

Journal

March 2010

Low runoff cuts revenue forecast

BPA has reduced its expectations for hydroelectric power revenue this year by more than \$200 million because of forecasts for a continued depressed runoff in the Columbia Basin.

Based on the forecasts following BPA's first Quarterly Business Review, the agency estimated it would finish the fiscal year with a loss of \$6 million in modified net revenues instead of the \$232 million in positive revenues projected at the start of the fiscal year in October. However, runoff projections have further declined since the estimates were reported in early February.

"This is a very serious decline that impacts our power supply and therefore our finances," said BPA Administrator Steve Wright. "We're hopeful that the outlook will improve, but we cannot count on it. The reality is that water is the fuel that provides much of the Northwest's electricity."

The reduced runoff results from a persistent El Niño weather pattern that has brought unusually dry conditions to the Northwest. The February forecast from the National Weather Service's Northwest River Forecast Center estimated 79.2 million acre-feet of runoff from January through July as traditionally measured at The Dalles, Ore. That represents 74 percent of the 30-year average of 107.3 MAF and would be the lowest runoff since 2001.



The Northwest is experiencing unusually dry conditions. Runoff in the Columbia Basin is forecast to be the lowest since 2001.

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Feds continue work on BiOp

U.S. District Court Judge James Redden gave the federal agencies that created the 2008 Federal Columbia River Power System Biological Opinion the option to address a procedural issue in a voluntary remand. Or, he said, the agencies could submit the biological opinion as is. The agencies – NOAA Fisheries, the Corps of Engineers and Bureau of Reclamation – chose to proceed with the remand. BPA is not a party to the litigation but is closely involved in the proceedings.

The procedural sticking point is what is termed the Adaptive Management Implementation Plan, which the Obama administration added to the BiOp last year. The implementation plan establishes specific research and monitoring actions to help detect if the fish are not responding to the BiOp actions as anticipated. It includes specific biological triggers that will set in motion additional contingency measures intended to benefit salmon populations if fish conditions decline significantly.

The judge was concerned over how he could accept the implementation plan as part of the BiOp, because it was not part of the administrative record on which he must base his decision. He has now concluded that he cannot accept the plan unless the federal agencies conduct a "voluntary remand" to "formally incorporate the plan into the 2008 BiOp."

The court gave the federal government three months from Feb. 10 to conduct the voluntary remand. The judge did not specify how the remand must be conducted other than to say that the agencies should use the best available science, address all relevant factors and re-examine some of the concerns the judge has raised previously.



Students contend for brainiac status

Sunset High School in Portland, Ore., won the 19th annual BPA Regional High School Science Bowl. Sunset was one of 64 high schools from Oregon and Washington competing last month at the University of Portland.

BPA promotes the Science bowl to encourage student achievement in math, science and technology and to encourage careers in these fields. The students competed in a fast-paced question-and-answer contest for the top prize: academic scholarships and a trip to Washington, D.C., to compete in the Department of Energy's National Science Bowl this spring.

The Middle School Science Bowl was held in late January. The winning team was Summa North Academy team 1 at Meadow Park Middle School in Beaverton, Ore.

BPA, locals replace trees, boost safety

BPA and a Kennewick, Wash., homeowners' association replaced trees last month that had been removed from the neighborhood greenbelt. BPA removed the trees this winter because of their potential to grow close enough to high-voltage power lines to create a dangerous situation and unplanned power outages.

A BPA contractor, with the cooperation of the homeowners' association, planted 28 shrubs in the BPA right-of-way. "We have to provide safe and reliable power to utilities in the Northwest," said Robin Furrer, vice president, BPA Transmission Field Services. "When meeting this goal involves removing trees on private or public property along our rights-of-way, we make every effort to preserve the natural beauty that existed prior to removal."

BPA and the homeowners' association worked together to identify the replacement trees, red osier dogwoods, which will not interfere with transmission lines when mature.

Replanting trees is not always possible. In some cases, the distance between lines and any kind of tall shrub or tree is not sufficient to maintain safe and reliable operation. Property owners adjacent to BPA rights-of-way should contact BPA before removing and replacing trees or high brush on a BPA right-of-way.

New wind meters now collecting data

Last summer, BPA installed 14 wind meters on its transmission grid to help give a regional picture of wind speeds at any given moment. Those wind meters are now hooked up and providing data. This data, recorded every five minutes, is available at www.transmission.bpa.gov/Business/Operations/Wind/MetData.aspx.

Wind speed and direction, temperature, humidity and barometric pressure data flow from each anemometer's sensors into a small data recorder. BPA's dispatchers in

Vancouver and Spokane, Wash., now know precisely what's happening instantly across the gorge and beyond. And because the data is public, the wind community can use it to develop more accurate wind forecasting models.

By September 2010, BPA dispatchers and schedulers will have display screens of real-time wind generation and next-hour wind forecasts. This system will help match up available wind power resources with the demand for electricity more accurately and in a much shorter timeframe. Increased accuracy in wind power forecasting can help reduce rates and increase reliability.

Ductless heat efforts reap awards

The Electric Power Research Institute presented awards to BPA and Snohomish PUD staff for leadership and significant contributions in promoting the use of ductless heat pump technology in the Northwest.

BPA and Snohomish partnered with the Northwest Energy Efficiency Alliance and other regional utilities to launch a Ductless Heat Pump Pilot Program in 2008. The goal was to install 2,500 ductless pumps as an impetus to transform the residential market and increase ductless-pump use. However, more than 4,000 units have been installed in the region, far exceeding the targets. Ductless heat pump systems use 30 to 50 percent less energy to heat homes than electric-resistance or forced-air systems because no energy is lost through ducts.

BPA offers reimbursements for ductless heat pumps in single-family homes with electric heat. For more information, go to www.bpa.gov/energy/n/DHP.cfm. For information on the Ductless Heat Pump Pilot Program, go to www.goingductless.com/.

Dynamic transfer pilot begins

A recent BPA study indicates some capacity is available on nine key BPA transmission paths that can enable a dynamic transfer pilot project. The agency now will use the business practice it developed over the last few months to allow customers to request use of the available dynamic transfer capability on a pilot basis.

Dynamic transfers allow a utility to remotely control and manage a power plant in another utility's transmission system. The emergence of the large-scale wind fleet has increased interest in use of dynamic transfers to manage wind output.

Requests for dynamic transfer capability for the year beginning July 1, 2010, opened Feb. 15 and close March 19. If requests exceed supply on some transmission paths, BPA will use the priorities and formula in the business practice to assign available dynamic transfer capability.

For more information, go to www.bpa.gov/corporate/WindPower/wit.cfm.

NEW PROJECTS

Walla Walla-Tucannon River Transmission Line Rebuild [Walla Walla and Columbia counties, Wash.]

BPA is proposing to rebuild the 47-mile Walla Walla-Tucannon River 115-kilovolt transmission line. The project calls for replacing wood poles and conductor, road improvements and vegetation removal. The line would continue to operate at 115-kV. BPA will accept comments through April 18 and hold public meetings this month (see calendar of events). BPA will produce a preliminary EA in fall or winter 2010 and hold another comment period. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Walla_Walla-Tucannon_River_Rebuild/.

AGENCY PROJECTS

2012 BPA Rate Proceeding [Regionwide]

BPA will conduct a combined power and transmission rate proceeding, the 2012 BPA Rate Case (BPA-12), to set rates for the FY 2012–2013 period. This rate case is expected to begin in late 2010. BPA will hold a workshop kick-off March 3 to provide a rate-case overview and a proposed near-term workshop schedule and topics (see calendar of events). Other workshops are tentatively scheduled for March 23–25, but check the calendar at www.bpa.gov/corporate/public_affairs/Calendar/. These pre-rate case workshops help BPA customer utilities and others become familiar with and work through cost allocation issues informally before the formal proceedings of the rate case itself. Agendas and handouts will be posted at www.bpa.gov/corporate/ratecase/2012/ in advance of each workshop.

FISH AND WILDLIFE — PROJECTS UNDER REVIEW

Chief Joseph Hatchery Program [Okanogan County, Wash.]

This program, sponsored by the Confederated Tribes of the Colville Reservation, would benefit chinook salmon in the Okanogan subbasin and the Columbia River below Chief Joseph Dam. A final EIS was released in November 2009, and a ROD is expected in spring 2010. The U.S. Army Corps of Engineers is a cooperating agency in the EIS. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/.

Klickitat Hatchery Program EIS [Klickitat County, Wash.]

For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Klickitat_Hatchery_Program/.

Yakama Nation [Mid-Columbia Coho Restoration Project – Chelan and Okanogan Counties, Wash.]

For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Mid-Columbia_Coho_Restoration_Project/.

Northeast Oregon Hatchery Program, Grande Ronde-Imnaha Spring Chinook Hatchery Project [Wallowa County, Ore.]

A ROD authorizing construction, operations and maintenance is planned for spring 2011, after NOAA Fisheries Service's review of the program's Hatchery and Genetic Management Plan. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Grande_Ronde/.

POWER — PROJECTS UNDER REVIEW

Direct Service Industries [Regionwide]

BPA announced recently in a letter to the region that it is delaying release of a ROD regarding whether, and in what amount, either BPA customers or a DSI is entitled to a lookback amount related to funds collected in fiscal years 2007–2011 under BPA rates. The delay is in response to the Aug. 28, 2009, remand from the United States Court of Appeals for the Ninth Circuit and ensuing litigation. The letter is posted at www.bpa.gov/power/pl/regionaldialogue/implementation/correspondence/.

Draft Resource Program [Regionwide]

The draft Resource Program examines the agency's projected power supply needs for 2012–2019 under Regional Dialogue contracts. BPA expects to release a final Resource Program this summer. For information, go to www.bpa.gov/power/P/ResourceProgram/Index.shtml.

TRANSMISSION — PROJECTS UNDER REVIEW

I-5 Corridor Reinforcement Project [Oregon and Washington]

BPA is proposing a new 500-kilovolt transmission line from a new substation near Castle Rock, Wash., to a new substation near BPA's Troutdale Substation, Troutdale, Ore. A scoping summary report was released in February summarizing public comment. A draft EIS is scheduled for spring 2011 followed by another comment period. For information, go to www.bpa.gov/go/i5.

Big Eddy-Knight Transmission Project [Wasco County, Ore., and Klickitat County, Wash.]

BPA is proposing a new 500-kilovolt transmission line between BPA's existing Big Eddy Substation in The Dalles, Ore., and a new substation (Knight) under an existing BPA line near Goldendale, Wash. BPA expects to issue a draft EIS in spring 2010. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Big_Eddy_Knight/.

Albany-Eugene Transmission Line Rebuild [Lane and Linn counties, Ore.]

BPA is proposing to rebuild approximately 32 miles of a 115-kilovolt wood pole transmission line. The line dates to 1940 and is deteriorating. Maintenance is no longer adequate to provide reliable service. The line would be upgraded to the current standard conductor and hardware for 115-kV lines, replacing most double wood-pole structures in the same location. Some wood poles may be replaced with single-pole steel structures. BPA is accepting comments on the proposed project through March 27 and will host an open-house meeting on March 11 in Junction City, Ore., (see calendar of events). BPA will produce a Preliminary EA in fall or winter 2010 and hold another comment period. For information, go to www.bpa.gov/go/albany-eugene.

Bandon-Rogue No.1 Transmission Line Rebuild [Coos and Curry counties, Ore.]

BPA seeks comment on a proposed rebuild of the 115-kilovolt wood-pole Bandon-Rogue line. The 46-mile line extends from the Bandon Substation to the Rogue Substation near Nesika Beach. The project calls for replacing wood poles and conductor, road improvements and vegetation removal. The line would continue to operate at 115-kV. Public meetings were held in February, and BPA

will accept comments through March 19. A preliminary EA is due in fall or winter 2010, followed by another comment period. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Bandon-Rogue_Rebuild/.

Juniper Canyon I Wind Interconnection Project [Klickitat County, Wash.]

Iberdrola Renewables, Inc., has asked BPA to interconnect up to 150 megawatts from the proposed Juniper Canyon I Wind Project. This would require BPA to expand its existing Rock Creek substation to construct an additional 230-kV terminal and install communication and metering equipment. BPA accepted comments on the project through January 30, 2010. For more information, go to www.efw.bpa.gov/environmental_services/Document_Library/Juniper_Canyon_Wind/.

Grand Coulee Dam Line Replacement [Okanogan, Grant and Douglas counties, Wash.]

The Bureau of Reclamation asked BPA to construct six new 500-kilovolt overhead transmission lines at Grand Coulee Dam to replace aging underground lines between the dam's third powerhouse and the 500-kV spreading yard. A Draft EA is scheduled for release in March 2010. BPA will hold a public meeting in Grand Coulee to seek comment on the draft. The final EA is scheduled for May 2010. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Grand_Coulee/.

Whistling Ridge Wind Interconnection Project [Skamania County, Wash.]

BPA is preparing a joint draft EIS with the Washington Energy Facility Site Evaluation Council to be available in spring 2010. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Whistling_Ridge/.

Transmission Services Facility Project [Vancouver, Wash.]

BPA is considering building a new office building on its Ross Complex in Vancouver to meet workspace needs. For information, go to www.efw.bpa.gov/pdf/Transmission_Services_September_2009.pdf.

Central Ferry-Lower Monumental Line Project [Garfield, Columbia and Walla Walla counties, Wash.]

BPA is proposing a new 500-kilovolt transmission line between the new BPA Central Ferry Substation in Garfield County and BPA's Lower Monumental Substation in Walla Walla County, Wash. BPA expects to issue a draft EIS in summer 2010. For information, go to www.bpa.gov/go/centralferry.

Horn Butte Wind Project [Gilliam and Morrow counties, Ore.]

For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Horn_Butte_Wind_Project/.

FISH AND WILDLIFE – PROJECTS UNDER CONSTRUCTION

Lyle Falls Fish Passage Project [Klickitat County, Wash.]

For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Lyle_Falls/.

TRANSMISSION – PROJECTS UNDER CONSTRUCTION

McNary-John Day Transmission Line Project [Sherman and Umatilla counties, Ore., Klickitat and Benton counties, Wash.]

For information, go to www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

Leaning Juniper II-Jones Canyon Substation Expansion Wind Interconnection Project [Gilliam County, Ore.]

For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Leaning_Juniper/.

Palisades-Goshen Transmission Line Reconstruction [Bonneville and Bingham counties, Idaho]

For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Palisades/.

SUPPLEMENT ANALYSES

SA-02 Proposed Lyle Falls Fish Passage Project — Power line rebuild, Klickitat County, Wash., 2/17/10

SA-413 Fairmount-Port Angeles_09 — Jefferson and Clallam counties, Wash., 1/5/10

SA-418 Raver-Paul — Lewis, Thurston and Pierce counties, Wash., 2/1/10

SA-419 Paul-Satsop — Lewis and Thurston counties, Wash., 1/27/10

SA-420 McNary-Ross — Clark and Skamania counties, Wash., 1/25/10

SA-421 Murray-Custer — Snohomish County, Wash., 2/9/10

SA-422 Snohomish-Murray — Snohomish County, Wash., 2/9/10

CALENDAR OF EVENTS

To view BPA's public involvement calendar, go to www.bpa.gov/corporate/public_affairs/Calendar/. For Americans with Disabilities Act accommodations, please call toll free 800-622-4519.

2012 BPA Rate Proceeding kick-off workshop: March 3, 9 a.m. to 2 p.m., Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Albany-Eugene Transmission Line Rebuild open-house: March 11, 4 to 7 p.m., Junction City Community Services Center, 175 West Seventh Ave., Junction City, Ore.

Walla Walla -Tucannon River Transmission Line Rebuild public meetings:

• **March 17, 4 to 7 p.m.**, Walla Walla Parks & Recreation Department Council Chambers (second floor), 315 North Third St., Walla Walla, Wash.

• **March 18, 4 to 7 p.m.**, Dayton Library (Delany Room), 111 South Third St., Dayton, Wash.

CLOSE OF COMMENT

March 19 — Bandon-Rogue No.1 Transmission Line Rebuild

March 27 — Albany-Eugene Transmission Line Rebuild

April 18 — Walla Walla-Tucannon River Transmission Line Rebuild

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.

