

Journal

February 2011

Experts to seek alternatives to I-5 build

BPA will reconvene an expert panel to evaluate a recent report suggesting that aggressive energy efficiency measures and other actions could delay the need for a new power line on the I-5 Corridor in southwest Washington.

Consistent with the report's recommendations, BPA will continue environmental review and maintain its current schedule for a decision on the I-5 Corridor Reinforcement Project. If the measures are not feasible, BPA would face tight deadlines to complete the power line in time to ensure reliable delivery of electricity to the Portland/Vancouver area.

The Non-Wires Solutions Round Table, an independent group of energy experts and utility leaders, was created in 2003 to see if there were alternatives to building transmission lines.

In 2010, BPA commissioned an independent analysis of non-wires alternatives to its proposed I-5 Corridor Reinforcement Project. BPA received the report in January from Energy and Environmental Economics, Inc., a San Francisco-based engineering firm that specializes in electricity markets.

The report includes an updated electricity demand forecast acknowledging the severe recession's downward impact. It suggests that aggressive energy efficiency and the potential to temporarily shift where power is generated when the transmission system is stressed could delay the need to construct a new line. However, the report emphasizes that the non-wires options remain unproven and uncertain, so they will be examined in a more detailed study to test their feasibility.

Results of that more in-depth analysis are expected sometime this summer. The findings will be released to the public when complete and will be documented in the I-5 Corridor Reinforcement Project draft environmental impact statement examining project alternatives. The draft EIS is scheduled for release this fall.

For more information, go to www.bpa.gov/corporate/i-5-eis/.

Economy, climate change drive BPA strategy

BPA has released its FY 2011 Strategic Direction brochure. A driving force behind this year's strategy is the state of the economy, which has underscored the need to keep rates low while delivering on the agency's mission. Climate change uncertainty is the other major driver.

BPA is placing a major emphasis on energy efficiency and renewables facilitation while also seeking to understand the potential impacts of climate change on its fuel supply.

To facilitate the integration of renewable energy, BPA is focusing on strengthening the transmission system and adding "smart" technologies, such as the smart grid pilot project that began in 2010 to shift water heater energy use to a time when energy consumption is low.

The key agency targets outlined in the Strategic Direction brochure are designed to keep the agency on the track to provide the value of the Columbia River system to the Pacific Northwest. Four new targets were added this year.

- Establish new wholesale power and transmission rates for fiscal years 2012–2013. BPA needs to balance near-term cost reductions while making the investments necessary to maintain the value of Northwest hydropower and transmission assets for the region.

Watch us work

SEE HOW WATER USERS, AGENCIES AND LOCAL CONSERVATION DISTRICTS are collaborating on Manastash Creek in the Yakima Basin so both fish and farmers get the water they need.

EVER WONDER HOW LED LIGHTS compare to traditional lights?

Go to www.bpa.gov/go/news, or visit our **Facebook** page and **YouTube** channel to learn more.



- Implement a talent management strategy to develop and maintain a BPA workforce that is the right size with the right skills, working in the right environment to deliver on BPA business outcomes.
- Evaluate pumped storage applications in the region as a tool to balance system load by providing reserve capability to balance intermittent wind generation.
- Participate in ongoing regional smart grid initiatives, the five-year Pacific Northwest Smart Grid Demonstration Project and the Western Electricity Coordinating Council synchrophasor demonstration project.

To view the FY 2011 Strategic Direction Brochure, go to www.bpa.gov/corporate/about_BPA/Strategy.cfm.

BPA strives for fuel, money savings

BPA Fleet has more than \$85 million invested in assets that range from gas-sipping hybrid passenger sedans to monstrous all-wheel drive line trucks. Fleet’s job is to make sure the people of BPA can get to and from work sites all over the Northwest in all kinds of conditions while ensuring the agency gets the full value out of these vehicle investments.

At the same time, Fleet is working to be more efficient — both organizationally as well as with the individual vehicle assets it manages. The agency’s sustainability plan, for example, calls for reducing petroleum use 20 percent by 2020.

To reduce fuel use, BPA has leased or purchased hybrids, has flex fuel vehicles that use E85 gasoline biofuel and is looking to update the fleet with plug-in electric vehicles. BPA not only needs the right mix of vehicles but the vehicles also need to be in the right locations.

For example, gasoline and diesel biofuels are only available for purchase in certain areas of the Northwest, so we wouldn’t want to place those biofuel-enabled vehicles in areas where these fuels aren’t available. Plug-in electric vehicles travel a specific set of miles on each charge, so their use would only be appropriate for short distances, such as in highly urbanized areas where short-duration trips are the norm.

Strong chum returns boost spawning

Lower Columbia River chum salmon finished spawning in late December, and returns look good for the threatened species this year. Biologists counted well over 500 chum salmon nests, called redds, in the mainstem below Bonneville Dam.

Chum don’t spend much time in the river; they hatch and leave for the ocean right away. They spawn below the dams and are not affected by dam passage. They are harvested almost solely in the ocean.

Also, unlike Chinook salmon, large numbers of returning chum may dig redds close to each other, making it impossible to identify individual redds. The counting crews simply identify these as mass redds. There were lots of mass redds this year, in several of the spawning areas.

Operators manage the water elevations and flow levels below Bonneville Dam from early November through early April to help the chum spawn safely. This year, they began additional water releases from Bonneville Dam on Nov. 1 to encourage the females to place their redds at an elevation that could be maintained through early April. The first redds were spotted at Ives Island Nov. 2.

In late December, when no more new redds were showing up in spawning surveys, federal agencies consulted with tribes and states to decide on the elevation and flow levels that would best keep the redds covered while also refilling reservoirs to boost flows for other migrating salmon in the spring. Operators will continue to monitor redd temperatures and manage flows below Bonneville to keep the redds covered until early April when the chum fry will finish emerging.

Alcoa to add 60 jobs

Alcoa Intalco Works announced Jan. 7 that it is preparing to restart a portion of idled capacity at its Ferndale, Wash., aluminum smelter almost immediately. The restart will be met in part by the existing sale of BPA power to the facility, with the bulk coming from market purchases. The restart is expected to be complete by April and, according to the company, would create 60 direct “family wage” jobs.

Intalco, a direct-service industry, is currently operating under a 17-month power contract with BPA while waiting for additional clarity from the U.S. Court of Appeals for the Ninth Circuit that it considers the sale consistent with sound business principles. The current power contract provides 320 megawatts at the Industrial Power rate.

Under the Northwest Power Act of 1980, certain electricity intensive industries were allowed to buy wholesale power directly from BPA. At one time there were 11 smelters in the region, consuming a third of BPA’s power. Prior to 1995, DSI contracts totaled over 3,000 average megawatts. Contracts were reduced to 1,500 a MW in 2002. Over the same period, service to public utilities grew significantly. As DSI contracts shrank, disagreements arose in the region about whether BPA should continue to serve the companies.

BPA took the position that providing limited, capped benefits to the region’s DSIs strikes a careful balance between retaining jobs in economically depressed areas and minimizing cost impacts to public preference customers. BPA noted that the benefits do not guarantee the aluminum companies will operate, but they improve the likelihood that the smelters’ power costs will be low enough for them to continue operating.

Public Involvement [Updates & Notices]

AGENCY PROJECTS

Overgeneration draft record of decision [Regionwide]

BPA expects to send out a draft record of decision addressing its approach to overgeneration and environmental redispatch in early February. BPA will seek public comment and feedback from customers and stakeholders during a three-week comment period. The agency expects to hold at least one more public workshop on overgeneration and ER during this comment period. BPA also expects to distribute a peer-reviewed analysis of the financial impact of future overgeneration events during February. For information, go to www.bpa.gov/corporate/AgencyTopics/ColumbiaRiverHighWaterMgmt/.

2012 BPA Rate Proceeding [Regionwide]

Interested parties who are not parties to the rate case may provide public comment through Feb. 18 at www.bpa.gov/comment. BPA expects to issue a single draft record of decision for power and transmission rates in June and a final ROD in July. Rates will go into effect Oct. 1, 2011. For information, go to www.bpa.gov/corporate/ratecase/2012/.

Energy Efficiency post-2011 Phase 2 implementation proposal [Regionwide]

Five workgroups provided recommendations to BPA on the implementation of energy efficiency programs as part of Phase 2 of the Post-2011 process. BPA considered these recommendations and in January released a proposal that will provide guidance to BPA on program implementation. BPA is accepting public comments on the proposal through Feb. 14. BPA held a series of public meetings in January. For information, go to www.bpa.gov/Energy/N/post-2011/.

IPR process improvement [Regionwide]

Since 2008, BPA has conducted two extensive Integrated Program Review processes and one abbreviated IPR2 process to review the agency's proposed program cost levels. We are revisiting the IPR process to ensure it meets our customers' needs. If you have participated in the IPR, please take a moment to complete one of two 10-minute electronic surveys, selecting the survey most relevant to your participation (general manager or technical staff). The surveys will be available through Feb. 11 at www.bpa.gov/corporate/Finance/IBR/IPR/ (select "IPR process improvement survey"). BPA also is planning to host a focus group in March on the IPR process; there is an area in the survey to indicate your desire to participate in the discussion. If you have questions, contact IPR external process manager Mary Hawken at 503-230-3421, or your Power or Transmission Customer Account Executive, Tribal AE or Constituent AE.

FISH AND WILDLIFE – PROJECTS UNDER REVIEW

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.]

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

Klickitat Hatchery Program [Klickitat and Yakima counties, Wash.]

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

POWER – PROJECTS UNDER REVIEW

REP-12 Rate Proceeding

BPA published Dec. 16 a notice in the Federal Register announcing the commencement of the Residential Exchange Program Settlement Agreement Proceeding (REP-12). The Federal Register notice summarizes the REP-12 initial proposal. BPA is conducting the formal rate proceeding to review the terms and conditions of a proposed 17-year settlement of REP issues prior to determining whether to implement the terms of the settlement in the agency's 2012–2013 power rates. Settlement would resolve the litigation over the current REP in exchange for a defined stream of REP benefits to the investor-owned utilities and a defined payment obligation for the agency's preference utilities. For information, go to www.bpa.gov/corporate/ratecase/current.cfm. Interested parties who are not parties to the rate case may provide public comment through March 15 at www.bpa.gov/comment.

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 sought analysis of measures that might allow us to delay construction of the project. Although no decision to postpone has been made, these measures will undergo further study and results will be shared later this year. A draft EIS is scheduled for fall 2011 followed by a formal comment period. For information, go to www.bpa.gov/go/i5.

Creston-Bell Transmission Line Rebuild [Lincoln and Spokane counties, Wash.]

BPA is proposing to rebuild approximately 54 miles of a 115-kilovolt wood pole transmission line. This project would help maintain safe and reliable service in the area by replacing wood poles and the transmission wires that have gradually deteriorated due to exposure to the elements and normal wear and tear. In the coming months, BPA will hold public meetings in Spokane and Davenport, Wash., to accept public comment and answer questions about the proposal.

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 issued the proposed project draft EIS in December and accepted public comment through Jan. 28. The final EIS is expected to be released in early summer, followed by a ROD in late summer. 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. A draft EIS is expected in summer 2011. For information, go to www.bpa.gov/go/albany-eugene.

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. A final EIS is expected in February 2011. For information, go to 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.

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 winter. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Walla_Walla-Tucannon_River_Rebuild/.

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 winter. For information, go to 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 power-house and the 500-kV spreading yard. An EA is expected in early spring 2011, and BPA will open a public comment period and hold a public meeting in Grand Coulee, Wash. For information, go to www.bpa.gov/go/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 winter. For information, go to www.bpa.gov/go/junipercanyonII.

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

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

Whistling Ridge Energy Project [Skamania County, Wash.]

For information, go to 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/.

Antelope Mountain Communication Project [Deschutes County, Ore.]

For information, go to www.bpa.gov/corporate/public_affairs/docs/2010/.

Transmission Services Facility Project [Vancouver, Wash.]

For information, go to 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/.

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

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

For information, go to 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.

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/.

CALENDAR OF EVENTS

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

CLOSE OF COMMENT

- **Feb. 14**, Energy Efficiency Post-2011 implementation proposal
- **Feb. 18**, 2012 BPA Rate Proceeding

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.

