



Journal

May 2011

BPA prepares for high runoff

The Columbia River system could see more runoff this spring than it has in a decade. It will also likely see more wind generation than it has seen before. That's a good thing for the region, which is powered by plentiful natural resources. But it could pose unique challenges for dam operators, whose goal is to operate the hydro system reliably and keep water conditions safe for fish. BPA is taking steps now to help it achieve these goals, should the forecasts prove accurate.

Depending on when and how quickly the snowpack melts, BPA could at times end up with more water for the hydro system than it needs. Power systems rely on a constant balance of energy production and consumption. So when faced with a surplus, BPA must either reduce generation or find consumers to absorb the extra power.

At the same time, BPA's integration of renewable resources has greatly increased the amount of generation that may be online during high runoff, increasing the frequency and magnitude of overgeneration conditions.

Spill is one tool BPA uses to balance generation and consumption — and spill often helps young fish migrate downriver. But too much spill can lead to excessive levels of dissolved gas in the rivers, which can harm fish. So BPA is taking additional measures.

Since spring runoff began April 1, BPA has:

- Adjusted non-essential maintenance on transmission lines so that maximum capacity is available to carry large amounts of power to consumers.
- Deferred non-essential hydro generation outages and maintenance activities.
- Executed contracts with other power producers to sell low-cost federal hydroelectric power.
- Implemented spill at federal hydro projects within prevailing water quality standards.
- Operated Grand Coulee Dam inefficiently at night when power consumption is lowest.

- Asked Energy Northwest to begin a refueling outage of Columbia Generating Station — the region's only nuclear plant — several days earlier than planned, reducing the generation feeding BPA's transmission system by about 1,000 megawatts.
- Sold significant amounts of energy at zero cost.

BPA has worked with thermal generators to reduce fossil-fuel generation when necessary to avoid excess power. But given the amount of snowpack this year, the agency may have to reduce wind generation as well.

In February, BPA sought public comment on a proposal to protect fish and maintain system reliability during high runoff by temporarily replacing non-federal generation in the region with free federal hydropower. Because wind producers may lose production tax credits or renewable energy credits when wind power is replaced with federal hydropower, BPA has not yet announced a decision on the proposal.

The agency received significant comment on its proposal and is determining the appropriate course of action. In the interim, the agency continues to do what it can and consult with other regional utility leaders to minimize the risk of excess generation.

Watch us work

SEE HOW a new culvert is giving salmon access to a historic tidal marsh.

LEARN HOW federal agencies use science and spill to help fish migrate to the ocean.

FIND OUT HOW you can define the future of energy. If you're looking for a challenging, exciting career in energy, BPA is the perfect place for you.

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



Monmouth gets efficiency makeover

BPA and Monmouth Power & Light have teamed up to help local residents in Monmouth, Ore., 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.

With an average of 55 bulbs per home, the savings for each homeowner can add up. If every Monmouth Power & Light customer replaces five incandescent bulbs with ENERGY STAR® CFLs, that will save approximately 770,000 kilowatt hours of electricity.

This energy saving initiative is part of BPA's Simple Steps, Smart Savings™ promotion and is funded through a partnership with BPA and the Monmouth utility.

BPA seeks open season improvement

BPA has offered nearly 7,000 megawatts of new transmission service in three years thanks largely to Network Open Season, its groundbreaking initiative to satisfy its queue for transmission requests. But the agency's aggressive pace to expand the transmission system and fulfill those requests may not be sustainable. That's one reason BPA will delay the next Network Open Season, originally scheduled to start in June.

The delay will give the agency a chance to conduct a regional discussion about its current transmission policies and whether they continue to meet the evolving transmission needs of the region.

"In many ways, Network Open Season exceeded our expectations," says Cathy Ehli, Vice President of Transmission Marketing and Sales. "But before we make another round of significant transmission investments, it's essential to — as a region — examine what we've accomplished and determine whether we're on the right track as we move forward."

BPA designed Network Open Season to help relieve its backlogged transmission queue and get transmission service to requestors in a more predictable, efficient manner. Before 2008, BPA studied each request on a first-come, first-served basis, which had become unmanageable. In Network Open Season, BPA studies a group (cluster) of requests at once, gaining a clearer picture of the net impacts of all service requests to the network.

Because wind generation figures heavily in future transmission expansion, BPA is reconvening the Northwest Wind Integration Forum, a group co-sponsored by BPA and Northwest Power and Conservation Council. The Wind Integration Forum steering committee will lead a regional discussion and produce recommendations on how to best integrate more wind energy in the region.

In a coordinated process, BPA will lead a Network Open Season discussion with its stakeholders to consider more effective transmission planning.

The regional dialogue facilitated by the Northwest Wind Integration Forum steering committee will influence the length of the Network Open Season delay. Forum meetings are expected to begin in June. The results of public meetings with customers will also help define the length of the Network Open Season delay.

During the delay, BPA will continue to evaluate all long-term firm transmission service requests per its current methodology. BPA will offer capacity as it is available.

Port Townsend contract saves jobs

The largest private employer in Port Townsend, Wash., will stay that way, thanks to a new wholesale power contract with BPA. The new contract will provide more than two years of low-cost federal power to Port Townsend Paper Corporation, saving 300 family-wage jobs in a community of 8,300 residents.

"This is a really good outcome for everyone involved," says BPA Administrator Steve Wright. "While Port Townsend Paper, its employees and the local economy benefit from the purchase of BPA's low cost power, it also makes good business sense for our other ratepayers because the net benefits from serving Port Townsend Paper exceed the cost of service."

In the new contract, which runs through Aug. 31, 2013, BPA will continue to provide the paper plant with 20.5 average megawatts at BPA's Industrial Power rate. That amount of electricity is enough to power more than 17,000 homes for a year.

Just like the current contract between Port Townsend Paper and BPA, the service period of the new contract is limited by a 2009 U.S. Court of Appeals for the Ninth Circuit decision. The Court ruled that contracts with direct-service industries (certain electricity-intensive industries that are allowed to buy wholesale power directly from BPA) must be consistent with sound business principles. In other words, the benefits to BPA of serving the direct-service industry must equal or exceed BPA's cost of serving their energy needs during the period of service.

BPA's most recent analysis, called an equivalent-benefits test, indicated that service can be provided through at least August 2013 while continuing to benefit BPA and its ratepayers. Port Townsend Paper has a recurring option to request that BPA conduct another equivalent-benefits test to determine if the contract can be extended.

Public Involvement [Updates & Notices]

AGENCY PROJECTS

Environmental redispach [Regionwide]

BPA continues to seek and evaluate alternatives to environmental redispach, a last-resort protocol the agency proposed in February to protect fish and maintain system reliability during overgeneration. BPA announced its intent to issue a decision on environmental redispach comments on the draft policy, BPA determined it was not in the region's best interest to make a decision at this time. Since early April, the agency has worked closely with stakeholders in the region to find long-term solutions to this issue. BPA is hosting regular conference calls each Friday from 1 to 2 p.m., to update interested parties on system conditions through the spring runoff period. Check the BPA event calendar at www.bpa.gov/go/calendar for phone bridge information. For more information, go to www.bpa.gov/corporate/AgencyTopics/ColumbiaRiverHighWaterMgmt/.

Quarterly Business Review [Regionwide]

BPA will hold its Quarterly Business Review May 3. BPA staff will present and discuss financial results through March 31 and the FY 2011 second quarter forecast. BPA will post a final agenda and presentation materials at www.bpa.gov/corporate/finance/ibr/qbr. [SEE CALENDAR]

FISH AND WILDLIFE – PROJECTS UNDER REVIEW

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

BPA is planning to release a draft EIS in June 2011. 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.]

BPA is planning to release a Draft EIS in early summer 2011. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Klickitat_Hatchery_Program/.

POWER – PROJECTS UNDER REVIEW

Port Townsend Paper contract [Regionwide]

BPA signed a new power sales contract for service to Port Townsend Paper Corporation and released the supporting ROD in April. The short-term contract will provide 20.5 average megawatts of firm power to the paper plant from June 1, 2011, through Aug. 31, 2013, allowing the company to operate while BPA awaits additional clarity from the courts on the scope of the contracts it can provide direct service industries. BPA will serve Port Townsend Paper under the current rates until Oct. 1, when the power would be priced at the Industrial Firm Power rate that will be in effect in the FY 12-13 rate period. BPA's existing block power sales contract with Port Townsend expires in May 2011. The ROD and its attachments are posted at www.bpa.gov/corporate/pubs/RODS/2011/. The contract is at www.bpa.gov/power/pl/regionaldialogue/implementation/Documents/DSI.SHTML.

Residential Exchange Program [Regionwide]

BPA sent a revised Residential Exchange Program settlement agreement April 22 to its customers and others for their consideration and action. Representatives of BPA's investor-owned utility customers, the majority

of BPA's consumer-owned utility customers and trade associations, the Citizens Utility Board — an IOU consumer organization — and IOU regulators decided to send a revised agreement after the first proposed REP Settlement Agreement failed to achieve the 91 percent of BPA preference customer Transition High Water Mark threshold needed by April 15. The revised agreement incorporates all the provisions of the original agreement except for the later deadline for signatures — June 3 — and lower threshold of BPA preference customer transition high water mark — 75 percent. Signatures on the earlier agreement are no longer valid. If the settlement agreement reaches the new 75 percent threshold, the REP-12 proceeding will continue. The proceeding will, among other things, evaluate whether the terms and conditions of the proposed settlement are reasonable and consistent with BPA's statutory requirements, with the BPA administrator making his final decision of whether to sign the agreement in July. The revisions to the REP settlement agreement do not change BPA's staff assessment of the REP settlement or the staff recommendation that the administrator adopt the proposed REP settlement. BPA's ex parte rules prohibit BPA employees from engaging in off-the-record communications with non-BPA/DOE staff on this 7(i) proceeding. The revised agreement is posted at www.bpa.gov/secure/RateCase/openfile.aspx?fileName=Notice+of+Posting++Proposed+Form+of+Revised+REP+Settlement+Agreement.pdf&contentType=application%2fpdf.

TRANSMISSION – PROJECTS UNDER REVIEW

Open Access Transmission Tariff [Regionwide]

BPA is hosting a series of customer workshops on transmission tariff issues. The next workshop will be held in May. The date is to be determined. Check BPA's event calendar at www.bpa.gov/go/calendar.

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

BPA expects to release an EA and open a comment period May 2 on its proposal to design and construct six new 500-kilovolt overhead transmission lines at Grand Coulee Dam. The Bureau of Reclamation asked BPA to complete the project to replace aging underground lines between the dam's third powerhouse and the 500-kV spreading yard. The comment period will close June 10. Reclamation and BPA will hold a public meeting May 18. For information, go to www.bpa.gov/go/coulee/. [SEE CALENDAR]

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 released a preliminary EA in February for public review and comment through March 11. BPA will produce a final EA and a decision in May 2011. For information, go to www.efw.bpa.gov/environmental_services/Document_Library/Bandon-Rogue_Rebuild/.

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

BPA will build a new 500-kilovolt transmission line between BPA's Central Ferry Substation in Garfield County and BPA's Lower Monumental Substation in Walla Walla County, Wash. BPA released the ROD in March. Construction could begin this spring. For information, go to www.bpa.gov/go/centralferrylomo.

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 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 accepted comments in April on the proposed rebuild of approximately 54 miles of 115-kilovolt wood pole transmission line. The agency held public meetings in March. For information, go to http://efw.bpa.gov/environmental_services/Document_Library/Creston_Bell/.

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. The final EIS is expected in early summer, followed by 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.

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

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/juniper canyon ii.

Radar Ridge Wind Project Interconnection [Pacific County, Wa sh.]

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.

Quarterly Business Review

- **May 3**, 1 to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Grand Coulee Dam Line Replacement public meeting

- **May 18**, 4 to 7 p.m., Coulee Dam Town Hall, 300 Lincoln Ave., Coulee Dam, Wash

CLOSE OF COMMENT

- **June 10**, Grand Coulee Dam line replacement

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.

