

journal

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www.bpa.gov/corporate/pubs/Journal

BPA's power supply needs are changing

BPA is checking its power supply to see what, if anything, it might need to add to serve its customers under their Regional Dialogue contracts, beginning in fiscal year 2012. The first analysis produced some surprises.

Historically, BPA has looked at whether it has enough energy for its customers' needs in an extremely dry water year. Now, as the system has evolved, an annual look is not adequate.

Gaps in BPA's power supply appear in specific months and particularly in heavy load hours. This switch reflects increasing loads in hours of peak power use, requirements for fish protection, other non-power requirements and the need for reserves to balance variable wind generation.

"We don't so much need energy by the year; we need it available by the hour," explained Birgit Koehler, chief analyst for BPA's Preliminary Needs Assessment.

The Preliminary Needs Assessment is the first step in BPA's 2009 Resource Program – an analysis of the amount of resource additions BPA may need to serve its Regional Dialogue power sales contracts beginning in fiscal year 2012. The Resource Program is coordinated with the Northwest Power and Conservation Council's Northwest Power Plan.

The Preliminary Needs Assessment is available for public review through April 14. A fact sheet summarizes highlights. Both documents are posted at www.bpa.gov/power/P/ResourceProgram/Index.shtml.

BPA supports wind power

BPA is a national leader in integrating large amounts of wind power in its transmission system. To stay that way, BPA's Wind Integration Team is doing a lot of highly technical, high-stakes work.

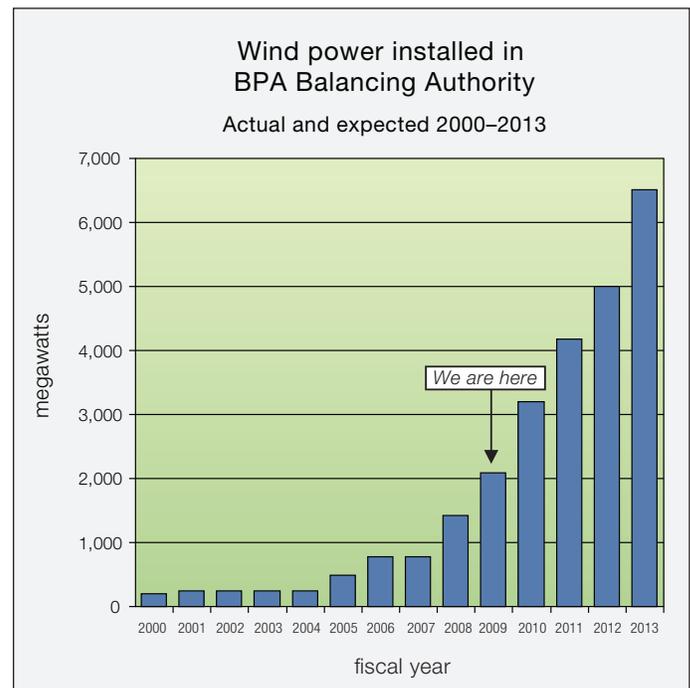
"We're literally changing the way large-scale electric generation and transmission operate," said Eric King, WIT team lead.

For example, BPA has joined several Western utilities in a pilot to net out moment-to-moment differences in power frequency among their respective areas to save costs for all parties. If this works well, utilities may

share more transmission operation techniques. The pilot, called the ADI for Area Control Error Diversity Interchange, involves PacifiCorp, Idaho Power Company, NorthWestern Energy and Glacier Wind. The latter is a balancing authority established in Montana specifically for wind energy.

Within BPA, the WIT has defined the federal hydropower system's ability to support variations in wind power output, developed a methodology to allocate costs of wind integration services to beneficiaries, and devised an operating approach to assure BPA can maintain system reliability while continuing to add very large amounts of wind power to its transmission grid.

With more than 2,000 megawatts of wind power now connected to BPA's grid and thousands more megawatts expected, BPA is increasing its wind integration efforts. The WIT's next technical challenges and a rundown of BPA's other wind-related activities are recounted in a new fact sheet, "How BPA supports wind power in the Pacific Northwest," posted at www.bpa.gov/corporate/About_BPA/wind/index.cfm.



For more information on BPA wind integration activities, go to www.bpa.gov/wind. To keep apprised of the WIT's work send an e-mail to BPAAwindintegration@bpa.gov. This will place you on BPA's e-mail distribution list for WIT information.

Spring hydro operations for fish begin

Special hydro operations, conducted by the Army Corps of Engineers to help fish migrate safely to the ocean, begin in April and will continue through the 2009 spring migration period. The operations, outlined in a spring Fish Operations Plan, establish a regimen for spill and transport operations at federal dams operated by the Corps. Spill operations for the 2009 summer season will be developed later and are expected to run through August.

Spill is the release of fish-laden water through a dam's spillway, and transportation involves either barging or trucking juvenile fish around dams. In both approaches, the fish avoid a dam's turbines.

Spring spill begins at lower Snake River dams (Lower Granite, Little Goose, Lower Monumental and Ice Harbor) on April 3 and at lower Columbia River dams (McNary, John Day, The Dalles and Bonneville) on April 10. Spring spill operations will last until late June, after which a summer spill operation will go into place.

Spill will be monitored and managed to take into account variable hydro conditions. Changes to operations will be discussed through the new collaborative process established by the 2008 Biological Opinion, known as the Regional Implementation Oversight Group. Each dam has a detailed operations plan that includes conditions under which variations may be made to accommodate approved research, allow necessary structural work, meet minimum generation requirements, assure power system reliability, allow navigation and avoid exceeding gas caps.

BPA protects fish and wildlife habitat

BPA is proposing to fund the acquisition of several conservation easements in northwestern Montana. Together, these easements would permanently protect 357 acres of habitat for species such as the bull trout, resident fish that are listed as threatened under the Endangered Species Act, and the westslope cutthroat trout, a resident fish that is considered at risk by local tribes and a Species of Special Concern in Montana.

One of the easements would provide extensive wetlands habitat important for grizzly bears and adjoins both U.S. Forest Service and state public lands. Another easement is adjacent to nearby conservation easements that protect nearly 830 acres on which riverbank riparian restoration work has already been implemented.

BPA is also proposing to acquire a 305-acre land acquisition in Wahkiakum County, Wash., near the Columbia River estuary for permanent fish habitat conservation and stewardship. The hillside forest, riparian and seep wetland habitat would provide spawning habitat for a critical chum population and supports fall chinook, winter steelhead, coho and a wide variety of other fish and wildlife species.

All together, BPA has protected more than 300,000 acres of habitat in the Northwest since 1980. BPA receives credits for the units of habitat that it protects and enhances. These credits apply against a ledger that describes net habitat lost or damaged as a result of federal dams.

For more information, visit www.efw.bpa.gov.

IPR 2 offers vigorous idea exchange

The first meeting in the second round of BPA's Integrated Program Review offered a forum for vigorous discussion of BPA's costs for FY 2010-2011 and input into steps the agency could take to reduce costs, and, as a result, its power rates.

Nearly 50 energy policy makers gathered in Portland, with over 20 more on the telephone, to hear BPA executives explain how the twin challenges of low water and low market prices for the agency's secondary power could affect the agency's rates in FY 2010 and 2011.

The group challenged BPA as well as representatives of the U.S. Army Corps of Engineers, Energy Northwest and regional tribes that signed the Columbia River Accords on steps they could take to reduce costs. After the discussion of cost management, the topic switched to risk mitigation tools available in power rate-setting, which hold the promise of having a greater effect on rates. Attendees offered suggestions ranging from reducing the Treasury Payment Probability standard to methods for reducing the need for planned net revenue for risk.

BPA will continue to gather comment on the issues through April 29. A second meeting will be held April 9. A third, which promises to provide more numbers on potential cost reductions and rate impacts, will be held April 27. (See calendar of events for meeting details.)

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/.

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 were held in March to provide a forum for BPA and stakeholders to collaboratively develop one or more straw proposals. For more information, go to www.bpa.gov/Energy/N/post-2011/.

Integrated Program Review – Regionwide

BPA will hold workshops during the second round of the Integrated Program Review on April 9 and 27. The workshops will continue discussions on BPA's revenue requirements and program levels reflected in power and transmission rate case initial proposals for FY 2010–2011. BPA also expanded the scope of IPR 2 to include discussion of risk mitigation and liquidity tools. BPA will accept comment on the IPR issues through April 29. 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.)

Preliminary Needs Assessment

BPA will hold a second meeting on its Preliminary Needs Assessment April 6 in the Rates Hearing Room. Under its first Resource Program since 1992, BPA is assessing its need for additional power supplies to meet obligations to customers under the Regional Dialogue Power Sales Contracts. The Preliminary Needs Assessment is the first step in the Resource Program Study. BPA released its Preliminary Needs Assessment on March 13. Comment will be accepted through April 14. To view the Preliminary Needs Assessment and related fact sheet, or for more information, go to "Documents/Publications" at www.bpa.gov/power/P/ResourceProgram/Index.shtml.

Proposed Avista deemer settlement – Regionwide

BPA plans to announce its final decision later this month on its proposed settlement of the Avista deemer account; the proposal was available for public comment and review 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. Any decisions regarding this issue, including the Administrator's ROD, will be posted 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 summer 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 – 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 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

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 released a preliminary EA for review last month and will accept comments through April 13. 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/.

TRANSMISSION – PROJECTS UNDER CONSTRUCTION

Libby (Flathead Electric Cooperative)-to-Troy Section of the Libby-to-Bonnars 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-Bonnars 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/.

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 will mostly be located in Washington parallel to the Columbia River. BPA will begin preliminary work on the project this spring. For more information, go to www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

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/.

SUPPLEMENT ANALYSES

SA-388 – Shelton-Fairmount No. 4, Mason and Jefferson counties, Wash.

SA-389 – Lower Columbia River, Columbia and Clatsop counties, Ore., Wahkiakum County, Wash.

SA-390 – Chehalis-Raymond No. 1, Raymond-Willapa No. 1 and Raymond-Henkle St. No. 1, Lewis and Pacific counties, Wash.

SA-391 – Holcomb-Naselle No. 1 and Naselle-Tartlet Nos. 1 and 2, Pacific County, Wash.

SA-392 – Raymond-Cosmopolis, Pacific County, Wash.

SA-393 – Multiple transmission line rights-of-way, Umatilla County, Ore., and Garfield, Benton, Franklin and Walla Walla counties, Wash.

SA-394 – Green Bluff Tapp to Bell-Trentwood No. 2, Spokane County, Wash.

CALENDAR OF EVENTS

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

April 6 – Preliminary Needs Assessment, 2 to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

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

• **April 9**, 1 to 4 p.m.

• **April 27**, 1:30 to 5 p.m.

CLOSE OF COMMENT

Submit comments to BPA, P.O. Box 14428, Portland, OR 97293-4428 or via e-mail at comment@BPA.gov.

April 13 – Albany-Burnt Woods/Santiam-Toledo pole replacement

April 14 – Preliminary Needs Assessment

April 29 – Integrated Program Review

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.