



# Journal

November 2010

## Region weighs in on program spending

There's good news in the Integrated Program Review Final Close-Out that BPA has just released. Prior to the IPR process, program level impacts on power rates were thought to be in the neighborhood of 12 to 20 percent. They now appear in the neighborhood of 6 percent.

The Integrated Program Review, which took place over most of this past summer, is a public process that invites customers, interest groups, tribes and other stakeholders to meet with BPA and review program spending levels before these levels go into the 2012 rate case. The rate case kicks off in mid-November.

IPR participants were invited to comment on programs and suggest which programs could be scaled back, accelerated, deferred or dropped entirely. The goal was to reduce rate impacts to the extent possible, given the poor economy, without making cuts so drastic they would imperil a reliable electricity future for the region.

Participants offered many constructive suggestions and clarified their positions. As a result, overall cost reductions amounted to \$53 million for fiscal year 2011 and average cost savings of \$142 million annually for each of the two fiscal years, 2012 and 2013, in the next rate period.

Program levels, however, while significant, are just one factor affecting rates. Other factors include such things as how we deal with revenue losses in fiscal years 2009–2010, the Residential Exchange Program and the direct-service industries. Projected revenues from surplus power sales that substantially impact power rates also will be a factor.

The final information, including a letter signed by Administrator Steve Wright, is posted on BPA's website at [www.bpa.gov/corporate/Finance/IBR/IPR/](http://www.bpa.gov/corporate/Finance/IBR/IPR/).

## New agreement protects habitat

Oregon Gov. Ted Kulongoski and BPA Administrator Steve Wright signed a landmark agreement in late October to jointly protect nearly 20,000 acres of Willamette Basin wildlife habitat — more than twice the area of Oregon's largest state park.

The agreement dedicates stable funding from electric ratepayers for 15 years to cost-effectively safeguard

habitat for many native species such as Oregon's state bird, the Western meadowlark. It supports the governor's Willamette River Legacy and fulfills BPA's responsibility under the Northwest Power Act to offset the impacts of federal flood control and hydropower dams.

"This agreement marks a landmark partnership among federal, state and local governments and organizations," Gov. Kulongoski said. "This agreement allows us to not just maintain the crown jewel of the Willamette Valley — but to restore and enhance habitat for many future generations of Oregonians."

The agreement's signing provides for BPA funding of two major initial habitat acquisitions: purchase of 1,270 acres at the confluence of the Middle and Coast forks of the Willamette River southeast of Eugene by The Nature Conservancy, and a conservation easement on 1,310 acres of forest and other habitat owned by Our Lady of Guadalupe Trappist Abbey near Lafayette. Both should close by the end of October.

## Monmouth gets mammoth makeover

Monmouth Power and Light is launching a campaign to help residential customers save energy, water and money. The entire community is getting energy efficiency products for their homes as trained experts install compact fluorescent light bulbs and energy-saving showerheads at no charge.

This program is part of BPA's Simple Steps, Smart Savings™ promotion and is funded through a partnership with BPA and MP&L. The project will contribute to BPA's other

## Watch us work

**BPA TEAMED UP WITH THE CONFEDERATED TRIBES OF THE WARM SPRINGS INDIAN RESERVATION AND THE CITY OF CASCADE LOCKS, ORE.,** to sponsor the Festival of Nations in late September. See how this celebration of Native American culture and heritage also raised awareness of salmon and river restoration. Go to [www.bpa.gov/go/news](http://www.bpa.gov/go/news), or visit our **Facebook** page and **YouTube** channel.



energy efficiency efforts to save a total of about 180 average megawatts in partnership with its utility customers over the next two years. This work will help BPA achieve the public power share of the aggressive energy efficiency targets contained in Northwest Power and Conservation Council's Sixth Power Plan.

Each ENERGY STAR®-qualified CFL will save about \$30 over its lifetime, according to the U.S. Department of Energy. A CFL bulb uses 75 percent less energy than an incandescent bulb and lasts nearly 10 times longer.

MP&L professionals will replace all applicable sockets with CFLs in each home. With an average of 55 bulbs per home, the savings for the homeowner can really add up. If every Monmouth Power & Light customer replaces five incandescent bulbs with ENERGY STAR® CFLs, it will save approximately 770,000 kilowatt hours. This has the environmental benefit of removing 1,260 cars from the road for a year.

In addition, professionals will swap out up to two showerheads per home. Efficient showerheads can reduce a home's water consumption by up to 50 percent and reduce the water heating energy cost by nearly half.

## **BPA gives old technology a second look**

BPA is testing whether 25-year-old technology can be updated and improved to provide significant electricity savings in the Pacific Northwest. The agency is partnering with the Electric Power Research Institute and 11 utilities in the region as part of a national pilot project for heat pump water heaters.

A heat pump water heater takes the heat from surrounding air and transfers it to an enclosed tank to heat the water, and then it vents the cold exhaust air from the unit. While these water heaters provide great cooling side benefits in hotter regions of the country, these field tests will determine their effectiveness and savings potential in the Pacific Northwest.

About 40 percent of homes in the Northwest have electric water heaters. Considering that water heating accounts for 15 to 20 percent of electric energy use in these homes, substantial savings could be achieved if the water heaters were more efficient. New heat pump water heaters have an energy-savings potential of 50 percent or more.

BPA selected 11 public utilities to participate in the field test involving 40 single-family homes around the region. It's part of a national test involving 160 homes. The projects will determine if the units provide energy efficiency in a real-life setting and how the families feel about the units operating in their homes. In addition, BPA is conducting lab tests to help provide data in a more controlled environment.

Testing will be complete by December 2011. After the test, participants can decide if they want to keep the heat pump water heaters, which were installed at no cost to them.

## **BPA makes annual Treasury payment**

BPA made its 27th consecutive annual payment to the U.S. Treasury — a total of \$864.1 million for fiscal year 2010, which ended Sept. 30. This history of on time and in full payments underscores BPA's financial stability.

BPA's principal source of capital financing is \$7.7 billion in borrowing authority — basically a line of credit — with the U.S. Treasury. BPA uses its Treasury borrowing authority to finance high-voltage transmission, federal hydropower system upgrades, energy efficiency investments, and fish and wildlife projects.

BPA is a self-financed agency that covers its costs with revenues from Northwest ratepayers and others who purchase its wholesale power and transmission products and services. BPA receives no annual appropriations from Congress, and the agency repays borrowing from taxpayers with interest. As part of its fiscal management, BPA has focused on maintaining appropriate reserves to ensure its ability to make its Treasury payments even during economic downturns and low water conditions.

## **La Niña could bring heavy snowpack**

La Niña has arrived in the Pacific Northwest, bringing cooler, wetter weather and possibly high winds and ice storms. The side effects of La Niña's weather patterns could make power use rise in some areas, but it might also mean an end to the low snowpack seen in recent years.

Increased snow pack would be good news for the Pacific Northwest because water fuels the hydro system. In summer, the fuel largely comes in the form of snow melting from the mountains. In a good year, there is enough snow to provide more hydropower than BPA needs to serve its preference customers. Any power surplus to the needs of the Northwest is sold to other markets.

Thanks to El Niño, snowpack the past two winters has been significantly below average, so revenues from surplus sales have fallen short of expectations.

According to the National Oceanic and Atmospheric Administration, La Niña is characterized by unusually cold ocean temperatures in the Pacific Ocean, near the equator, compared to El Niño, which is characterized by unusually warm ocean temperatures in that area. This happens because, during La Niña, the easterly trade winds strengthen, reducing sea-surface temperatures along the equator as much as seven degrees Fahrenheit below normal. The El Niño/La Niña weather pattern switches back and forth every three to four years on average, and that includes a transition or neutral period.

# Public Involvement [Updates & Notices]

## AGENCY PROJECTS

### Quarterly Business Review [Regionwide]

BPA will host the Quarterly Business Review Nov. 2 (**SEE CALENDAR**). BPA staff will provide financial highlights of FY 2010, review 4th quarter results and look forward to FY 2011 start of year projections. A few days before the meeting, an agenda and other materials will be posted at [www.bpa.gov/corporate/Finance/IBR/QBR/](http://www.bpa.gov/corporate/Finance/IBR/QBR/).

### 2012 BPA Rate Proceeding [Regionwide]

BPA will conduct a combined power and transmission rate proceeding, the 2012 BPA Rate Case, to set rates for the fiscal year 2012–2013 period. BPA intends to hold the Prehearing Conference Nov. 19 (**SEE CALENDAR**). For information, go to [www.bpa.gov/corporate/ratecase/2012/](http://www.bpa.gov/corporate/ratecase/2012/).

### Energy Efficiency post-2011 proposal [Regionwide]

Five workgroups are working to provide recommendations to BPA on the implementation of energy efficiency programs. BPA will consider these recommendations and make a proposal available for public comment, which will provide guidance to BPA on program implementation. For information, go to [www.bpa.gov/Energy/IN/post-2011/](http://www.bpa.gov/Energy/IN/post-2011/).

## FISH AND WILDLIFE – PROJECTS UNDER REVIEW

### Klickitat Hatchery Program EIS [Klickitat County, Wash.]

For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Klickitat\\_Hatchery\\_Program/](http://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/](http://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.]

For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Grande\\_Ronde/](http://www.efw.bpa.gov/environmental_services/Document_Library/Grande_Ronde/).

## POWER – PROJECTS UNDER REVIEW

### Residential Exchange Program settlement [Regionwide]

A broad group of consumer-owned utilities and their representatives, the region's investor-owned utilities, representatives of three state utility commissions, and the Citizens' Utility Board of Oregon reached an agreement in principle in October that may lead to settlement of long-standing disputes involving the Residential Exchange Program. Parties continue to work together to draft the binding Settlement Agreement, which may be complete by the end of the year.

### Residential Exchange Program Compliance Review [Regionwide]

BPA accepted public comments on proposed language for new Residential Exchange Program protocols relating to the Compliance Review Program and is close to offering contract amendments with the revised language. The relevant protocols relating to the Compliance Review Program will be included as part of the REP Settlement Agreements and, as such, may become subject to the settlement negotiations. The Compliance Review Program protocols assure that REP benefits claimed by participating utilities are correct and that the

benefits are consistently and appropriately passed through to eligible residential and small-farm consumers. Under the proposed protocols, BPA will require exchanging utilities to coordinate directly with external auditors to show that the amounts invoiced and benefits received have been distributed according to the Residential Purchase and Sale Agreement and Load Eligibility Guidelines as outlined in their contracts with BPA. For information, go to [www.bpa.gov/corporate/finance/ascm/letters.cfm](http://www.bpa.gov/corporate/finance/ascm/letters.cfm).

### Alcoa's request for contract extension [Regionwide]

BPA has made a final decision on Alcoa Inc.'s written request to extend the Initial Period of its Dec. 21, 2009, block power sales contract by up to 12 months. After conducting an equivalents benefit test and careful review of public comments submitted, BPA has decided to extend the non-contingent portion of Alcoa's contract by 12 months. The current term of the Initial Period of the Alcoa Contract runs through May 26, 2011, but BPA's decision will now provide for an Extended Initial Period which runs through May 26, 2012. Alcoa currently buys 320 average megawatts of power at the Industrial Firm (IP) power rate. For information, go to [www.bpa.gov/power/pl/regionaldialogue/implementation/Documents/DSI.SHTML](http://www.bpa.gov/power/pl/regionaldialogue/implementation/Documents/DSI.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. BPA expects to release preliminary design information this month for proposed tower locations and rights-of-way for each proposed segment. Updated maps will be on the project website. A draft EIS is scheduled for fall 2011 followed by a formal comment period. For information, go to [www.bpa.gov/go/i5](http://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 this fall. For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Big\\_Eddy-Knight/](http://www.efw.bpa.gov/environmental_services/Document_Library/Big_Eddy-Knight/).

### Central Ferry-Lower Monumental Transmission 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. For information, go to [www.bpa.gov/go/centralferrylomo](http://www.bpa.gov/go/centralferrylomo).

### Hooper Springs Transmission Project [Caribou County, Idaho]

BPA is proposing a new 115-kilovolt transmission line and a new 138/115-kV substation, called Hooper Springs Substation, in Caribou County, Idaho. For information, go to [www.bpa.gov/go/hoopersprings](http://www.bpa.gov/go/hoopersprings).

### 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 agency will produce a preliminary EA this fall or winter. For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Walla\\_Walla-Tucannon\\_River\\_Rebuild/](http://www.efw.bpa.gov/environmental_services/Document_Library/Walla_Walla-Tucannon_River_Rebuild/).

## **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 agency will produce a preliminary EA this fall or winter. For information, go to [www.bpa.gov/go/albany-eugene](http://www.bpa.gov/go/albany-eugene).

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

BPA is proposing to rebuild the 115-kilovolt wood-pole Bandon-Rogue line. The agency will produce a preliminary EA this fall or winter. For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Bandon-Rogue\\_Rebuild/](http://www.efw.bpa.gov/environmental_services/Document_Library/Bandon-Rogue_Rebuild/).

## **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. BPA expects to release a draft EA this winter. For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Grand\\_Coulee/](http://www.efw.bpa.gov/environmental_services/Document_Library/Grand_Coulee/).

## **Juniper Canyon II Wind Interconnection Project [Klickitat County, Wash.]**

Iberdrola Renewables, Inc., asked BPA to interconnect up to 101 megawatts from the proposed Juniper Canyon II Wind Project. To interconnect the project, BPA would build a new substation, the Wood Creek Substation, along an existing BPA transmission line near Roosevelt, Wash. BPA will complete a ROD this fall or winter. For information, go to [www.bpa.gov/go/junipercanyonII](http://www.bpa.gov/go/junipercanyonII).

## **Radar Ridge Wind Project Interconnection [Pacific County, Wash.]**

Energy Northwest asked BPA to interconnect up to 82 megawatts of power generated from the proposed Radar Ridge Wind Project in Pacific County, Wash. The U.S. Fish and Wildlife Service will complete an EIS, and BPA will serve as a cooperating agency under NEPA. For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Radar\\_Ridge\\_Wind\\_Project/](http://www.efw.bpa.gov/environmental_services/Document_Library/Radar_Ridge_Wind_Project/).

## **Whistling Ridge Energy Project [Skamania County, Wash.]**

BPA and the Washington Energy Facility Site Evaluation Council accepted comments on a joint draft EIS. BPA and EFSEC will address the comments in the final EIS, expected in spring 2011. For information, go to [www.bpa.gov/go/whistling](http://www.bpa.gov/go/whistling).

## **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/](http://www.efw.bpa.gov/environmental_services/Document_Library/Horn_Butte_Wind_Project/).

## **Antelope Mountain Communication Project [Deschutes County, Ore.]**

BPA proposes to construct a new 616 square-foot communications building and 80-foot microwave tower at the Antelope Communications Site on Pine Mountain near Bend, Ore. BPA is waiting for approval from the U.S. Forest Service to begin construction. For information, go to [www.bpa.gov/corporate/public\\_affairs/docs/2010/](http://www.bpa.gov/corporate/public_affairs/docs/2010/).

## **Transmission Services Facility Project [Vancouver, Wash.]**

BPA is conducting a feasibility study on building a new office building on its Ross Complex in Vancouver, Wash., to meet workspace needs.

BPA will produce a preliminary EA this fall or winter. The feasibility study is expected to be complete by early 2011. For information, go to [www.efw.bpa.gov/pdf/Transmission\\_Services\\_September\\_2009.pdf](http://www.efw.bpa.gov/pdf/Transmission_Services_September_2009.pdf).

## **FISH AND WILDLIFE – PROJECTS UNDER CONSTRUCTION**

### **Chief Joseph Hatchery Program [Okanogan County, Wash.]**

For 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.]**

For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Lyle\\_Falls/](http://www.efw.bpa.gov/environmental_services/Document_Library/Lyle_Falls/).

## **TRANSMISSION – PROJECTS UNDER CONSTRUCTION**

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

For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Juniper\\_Canyon\\_Wind/](http://www.efw.bpa.gov/environmental_services/Document_Library/Juniper_Canyon_Wind/).

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

For information, go to [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/default.cfm?page=albe](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/default.cfm?page=albe).

### **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/](http://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/](http://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/](http://www.efw.bpa.gov/environmental_services/Document_Library/Palisades/).

## **CALENDAR OF EVENTS**

To view BPA's public involvement calendar, go to [www.bpa.gov/go/calendar](http://www.bpa.gov/go/calendar). For Americans with Disabilities Act accommodations, please call toll free 800-622-4519.

### **Quarterly Business Review:**

- **Nov. 2**, 1 to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

### **2012 BPA rate proceeding prehearing conference:**

- **Nov. 19**, 9 a.m. to noon, 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](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.