Peter DeFazio (D-OR), who worked to include the additional \$3.25 billion in borrowing authority for BPA, pointed to the McNary-John Day project as evidence that the recovery package will help get the Northwest working again.

“BPA is moving quickly to put people to work,” said Senator Murray. “That’s because this funding gives BPA the room to breathe in these tough economic times and the certainty to move forward with new projects. It will also help to bring alternative sources of energy online throughout the Northwest.”

“I am proud that BPA has aggressively moved to put into place a long-term infrastructure investment that will benefit the Pacific Northwest and expand our access to renewable energy sources. This project is a fine example of infrastructure spending that provides the most bang for the buck,” said Congressman DeFazio.

The line will run from BPA’s McNary Substation in Oregon, cross the Columbia River and run parallel to the Columbia River for 75 miles, mostly within existing rights-of-way, then cross the Columbia River back into Oregon and end at BPA’s John Day Substation.



Little Goose Dam

Improved fish passage at Little Goose Dam

The U.S. Army Corps of Engineers installed a fish-friendly spillway weir at Little Goose Dam on the Snake River in Washington last month. With this new structure in place, all eight federal dams on the lower Snake and Columbia rivers have “fish slides” or other devices to get juvenile fish safely past the dam as they migrate to the ocean.

Northwest contractor Advanced American Construction built the nearly 150-ton structure under a \$2 million contract with the Corps. The Corps funds these improvements to the federal dams through the Columbia River Fish Mitigation Fund, which is appropriated by Congress. BPA reimburses the U.S. Treasury for these appropriations and helps the Corps and regional stakeholders identify annual funding priorities for the proposed improvements.

The weir fits inside a dam’s spillway, allowing juvenile fish to pass near the surface of the water rather than diving some 50 to 60 feet to pass through the traditional spillway opening in a typical dam. This is a more efficient and less stressful passage route for the fish and it reduces delays in the forebay of the dam.

Under a separate \$3.2 million contract, AAC also installed spillway deflectors in two bays at Little Goose Dam. The deflectors help direct fish departing the spillway to move more quickly toward the river and help reduce the dissolved gasses that are created by spilling water.



With the many improvements to fish passage at the dams, juvenile survival through all eight federal dams is better today than when there were only four dams on the Columbia and Snake rivers.

The power of the Snake River dams

In the 1960s and early 1970s, the federal government built four large dams on the Snake River in the Federal Columbia River Power System. The U.S. Army Corps of Engineers owns and operates these dams, and BPA markets the power they generate. The power benefits of the lower Snake River dams is described in a new fact sheet on BPA's Web site at www.bpa.gov/corporate/pubs/fact_sheets/09fs/.

The FCRPS is the largest source of electricity in the Pacific Northwest and the largest source of renewable electricity in the nation. Power production from the lower Snake River dams saves 4.4 million metric tons of carbon dioxide from reaching the atmosphere each year, according to a 2007 Northwest Power and Conservation Council study. Also according to the Council, "Given the difficulty of reducing CO₂ emissions, discarding existing CO₂-free power sources has to be considered counterproductive."

Each of the four lower Snake River dams provides significantly more power capacity than a typical coal plant. The nameplate capacity of the four lower Snake dams totals 3,033 megawatts. In comparison, Boardman coal plant has a nameplate capacity of 530 MW. Much of the year, BPA relies on these four dams to help meet peak loads. This ability to produce power when the system needs it most is crucial to maintaining a reliable power supply.

Hydropower is flexible, which helps support the boom of wind power in the BPA transmission grid. Because wind power is variable, it must be complemented with other generation that can be increased when wind unexpectedly dies down or decreased when the wind blows harder. To maintain system reliability with more than 2,100 MW of wind power interconnected to its grid, BPA now adjusts hydro generation up or down by as much as hundreds of megawatts within individual hours to counterbalance unexpected

increases or decreases in wind generation. BPA generally makes these within-hour adjustments at mainstem Columbia River dams while using the lower Snake River dams to help meet loads.

Students compete in BPA Science Bowl

Sixty-four teams from 43 high schools in Oregon and Washington competed last month in the biggest annual BPA Regional Science Bowl yet. The Science Bowl is all about celebrating academic achievement and preparing students for careers in math, science, energy and emerging technologies.

Four students from Mountain View High School in Vancouver, Wash., earned the top prize – an all-expense-paid trip to the National Science Bowl® in Washington, D.C., courtesy of the U.S. Department of Energy. This is the second consecutive year the Vancouver school has taken first place in the regional bowl. Grant High School from Portland took second and Sunset High School from Beaverton, Ore., took third place. Sixteen colleges and universities offered scholarships to members of the top three teams.

This marks the 18th year BPA has sponsored the regional event, which has grown to become the largest regional science bowl in the nation.

New fish recovery document available

BPA and other federal agencies involved in recovering endangered and threatened Columbia Basin salmon have released a new publication describing locally developed recovery plans and restoration actions for Endangered Species Act-listed fish in the Middle Columbia and Upper Columbia Basins. The Citizen Update, titled "Regional Partnerships, Historic Agreements, 'On the Ground' Actions," also includes information on programs for lamprey and on the Columbia Basin Fish Accords signed last year by states, tribes and the federal agencies. See the Citizen Update online at www.salmonrecovery.gov/research_reports_pubs/citizen_updates/ or request a copy from the BPA Public Information Center at (800) 622-4520 or www.bpa.gov/Corporate/public_affairs/publicinfo.cfm.

publicinvolvement

updates and notices

AGENCY – PROJECTS UNDER REVIEW

2010 BPA Rate Case – Regionwide

BPA issued its initial proposal for the combined 2010 Power and Transmission Rate Case Feb. 18. In it, BPA announced that it likely will need to increase its wholesale power rates for the first time since 2003 beginning October 2009. The agency also announced that it expects to hold its transmission rates flat. The combined effect of the power and transmission rate proposals would be an average 7–8 percent increase for BPA's public utility customers for the fiscal year period 2010 and 2011, which begins Oct. 1 of this year. There will be extensive input by participants during the rate case process before the administrator makes final decisions on rates. There also will be

additional public review of the program levels reflected in these rates prior to the final proposal (see IPR below). During the rate case, the ex parte rule for BPA employees is in effect, meaning no BPA employee can discuss the merits of the issues in the rate case with anyone outside the agency unless it is in a publicly noticed meeting. BPA's initial proposals are posted on the 2010 BPA Rate Case Web site at www.bpa.gov/corporate/ratecase/2008/2010_BPA_Rate_Case/.

Integrated Program Review – Regionwide

BPA staff will hold a second Integrated Program Review workshop March 19 to discuss BPA's revenue requirements and program levels reflected in power and transmission rate case initial proposals for FY 2010–2011. The IPR process is an

element of the Integrated Business Review and provides an overview of spending levels and strategic direction. An initial IPR workshop was held in July 2008 for this same rate period. Additional workshops may be added as needed. (See calendar of events.)

BPA's energy efficiency role post-2011 – Regionwide

In February, BPA began a regional conversation to determine the agency's role in the development and use of energy efficiency for the post 2011 period. The Jan. 27 kick-off meeting hosted more than 100 stakeholders. Four regional meetings were held in Seattle, Idaho Falls, Spokane and Pasco. Customers and stakeholders conveyed their desire to assist the agency in crafting the future of the energy efficiency program. Three additional meetings have been added to provide a forum for BPA and stakeholders to collaboratively develop one or more straw proposals. The meetings will be held on March 9, 10 and 16. Please note that each of the three meetings will build upon the previous one. Participants are encouraged to take part in all of the meetings to make them as productive as possible. For more information, go to www.bpa.gov/Energy/N/post-2011/. (See calendar of events.)

Closing the 2008 Network Open Season – Regionwide

BPA conducted its first Network Open Season in 2008 to ensure that the region will have sufficient transmission infrastructure available to deliver the next generation of power resources to loads. Customers that had requested service on BPA's transmission network were offered the opportunity to secure long-term firm capacity by signing precedent agreements. Customers signed agreements for a combined total of 6,410 MW of transmission, with wind project interconnection requests making up 74 percent of the total. BPA then evaluated all the requests together to determine what would be needed to accommodate the requests. After completing extensive engineering and financial analysis, BPA is proposing five transmission projects that would allow BPA to accommodate about 85 percent of the total megawatts requested. BPA already completed public and environmental review for one of the five projects and decided last month to proceed with construction of the McNary-John Day Transmission Line Project. BPA will initiate public or environmental review on the other four projects this spring. Those projects include:

- **Big Eddy Substation Z** – a new 500-kV, 28-mile transmission line and a new 500-kV substation near Goldendale, Wash. The line would start at the Big Eddy Substation just east of The Dalles, Ore., and end at the new substation.
- **I-5 reinforcement** – a new 500-kV transmission line that would begin near Castle Rock, Wash., and end near Troutdale or Oregon City, Ore. Depending on the route of the line, it would be up to 90 miles long.
- **Little Goose reinforcement** – a new 500-kV, 40-mile transmission line connecting Central Ferry and Lower Monumental substations in eastern Washington, north of Walla Walla.
- **West-of-Garrison remedial action scheme** – install new equipment to transmission facilities in western Montana that will meet reliability criteria and avoid power interruptions and other system emergencies in the area.

Proposed Avista deemer settlement – Regionwide

BPA accepted public review and comment on a proposed settlement of the Avista deemer account through Feb. 26. Settlement of the deemer issue would resolve a long-standing dispute, avoiding potentially expensive litigation over past deemer balances and the treatment of those balances in the new Residential Exchange Program, and would help clear the way for Avista's residential and small-farm consumers to immediately receive their share of the benefits of the Federal Columbia River Power System. A letter announcing the final decision will be posted in early April along with the Administrator's Record of Decision at www.bpa.gov/power/pl/regionaldialogue/implementation/documents/.

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 mitigation 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. Also being considered is the use of the proposed facilities to help return spring chinook salmon in the Okanogan subbasin. The program would augment the ceremonial and subsistence harvest of salmon for the Colville Tribes and 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 in spring 2009. The U.S. Army Corps of Engineers is a cooperating agency in the EIS. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/.

Lyle Falls Fish Passage Project – Klickitat County, Wash.

BPA recently completed its environmental planning for the Lyle Falls Fish Passage Project. Environmental scoping and public involvement occurred in 2006, a draft EIS was issued in March 2008, a final EIS was issued in December 2008, and the ROD was issued in February 2009. The cooperating agencies with BPA were the Yakama Nation, Washington Department of Fish and Wildlife and the U.S. Forest Service. BPA has decided to approve funding of the proposed action (preferred action) as described in the EIS. Construction is planned to begin in the spring/summer of 2009. The project will improve fish passage to more effectively allow fish to move into the upper Klickitat River basin and to improve facilities for fish monitoring, biological data collection and fish management. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Lyle_Falls/.

Northeast Oregon Hatchery Program, Grande Ronde-Imnaha Spring Chinook Hatchery Project – Walla Walla 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 late winter 2010 to coincide with National Marine Fisheries Service review of the programs Hatchery Genetics Management Plan. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Grand_Ronde/.

POWER – PROJECTS UNDER REVIEW

CFAC contract amended for FY 2009

BPA, Montana-based Columbia Falls Aluminum Company and Flathead Electric Coop Inc., negotiated an amendment to the 2007 Block Power Sales Agreement (2007 Block Contract) to reflect use of the industrial power rate as the basis for the monetized arrangement directly between BPA and CFAC. BPA and CFAC negotiated the amendment for the balance of FY 2009. The amendment recalculates payments for the months of December 2008 and January and February 2009 and is consistent with the United States Court of Appeals for the Ninth Circuit December 2008 opinion. The proposed amendment is substantially similar to the amendment entered into with Alcoa in January 2009. CFAC has agreed to operate half of a pot line through June and employ a minimum of 85 workers or the amendment may be terminated by BPA. In the event CFAC meets these operating and employment level requirements, it will be eligible to receive payments from BPA for operations through September. This proposed agreement was available for an abbreviated public review process in February. For more information, go to www.bpa.gov/power/pl/regionaldialogue/implementation/documents/.

FCRPS Draft Systemwide Cultural Resources Programmatic Agreement – Regionwide

The Federal Columbia River Power System Draft Systemwide Cultural Resources Programmatic Agreement (PA) 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, 2008 and are currently being addressed. A new version of the PA and a comment/response spreadsheet explaining how comments were addressed will be available in 2009. For more information, go to www.efw.bpa.gov/environmental_services/fcrps.aspx.

TRANSMISSION – PROJECTS UNDER REVIEW

Albany-Burnt Woods/Santiam-Toledo Pole Replacement – Linn and Benton counties, Ore.

BPA is proposing to rebuild the wood pole sections of the Albany-Burnt Woods and Santiam-Toledo transmission lines by replacing existing wood poles and improving access roads that approach the line. BPA accepted comments on the potential environmental impacts of these construction activities through Nov. 24, 2008. BPA expects to release a preliminary EA for review and comment this month. For more information, go to www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

Golden Hills Wind Farm Interconnection – 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 proposes to interconnect the project by installing equipment and expanding PGE's existing Biglow Substation. BPA would also purchase a portion of the substation and the control house. For more information, go to www.transmission.bpa.gov/PlanProj/Wind/.

Kittitas Valley Wind Project Interconnection – Kittitas County, Wash.

Sagebrush Power Partners LLC, a wholly owned subsidiary of Horizon Wind Energy LLC, requested interconnection of up to 108 MW of electricity generated from the proposed Kittitas Valley Wind Project in Kittitas County, Wash. BPA proposed to interconnect the project by constructing a new substation adjacent to its Columbia-Covington 230-kV line. BPA accepted comments on the proposed interconnection through Aug. 25, 2008. For more information, go to www.transmission.bpa.gov/PlanProj/Wind/.

Leaning Juniper II* – Jones Canyon Substation Expansion Wind Interconnection Project – Gilliam County, Ore.

Iberdrola Renewables requested interconnection of up to 200 MW of electricity generated from the proposed Leaning Juniper II Wind Power Project. Iberdrola would independently build, own and operate the wind project and its associated facilities. The project is in the early stages of environmental review. BPA accepted public comments on the proposed interconnection from Jan. 7 through Feb. 2, 2009. For more information, go to www.transmission.bpa.gov/PlanProj/Wind/.

*Note: Public notices were erroneously sent with the name "Leaning Juniper III – Jones Canyon Substation Expansion Wind Interconnection Project." BPA will now refer to the wind project as "Leaning Juniper II – Jones Canyon Substation

Expansion Wind Interconnection Project." The Web site will be updated to reflect this change.

McNary-John Day Transmission Line Project – Sherman & Umatilla counties, Ore., Klickitat & Benton counties, Wash.

BPA will build a 79-mile 500-kV transmission line that was originally scheduled for construction six years ago and then put on hold. The line will run between the McNary and John Day substations in Oregon but would mostly be located in Washington parallel to the Columbia River. BPA completed an EIS on the project in 2002. Because of the need for additional capacity to handle the new generation requests received through the 2008 Network Open Season, BPA prepared a supplement analysis in February 2009 to determine if there have been significant changes to the environment or project since the EIS was completed. BPA completed the supplement analysis in February and determined that a supplemental EIS for the project is not required. No further NEPA documentation is required. BPA will begin preliminary work on the project this spring. For more information, go to www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

TRANSMISSION – PROJECTS UNDER CONSTRUCTION

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

BPA completed the EIS and made a decision to proceed with the project. BPA is rebuilding the 17-mile Libby-to-Troy section of the Libby-to-Bonniers Ferry single-circuit 115-kV transmission line to provide stable and reliable transmission service. Road-widening work began in September 2008 and was completed in November 2008. Access road construction and improvement and line reconstruction will begin as soon as weather permits in spring 2009. The project is expected to be completed in 2010. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Libby/.

Olympic Peninsula Transmission Line Reinforcement Project – Thurston and Mason counties, Wash.

BPA completed the EA and FONSI and decided 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 replacing 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. The project is expected to be complete in fall 2009. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Olympic/.

CALENDAR OF EVENTS

To view BPA's public involvement calendar, visit www.bpa.gov/corporate/public_affairs/Calendar/.

Energy Efficiency post-2011 public process – March 9, 10 and 16, 9 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Integrated Program Review workshop – March 19, 9 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

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.