

journal

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BPA seeks partners in Smart Grid effort

BPA has issued a request for information to find out which Northwest electric utilities are interested in partnering on a regional Smart Grid demonstration project. Smart Grid is a system that uses various technologies to enhance power delivery and use through intelligent two-way communication. Power generators, suppliers and users are all part of the equation.

BPA initiated the RFI in response to a proposed Department of Energy funding opportunity through the American Recovery and Reinvestment Act for Smart Grid demonstration projects. The DOE announcement is still in draft form, but BPA is moving forward with the RFI as a proactive step to facilitate securing a Smart Grid project for the region.

Smart Grid can help meet increasing power demands, improve service, promote energy independence and help improve national security. Development of Smart Grid can also bring jobs to the Pacific Northwest.

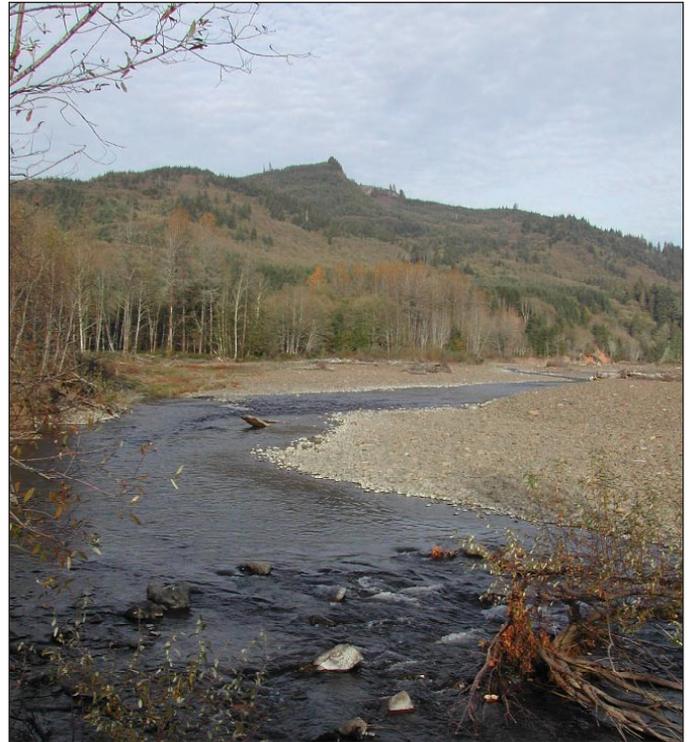
In an April 14 workshop at BPA headquarters, the agency outlined its intention to partner with the region on a Smart Grid demonstration project and the need for potential partners to participate in planning and capital investments.

BPA will hold additional workshops with interested parties to help develop the regional approach to Smart Grid and the proposal to DOE for Recovery Act funds. Responses to the RFI are due to BPA by May 18, 2009. For more information, go to www.bpa.gov/Energy/N/smart_grid/index.cfm.

BPA helps fund salmon habitat acquisition

BPA is helping fund the purchase of 305 acres of land in southwest Washington to protect important spawning habitat for chum salmon, a threatened species. The Columbia Land Trust, a non-profit organization, is purchasing the land from the Hancock Timber Resource Group and will develop a new management plan with local input.

Located at the confluence of the Grays River and Crazy Johnson Creek in Wahkiakum County, the property is one of the most significant river spawning reaches for chum in the Columbia River Basin. Protection of this habitat, which includes hillside forest and wetlands,



This 305-acre parcel of land, located at the confluence of Crazy Johnson Creek and the Grays River in southwest Washington, is one of the most significant spawning sites for chum in the Columbia River Basin.

will also benefit fall chinook, winter steelhead and coho and a wide variety of other fish and wildlife species.

New transmission product unveiled

A new product will help customers transfer power across BPA's transmission system while they wait for additional lines to be built. In particular, the innovation is expected to benefit generators looking to deliver energy from wind and other renewable resources. The new product, called conditional firm transmission, allows BPA to provide long-term transmission that can be curtailed under certain conditions.

Under conditional firm agreements, BPA agrees to provide long-term transmission service. Customers



agree to a designated number of hours each year that BPA can curtail service when certain conditions exist that would otherwise threaten reliable system operation.

As BPA constructs additional high-voltage transmission lines, it will be able to convert the customers taking conditional firm service to long-term firm transmission. Many of the conditional firm transmission service offers will go to wind customers. This product will help expedite transmission of renewable energy on BPA's transmission network while the agency builds additional transmission lines.

BPA expects to make approximately 27 offers this year for about 1,300 megawatts of service for requests with start dates over the next three years.

Federal agencies, Washington propose estuary MOA

BPA, the U.S. Army Corps of Engineers and the Bureau of Reclamation are proposing a memorandum of agreement with Washington state to add \$40.5 million in habitat funding to the Columbia River estuary through 2018.

The Columbia River estuary is a critical nursery for juvenile salmon on their way to sea. The agreement would provide long-term funding certainty for estuary habitat projects to help strengthen populations of Endangered Species Act-listed steelhead and salmon.

BPA is seeking public comment on its proposal to enter into this Estuary Habitat MOA with Washington as negotiated. The comment period closes May 4. For more information, go to www.salmonrecovery.gov.

Pikeminnow season begins May 1

Anglers can earn cash and help save salmon by participating in the Northern Pikeminnow Sport Reward Fishery Program, which kicks off May 1 in the lower Columbia and Snake rivers. The program continues until Sept. 27.

Anglers are paid \$4 to \$8 for northern pikeminnow nine inches and larger caught in the lower Columbia and Snake rivers. The more northern pikeminnow an angler catches, the more the fish are worth. The first 100 are worth \$4 each; the next 300 are worth \$5 each, and, after 400 fish are caught and turned in, they are worth \$8 each. As an added incentive, specially tagged fish are worth \$500.

The Northern Pikeminnow Sport Reward Fishery Program is designed to reduce the number of northern pikeminnow, a large member of the minnow family that eats millions of young salmon and steelhead in the Columbia and Snake rivers each year. Since 1991, more than three million northern pikeminnow have been removed from the Snake and Columbia rivers through the sport reward program. The program is administered by the Pacific States Marine Fisheries Commission and is funded by BPA.

For more information, call (800) 858-9015 or go to www.pikeminnow.org.

Deputy Administrator Steve Hickok retires

After nearly 40 years of federal service, BPA Deputy Administrator Steve Hickok retired May 1. He had served in BPA's number two spot since 2001.

Even before he worked for BPA, as part of Senator Mark Hatfield's staff, Hickok was involved in the legislation that made BPA self-financing – the 1974 Federal Columbia River Transmission System Act. He also worked on the Northwest Power Act of 1980.

Since 1981, Hickok served in numerous positions at BPA, touching every facet of the agency. He headed BPA's first Office of Conservation, established BPA's system of account executives and served as vice president of the Power business line. Twice he served as chief operating officer.

Hickok was also involved in the National Energy Regulatory Committee for years, and was elected by the Member Representatives Committee to serve as the members' chair in 2008.

Beginning May 4, Allen Burns, vice president of bulk power marketing, will become the acting deputy administrator. When asked about filling in behind Hickok, Burns said it "will be a huge challenge. He is one of the leaders and champions of the energy industry, both on a regional and national level. But I am excited about the opportunity and consider it a privilege to serve the Pacific Northwest."



publicinvolvement

updates and notices

AGENCY – PROJECTS UNDER REVIEW

2010 BPA Rate Case – Regionwide

BPA has just learned that it can formally extend the comment period for the 2010–2011 rate case through May 1. However, because this is such short notice, BPA will acknowledge all rate case comments that are submitted by May 15. 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. There has been extensive input by participants during the rate case process and additional public review of the program levels reflected in these

rates (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's final IPR2 workshop was held April 29. At the workshop, Administrator Steve Wright provided BPA's draft conclusions about the costs to be included in its FY 2010–2011 power and transmission rate case final proposals, based on the IPR2 process to date. An earlier workshop was held April 9, at which BPA expanded the scope of IPR 2 to include discussion of risk mitigation and liquidity tools, as well as BPA's revenue requirements and program levels reflected in power and transmission rate case initial proposals for FY 2010–2011. Formal comments on BPA's draft conclusions were accepted until May 1. When final decisions have been made, a final report will be developed and posted. The IPR process is an element of the Integrated Business Review and provides an overview of spending levels and strategic direction. For more information on the IPR2, go to www.bpa.gov/corporate/Finance/IBR/IPR/ or call Valerie Lefler at (503) 230-3521.

DSI service workshop – Regionwide

When BPA amended its FY 2009 block power sales contracts affecting Alcoa and Columbia Falls Aluminum, it said it would hold a separate process to address service to the direct-service industries for the 2010 and 2011 fiscal years. At an April 9 workshop, BPA initiated a regional discussion about the level of service the DSIs should receive in FYs 2010–2011. Discussions at the meeting centered on issues related to establishing an Industrial Power rate in the WP-10 Rate proceeding and, in particular, Alcoa's proposal for a variable IP rate. To read testimony submitted as part of the rate case, including Alcoa's proposal and BPA's rebuttal testimony, go to <https://secure.bpa.gov/ratecase/Documents.aspx?ID=17>.

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. Meetings have been held across the region to determine the future of BPA's energy efficiency program. An additional meeting has been scheduled for May 4 to continue the conversation on rates related issues that started at the April 20 meeting. A phone bridge will be available for those not able to attend in person. Call (877)322-9648 and use participant code 589242. For more information, go to www.bpa.gov/energy/n/post-2011/.

Proposed Avista deemer settlement – Regionwide

BPA plans to announce its final decision in late June on 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 spring 2010. 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 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 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, Benton and Lincoln counties, Ore.

BPA is proposing to replace wood pole structures along sections of the Albany-Burnt Woods and Santiam-Toledo transmission lines located in Linn, Benton and Lincoln counties, Ore. BPA released a preliminary EA for review in March 2009 and hopes to issue a FONSI in April or May. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Albany/.

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. A tiered ROD was signed on April 3, 2009. For more information on this project, please visit www.efw.bpa.gov/environmental_services/Document_Library/Leaning_Juniper/

Whistling Ridge Wind Interconnection Project – Skamania County, Wash.

BPA has been asked by SDS Lumber Company to interconnect its proposed Whistling Ridge Energy Project in Skamania County, Wash., to the Federal Columbia River Transmission System. WRE would independently build, own and operate the wind project and associated facilities. To inform its decision on whether to allow the proposed interconnection, BPA will be preparing a joint EIS with the State of Washington Energy Facility Site Evaluation Council. BPA and Washington EFSEC will hold a joint public scoping meeting to receive comments on the scope of the EIS for the proposed project. This scoping process may help identify other issues and alternatives suitable for consideration in the draft EIS. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Whistling_Ridge/. (See calendar of events).

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/.

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 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 and expects to begin construction this summer. 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/.

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

An EA and FONSI were completed in May 2008. BPA decided to rebuild the Palisades Goshen line due to its age and deteriorated condition to ensure safe and reliable transmission service. Access-road and line reconstruction for the first 25 miles was completed in summer 2008. Construction on remaining roads and line is scheduled to begin in June 2009 and will continue, weather permitting, until November. The project is expected to be complete in 2010. For more information, go to www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

SUPPLEMENT ANALYSES

SA-395 – Sacheen-Albeni Falls No. 1, Pend Oreille County, Wash., and Bonner County, Idaho.

SA-396 – Lancaster-Noxon, Bonner County, Idaho and Sanders County, Mont.

SA-397 – Noxon-Libby, Sanders, Lincoln and Flathead counties, Mont.

SA-398 – Cardwell-Cowlitz, Cowlitz County, Wash.

CALENDAR OF EVENTS

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

BPA's energy efficiency role post-2011 – May 4, 1 to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Avenue, Portland, Ore.

Whistling Ridge Wind Interconnection project public meeting – May 6, 6 to 9:00 p.m., Rock Creek Center, Skamania County Fairgrounds, 710 S.W. Rock Creek Drive, Stevenson, Wash.

BPA invests in the Northwest transmission system – May 26, 4 to 7 p.m., Water Resources Education Center, 4600 S.E. Columbia Way, Vancouver, Wash.

CLOSE OF COMMENT

May 15 – BPA 2010 Rate Case

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.