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A PUBLICATION FROM THE BONNEVILLE POWER ADMINISTRATION

Journal

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August 1997



Wind turbines similar to the ones at the soon-to-be constructed [Wyoming Wind Project](#)

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How you can get involved

Hardy resigns for family reasons

On July 30, BPA Administrator Randy Hardy submitted his resignation to Deputy Secretary of Energy Elizabeth Moler effective Oct. 1. Hardy has been commuting to Portland from Seattle where his wife and 4-year-old son live. Hardy decided to resign because he did not want to be an absentee father and husband.

Hardy came to BPA at a time that many believe has been the agency's most challenging decade, a time when BPA was forced to confront enormous change and redefine its role in a newly deregulated electricity industry. He led the agency's transition into the competitive era, turning BPA from what many perceived as a slow-moving bloated bureaucracy into a leaner, quicker agency equipped to survive in a fast-moving competitive marketplace.

To do this, Hardy took steps that many considered would have been impossible at the time. He cut BPA's projected budgets through 2000 by \$600 million annually and reduced staff and contractor levels by 20 percent. He achieved the first stabilization of soaring fish and wildlife costs, by securing an Administration and regional agreement to stabilize the costs at a predictable level for five years.

He called for and got the Washington Public Power Supply System to terminate two uncompleted nuclear projects.

He led BPA through a Competitiveness Project that saw a reorganization across all levels, ultimately giving BPA a necessary strong customer focus. The reorganization created account executives to deliver personal service directly to customers, who previously had to wade through what they considered a "central office bureaucracy."

Under Hardy's leadership, BPA voluntarily opened up its transmission system to provide equitable access to all transmission customers and was the first federal agency to develop an on-line, real-time information network for transmission scheduling, availability and rates.

He was committed to meeting the region's Tribes on a sovereign-to-sovereign basis. Under his guidance, BPA was the first federal agency in the region to develop a Tribal Policy that affirmed respect for the Tribes and acknowledged their sovereign status.

Under Hardy's tenure, BPA successfully renegotiated power sales contracts with all direct service industry and public utility customers, ensuring the revenue stability to meet its public purposes at least through 2001, thus giving the region a grace period to approach utility restructuring with careful planning, rather than reacting to an emergency.

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BPA plans to buy wind energy

BPA recently signed an agreement with PacifiCorp and the Eugene Water & Electric Board to buy 37 percent of the output of a 41.4 megawatt wind turbine project to be located at the Foote Creek Rim near Arlington, Wyo. The agreement is part of BPA's continuing commitment to support renewable energy

development. The Wyoming Wind Project will be the first major wind project involving Pacific Northwest utilities to move to the construction phase. It will test wind energy's ability to be a reliable, economical and environmentally acceptable resource. It will also demonstrate a wind turbine's ability to operate efficiently in a cold weather environment. PacifiCorp and EWEB will purchase the wind turbine project under a turnkey development arrangement with SeaWest and Tomen Power Corp., the project developers. PacifiCorp will take 47 percent of the output, EWEB 16 percent. The project is on a fast-track schedule to achieve commercial operation by summer 1999. Construction is scheduled to begin in August, with the facility becoming fully operational by the end of 1998 or early 1999. The developer will install 69 Mitsubishi 600-kilowatt turbines at Foote Creek Rim. A ground breaking ceremony is planned for late September.

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BPA makes changes to protect fish

On July 25, BPA asked the U.S. Army Corps of Engineers to take two generator units at Bonneville Dam out of service resulting in a loss of approximately 200 megawatts of power at least through August. The cutback is designed to facilitate work at the dam's second powerhouse where adult fish have been trapped because of problems in the fish passage system caused by heavy debris from high stream flows in the spring. The power cutback also will reduce the amount of power that can be moved on the intertie by up to 300 megawatts. The intertie is the large transmission network that moves power to the Southwest. BPA expects to voluntarily lose just under a million dollars from sales on the intertie, as well as approximately \$2 million from lost generation at the dam. BPA is committed to doing all the agency can to help fish. BPA is working with the Corps of Engineers, National Marine Fisheries Service, Northwest tribes and other fish interests in a coordinated effort to minimize the impacts to fish created by the fishway problem.

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Transition Board update - BPA cost management group announced

The Transition Board met on July 14 to continue discussions to implement the recommendations of the Comprehensive Review of the Northwest Energy System. The board's staff is working on a background paper to see how transition costs and recovery mechanisms in other parts of the country compare with BPA and the Northwest. The board also addressed BPA's cost-cutting review for the period from 2001 through 2006. BPA and the board worked together to create a cost management group to ensure that BPA achieves a rate of 2 cents in 2000. Members of the cost management group are Chuck Collins, chair of the Comprehensive Review of the Northwest Energy System; William Vititoe, retired CEO of Washington Energy Co.; Rosemary Mattick, vice president of procurement and supply management for Weyerhaeuser Co.; Robert J. Lane, president of corporate banking for U.S. Bancorp; Curtis Bostick, a Florida personal investment manager with experience in a cost-cutting review of Florida's health care system; Sue Hickey, BPA's chief operating officer and John Etchart, chair of the Transition Board. The group is expected to prepare a report by mid-October with final recommendations by December.

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Tribal utility conference planned for late August in Spokane

Bonneville will co-sponsor an energy conference for 49 Northwest tribes in Spokane on August 27 and 28. The tribes are seeking a better understanding of electric industry restructuring and to learn about potential business opportunities in the industry. Other co-sponsors include the Bureau of Indian Affairs, the Affiliated Tribes of the Northwest, Seattle Northwest Securities, several non-profit organizations and several utilities. BPA's Deputy Administrator Jack Robertson will speak at the conference. Potential speakers include representatives from the Western Area Power Administration, several tribes that run their own utilities (Crow, Blackfeet, Navajo, Flathead and others), the Council of Energy Resource Tribes and national energy experts.

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Why was BPA created?

BPA was created in 1937 to market power from the Bonneville Dam on the Columbia River. A year later BPA built its first transmission line from Bonneville Dam to the City of Cascade Locks, the agency's first customer. The federal government began building dams on the Columbia River to reduce electric rates, stimulate increased use of power and encourage competition through the healthy growth of electric cooperatives and public utilities. On average, BPA wholesale power allowed its first utility customers to reduce rates for their residential customers by half. In the next three decades, as more federal dams were built on the Columbia River and its tributaries, Congress authorized BPA to sell and deliver power from those dams and to build power lines through isolated areas that would bring electricity to rural homes and farms. Within five years, 75 percent of farms in Oregon and Washington had electricity for the first time. Under BPA's preference rate, the cost of power is the same regardless of the distance of customers are from the dams. This rate has made electric power affordable to people in rural areas. BPA now markets power from 29 federal dams on the Columbia and Snake rivers. The dams are owned and operated by the U.S. Army Corps of Engineers and the Bureau of Reclamation. BPA continues to provide public benefits by funding a regional fish and wildlife program and by supporting renewable resources and energy conservation through existing contracts and through the Northwest Energy Efficiency Alliance. BPA will celebrate its 60th anniversary on Aug. 20. Oregon Gov. John Kitzhaber has proclaimed the month of August as Columbia River Power System Month.

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Scientists evaluate fish program

The Independent Scientific Review Panel recently released its first annual report, which included 35 recommendations for the Northwest Power Planning Council's Columbia River Basin Fish and Wildlife Program. The scientists noted a discrepancy between the projects that are funded and the intent and priorities of the council's plan. A major discrepancy concerned hatcheries. The scientists said the council should not approve funding for construction and operation of new hatcheries for salmon until it has first completed a review of existing hatchery programs. The scientists expressed concern with investing in new hatcheries in view of the findings of previous scientific panels that recommended more evaluation before building new hatcheries.

The scientists were approved by the National Research Council and appointed by the Northwest Power Planning Council as directed in the 1996 amendment to the Northwest Power Act. The report provides a scientific analysis of the council's fish and wildlife program, and the council is obligated to explain in writing if it chooses not to implement any of the panel's recommendations. The council's recommendations carry great weight, since BPA is guided by them in implementing fish and wildlife

projects in the Columbia River Basin.

The scientists were unequivocal in recommending a quantitative evaluation of assumptions about the relationship between flow and fish survival. “As immensely important as they are,” the panel’s report says, “neither the physical nor biological assumptions related to flow augmentation are being adequately tested by any project funded by the Fish and Wildlife Program or by any other agency in the Columbia River Basin.”

A public comment period on the panel’s report and project proposals will be held through Aug. 26. The council plans to recommend projects for funding by Sept. 15. The panel’s report is available by calling the NWPPC at 1-800-222-3355.

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Public Involvement

Status Reports

BPA/Lower Valley Transmission Project. Idaho and Wyoming — To resolve a voltage stability problem in the Jackson and Afton, Wyo. areas; new 115-kV line proposed on existing right-of-way where possible. The draft EIS (#2984) is available. Call to receive a copy. See Close of Comment.

Bonneville-Hood River Vegetation Management EA. Oregon — To control vegetation on the 115-kV transmission line right-of-way between Bonneville Dam and Hood River in the Columbia Gorge Scenic Area. The Forest Service is a partner in developing the EA. Call to be added to the mail list.

Business Plan EIS, Pre-Subscription, Post 2001 Contracts. Region-wide — BPA has decided to enter into a limited number of power sales contracts beyond 2001 in advance of the subscription process. The ROD is available. Call to receive a copy.

Columbia River System Operation Review EIS, Pacific Northwest Coordination Agreement. Region-wide — BPA has decided that the 1964 agreement should be revised and retained. The ROD is available. Call to receive a copy.

Columbia Windfarm #1. Washington — The final EIS (#2682) is available. Call to receive a copy.

Four Mile Hill Geothermal Project EIS (Calpine). Northern California — A geothermal power plant and about 24 miles of new transmission line have been proposed on Forest Service land in the Klamath and Modoc Forests. The Bureau of Land Management has the lead. BPA is a cooperating agency. The draft EIS is available. Call to receive a copy. See Calendar of Events and Close of Comment.

Grande Ronde River Spring Chinook Project. Oregon — Captive broodstock program. This project is being re-evaluated.

Methow Valley Irrigation District EA. Northern Washington — A proposal to convert the open canal irrigation system to pressurized pipes and wells. The EA is being finalized.

Nez Perce Tribal Hatchery EIS. Idaho — Supplementation of anadromous salmonids. The final EIS

(#2989) is available. Call to receive a copy.

Northwest Regional Power Facility. Washington — To construct a combustion turbine near Creston. The final EIS (#2887) is available. Call to receive a copy.

Telephone Flats Geothermal Project EIS (Calenergy). Northern California — A geothermal power plant and about 21 miles of new transmission line have been proposed on Forest Service land in the Modoc Forest. The Bureau of Land Management has the lead. BPA is a cooperating agency. The draft EIS is being prepared. Call to be added to the mail list.

Upper Snake River Fish Culture Facility. Idaho — A proposal to purchase a tribal hatchery for redevelopment of Yellowstone cutthroat and redband trout. A preliminary EA will be available in August. Call to receive a copy.

Vegetation Management Program EIS. Region-wide — To develop principles for cost-effective, consistent, efficient and environmentally acceptable means of controlling vegetation to maintain a safe and reliable transmission system. The Forest Service and Bureau of Land Management are cooperating agencies.

Watershed Management Program. Region-wide — Guidelines for funding watershed improvement projects. The final EIS (#2994) is available. Call to receive a copy.

Wyoming Wind Plant ROD. Idaho — A small-scale wind power project to aid in research, development and operation of commercial wind plants. BPA decided to purchase a 15.32-MW share of normal capacity from the project. The ROD is available. Call to receive a copy.

Yakima River Basin Water Enhancement Project Programmatic EIS. Washington — The Bureau of Reclamation is taking the lead on this project. BPA is a cooperating agency. The draft programmatic EIS is being prepared. For further information or to receive a copy, contact John Tiedeman, BOR, at (509) 575-5848 ext. 238.

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Calendar of Events

Four Mile Hill Geothermal Project: Aug. 5, City Hall, Dorris, Calif; Aug. 6, Shilo Inn, Klamath Falls, Ore.; Aug. 7, Miners Inn Convention Center, Yreka, Calif. All meetings will be at 7 p.m.

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Close of Comment

BPA/Lower Valley Transmission Project: Aug. 12

Four Mile Hill Geothermal Project: Sept. 16

Acronyms:

EA: Environmental Assessment

EIS: Environmental Impact Statement
FONSI: Finding of No Significant Impact
NOI: Notice of Intent
ROD: Record of Decision

Visit the BPA home page at <http://www.bpa.gov>.
The *Journal* is available on the Internet at <http://www.bpa.gov/Corporate/KC/home/journal/>.

We welcome all comments from you at Journal-CKC, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208-3621 or enballa@bpa.gov.

For More Information or To Get Involved:

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Address comments to: P.O. Box 12999, Portland, OR 97212.

BPA Offices:

Boise - 208-334-9137

Missoula - 406-329-3060

Seattle - 206-216-4272

Spokane - 509-353-2515

Walla Walla - 509-527-6225

Washington, D.C. - 202-586-5640

Vancouver, Wash. - 360-418-8600

BPA Public Involvement, Internet, E-mail address: Comment@BPA.gov

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The *Journal* is edited by Nicia Balla, BPA Corporate Communications, enballa@bpa.gov.
The Public Involvement section is compiled by Jean Pennington, BPA Corporate Communications, japennington@bpa.gov.

The Web page version of the *Journal* is maintained by BPA Communications, intcomm@bpa.gov, Judy Tyson, BPA Communications, and Katie Leonard, keleonard@bpa.gov.
